

**RSPO PRINCIPLE AND CRITERIA –  
4<sup>th</sup> ANNUAL SURVEILLANCE ASSESSMENT  
Public Summary Report**

<b>PT. Indo Sepadan Jaya (PT. Inti Indosawit Subur)</b>
Client company Address: Jl. MH. Thamrin No 31 Jakarta 10230
Certification Unit: Tanjung Selamat Palm Oil Mill and its supply base
Location of Certification Unit: Village of Kampung Padang, Sub-District of Pangkatan, Labuhanbatu Regency North Sumatera Province, INDONESIA

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## Section 1: Scope of the Certification Assessment

1. Company Details			
<b>RSPO Membership Number</b>	1-0022-06-000-00	<b>Membership Approval Date</b>	6 <sup>th</sup> February 2006
<b>Parent Company Name</b>	PT. Inti Indosawit Subur		
<b>Address</b>	Jl. MH. Thamrin No 31 Jakarta 10230		
<b>Subsidiary (Certification Unit Name)</b>	PT. Indo Sepadan Jaya		
<b>Address</b>	Head Office: Jl. MH. Thamrin No 31 Jakarta 10230  Site Address: Village of Kampung Padang, Sub-District of Pangkatan, Labuhanbatu Regency North Sumatera Province, INDONESIA.		
<b>Contact Name</b>	Mr Ivan Novrizaldie		
<b>Website</b>	<a href="http://www.asianagri.com">www.asianagri.com</a>	<b>E-mail</b>	<a href="mailto:Ivan_novrizaldie@asianagri.com">Ivan_novrizaldie@asianagri.com</a>
<b>Telephone</b>	021 2301119	<b>Facsimile</b>	021 2301120

2. Certification Information			
<b>Certificate Number</b>	<b>RSPO 620704</b>	<b>Date of First Certification</b>	26 <sup>th</sup> May 2015
		<b>Certificate Start Date</b>	26 <sup>th</sup> May 2015
		<b>Certificate Expiry Date</b>	25 <sup>th</sup> May 2020
<b>Scope of Certification</b>	Palm Oil and Palm Kernel Production of Tanjung Selamat Palm Oil Mill (PT. Indo Sepadan Jaya) supplied by two (2) Estates: <ul style="list-style-type: none"> <li>• Tanjung Selamat Estate (PT. Indo Sepadan Jaya)</li> <li>• Pangkatan Estate (PT. Rantau Sinar Karsa)</li> </ul> Mill capacity: 45 MT/Hour Supply Chain Model: Module E – CPO Mills: Mass Balance.		
<b>Applicable Standards</b>	RSPO P&C INA-NI September 2016; RSPO Certification System June 2017; RSPO Supply Chain Certification Standard June 2017; RSPO Supply Chain Certification System June 2017.		

3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
ID05/65250	ISO 14001:2015	SGS Indonesia	10 June 2020
EU-ISCC-Cert- DE100-27272018	ISCC	SGS Indonesia	07 July 2019
BSI-ISPO-619189	ISPO	BSI Indonesia	21 March 2024

4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS Coordinates (Note for Auditors: Deg °, Minutes ', Seconds " ; The format must be two decimal points) (Eg. 3° 51' 14.01" N)	
		Latitude	Longitude
Tanjung Selamat POM	Village of Kampung Padang, Sub-District of Pangkatan, Labuhanbatu Regency, North Sumatera Province, Indonesia	02° 07' 39.72" N	100° 00' 8.82" E
Tanjung Selamat Estate (PT. Indo Sepadan Jaya)	Village of Kampung Padang, Sub-District of Pangkatan, Labuhanbatu Regency, North Sumatera Province, Indonesia	02° 07' 49.49" N	100° 06' 14.71" E
Pangkalan Estate (PT. Rantau Sinar Karsa)	Village of Sennah, Sub-District of Pangkatan, Labuhanbatu Regency, North Sumatera Province, Indonesia	02° 11' 57.57" N	100° 00' 53.63" E

5. Description of Supply Base					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Tanjung Selamat Estate	3,858	6.57	36.75	3,901.32	98.89
Pangkalan Estate	3,640	110.91	585.09	4,336.00	83.95
<b>Total</b>	<b>7,498</b>	<b>117.48</b>	<b>621.84</b>	<b>8,237.32</b>	<b>91.42</b>

*Based on Area Statement February 2019*

6. Plantings & Cycle							
Estate	Age (Years)					Mature*	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Tanjung Selamat Estate	629	3,229	-	-	-	3,229	629

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Pangkalan Estate	2,250	659	-	38	693	1,390	2,250
<b>Total (ha)</b>	<b>2,879</b>	<b>3,888</b>	<b>-</b>	<b>38</b>	<b>693</b>	<b>4,619</b>	<b>2,879</b>

**Note:**

\*Only Mature area is considered as production area

### 7. Certified Tonnage of FFB (Own Certified Scope)

Estate	Tonnage / year		
	Estimated ( <i>Jan-Dec 2018</i> )	Actual ( <i>Mar2018 – Feb2019</i> )	Forecast ( <i>May2019 – Apr2020</i> )
Tanjung Selamat Estate	68,717	68,317.65	81,284
Pangkalan Estate	27,434	27,664.48	26,529
<b>Total</b>	<b>96,151</b>	<b>95,982.13</b>	<b>107,813</b>

**Note:** Certificate period 26 May 2018 – 25 May 2019. Data collected based on-site visit.

### 8. Certified Tonnage of FFB (from other certified unit(s)) if applicable \*

Estate	Tonnage / year		
	Estimated ( <i>key in period</i> )	Actual ( <i>key in period</i> )	Forecast ( <i>key in period</i> )
	N/A		N/A
<b>Total</b>			

**Note:**

### 9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable

Independent FFB Supplier	Tonnage / year		
	Estimated ( <i>Jan-Dec 2018</i> )	Actual ( <i>Mar2018 – Feb2019</i> )	Forecast ( <i>May2019 – Apr2020</i> )
3 <sup>rd</sup> Party Supplier	113,928	130,898.94	119,516
<b>Total</b>	<b>113,928</b>	<b>130,898.94</b>	<b>119,516</b>

**Note:** Certificate period 26 May 2018 – 25 May 2019. Data collected based on-site visit.

### 10. Certified Tonnage

Mill Capacity: 45 MT/hr	Estimated ( <i>Jan-Dec 2018</i> )	Actual ( <i>Mar2018 – Feb2019</i> )	Forecast ( <i>May2019 – Apr2020</i> )

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SCC Model: MB	FFB	FFB	FFB
	96,151	95,982.15	107,813
	CPO (OER: 18.69%)	CPO (OER: 18.58%)	CPO (OER: 18.80%)
	17,970.62	17,831.65	20,269
	PK (KER: 5.60%)	PK (KER: 4.96%)	PK (KER: 4.95%)
5,384.46	4,758.00	5,337	

**Note:** Certificate period 26 May 2018 – 25 May 2019. Data collected based on-site visit.

### 11. Actual Sold Volume (CPO)

	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
<b>CPO (MT)</b>	737.03	16,423.31	-	-	17,160.34

*Period: March 2018 – February 2019*

### 12. Actual Sold Volume (PK)

	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
<b>PK (MT)</b>	4,751.09	-	-	-	4,751.09

*Period: March 2018 – February 2019*

### 13. Actual Group certification Claims

	Credit	Physical Volume (MT)
<b>IS-CSPO</b>	-	-
<b>IS-CSPKO</b>	-	-
<b>IS-CSPKE</b>	-	-

## Section 2: Assessment Process

### Certification Body:

BSI Services Malaysia Sdn Bhd,  
(ASI Accreditation Number: ASI-ACC-067)  
Unit 3, Level 10, Tower A  
The Vertical Business Suites, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Tel +603 2242 4211 Fax +603 2242 4218  
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[www.bsigroup.com](http://www.bsigroup.com)

BSI is a leading global provider of management systems assessment and certification, with more than 80,000 certified locations and clients in over 180 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (ASI-ACC-067) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Jakarta and Australia which involve in RSPO Certification Program.

### 2.1 Assessment Methodology, Programme, Site Visits

The on-site annual surveillance assessment was conducted from **26-29 March 2019**. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The Major NC close out on-site assessment was conducted on **18 June 2019**. The audit programmes are included in Section 2.3.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO P&C INA-NI September 2016 and RSPO Supply Chain Certification Standard 2017 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. The mill was audited together with the estates (or smallholders) of its supply base.

- The minimum sample size is four estates. Sample size for certification unit with more than four (4) estates were determined based on formula  $N = (0.8\sqrt{y}) \times (z)$  where y is the number of estates and where z is the multiplier defined by risk assessment
- As for the smallholders, the sample were determined following the RSPO Management System Requirements and Guidance for Group Certification of FFB Production (2016). The sampling of smallholders were based on the formula  $(0.8\sqrt{y}) \times (z)$ ; where y is total number of independent group member and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix I.



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Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Section 3.5.

All the previous nonconformities are remains closed. The assessment findings for the initial assessment/annual surveillance assessment are detailed in Section 3.4.

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

For Initial and Re-certification assessment, the report was externally reviewed by RSPO approved Certification Reviewer prior to certification decision by BSI.

For Annual surveillance assessment, the report was internally reviewed and approved by BSI qualified certification reviewer.

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

<b>Assessment Program</b>					
<b>Name (Mill / Supply Base)</b>	<b>Year 1 (Certification)</b>	<b>Year 2 (ASA 1)</b>	<b>Year 3 (ASA 2)</b>	<b>Year 4 (ASA 4)</b>	<b>Year 5 (ASA 5)</b>
Tanjung Selamat POM	X	X	X	X	X
Tanjung Selamat Estate	X	X	X	X	X
Pangkalan Estate	X	X	X	X	X

**Tentative Date of Next Visit: March 2, 2020 - March 5, 2020**

**Total No. of Mandays: 12**

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**2.2 BSI Assessment Team:**

<b>Team Member Name</b>	<b>Role</b> <i>(Team Leader or Team member)</i>	<b>Qualifications</b> <i>(Short description of the team members)</i>
Yudwi Wisnu Rahmanto (YWR)	Team Leader	Bachelor of Forestry, University of Gadjah Mada graduated in 2006. He worked at Certification Body as an Auditor for last 9 years and has involved in auditing activities with various certification schemes. Selected training which have been followed, such as RSPO Endorsed Lead Auditor Training Course, RSPO NEXT, ISPO Auditor/Lead Auditor Course, Quality Management System (QMS) ISO 9001:2015 Auditor/Lead Auditor Course, GIS-Basic Mapping and Spatial Analysis, Timber Legality Assurance System (SVLK), Verification Organization Training C.A.F.E Practices (Starbucks), UTZ Programme and others internal training programs. He has involved in auditing activities, such as Sustainable Forest Management by FSC FM/COC Scheme, Sustainable Palm Oil by RSPO and ISPO Scheme, Coffee And Farmer Equity (C.A.F.E Practices) Starbucks, Organic Standard (EU, NOP, JAS) for Coffee Farmers and Organic Exchange for Textile. During the assessment he assigned to verify legal and land dispute aspects.
Edi Widodo (EW)	Team Member	Edy Widodo graduated as bachelor of the Faculty of Agriculture, Department of Agricultural Technology, University of Padjadjaran, Bandung. Earlier he worked as an Assistant Estates Manager in PT SMART Tbk. (1999 to 2005). He is the Lead Auditor for ISO 9001: 2008. He has working experience in the industrial sector and audit Plantation and also the processing industry and agricultural mechanization. He also the ISPO auditor who has obtained a certificate from the ISPO Commission, Ministry of Agriculture of Indonesia, on February 2013. He had got a certificate of training on Understanding ISO 14001: 2004 & Auditing ISO 14001: 2004 in 2013. He also had joined RSPO P&C training (2013) and also Course RSPO Lead Auditor 2016 - RSPO Endorsed RSPO Supply Chain Certification Training Course on April 2016. During this assessment, he assessed on the aspects of transparency, social, labor and stakeholder consultation
Mujinius Jalaraya (MJ)	Team Member	He hold Bachelor degree from Faculty of Forestry, Bogor Agricultural University (IPB) in 2008, Majoring in Forest Resources Conservation and Ecotourism. He has working experience in palm oil plantations as SHE Assistant at PT. Astra Agro Lestari Tbk in 2008 - 2012 and as Supervisor Sustainability at Teladan Prima Group in 2012 – 2014. He involved in RSPO certification since 2014 as a team member subsequently as a Lead Auditor. He has completed the training, such as: Lead Auditor ISO 9001: 2008 course, Lead Auditor ISPO course, Lead Auditor RSPO endorsed course, RSPO SCCS Lead Auditor endorsed course, HCV Identification and management, Internal Auditor ISO 14001: 2004 Training, Training for Trainers, OHS Expert Training, etc. He is fluently speaking in English and Bahasa Indonesia. During this assessment, he assessed on the aspects of Environmental and HCV management.

**Accompanying Persons: None**

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**2.3 Assessment Plan**

The Assessment plan was sent to the client prior to the assessment (attached assessment plan).

Date	Time	Subjects	YWR	MJ	EW
			PRSP0-LA	PRSP0-LA/ PRSP0-DHS/EMS	PRSP0-T OHS/EMS/SA
Monday, 25/03/2019	05.35 – 08.00	Flight Jakarta – Kualanamu (GA180)	√	√	√
	08.30 – 18.30	Traveling (Kualanamu to Tanjung Selamat POM)	√	√	√
Tuesday, 26/03/2019	08.00 – 09.00	Opening meeting <ul style="list-style-type: none"> <li>• Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</li> <li>• Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li> <li>• Verification of Basic Information (Mill and supply bases)</li> <li>• Review of previous assessment findings.</li> </ul>	√		
			√		
			√		
	09.00 –	Interview with Stakeholders (statutory bodies) <b>by phone</b> : <ul style="list-style-type: none"> <li>- Environmental Agency of Labuhan Batu Regency</li> <li>- Labour Agency (Disnakertrans) of Labuhan Batu Regency</li> <li>- National Land Agency (Kantor Pertanahan) of Labuhan Batu Regency</li> <li>- Plantation Agency (Disbun) of Labuhan Batu Regency</li> </ul>			√ √ √ √
	09.00 – 12.00	Field visit to <b>Tanjung Selamat Estate</b> : <ul style="list-style-type: none"> <li>• Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>• Implementation of Environmental, Conservation and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management, HCV Area)</li> <li>• Implementation of Occupational Health &amp; Safety Aspect</li> <li>• Implementation of Legal Aspect (Land Ownership, Legal Boundaries)</li> </ul>	√ √	√	√
	12.00 – 14.00	Lunch Break	√	√	√

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			PRSP0-LA	PRSP0-LA/ PRSP0-OHS/EMS	PRSP0-T OHS/EMS/SA
	14.00 – 17.00	<ul style="list-style-type: none"> <li>- Continued field visit to <b>Tanjung Selamat Estate</b> (if necessary)</li> <li>- Consultation with internal stakeholders (gender committee, labor union), local contractor (if any)</li> <li>- Completing checklist and document verification</li> </ul>	√	√	√
Wednesday, 27/03/2019	08.00 – 12.00	Field visit to <b>Pangkalan Estate</b> : <ul style="list-style-type: none"> <li>• Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>• Implementation of Environmental, Conservation and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management, HCV Area)</li> <li>• Implementation of Occupational Health &amp; Safety Aspect</li> <li>• Implementation of Legal Aspect (Land Ownership, Legal Boundaries)</li> <li>• Consultation with internal stakeholders: Gender Committee, Labour Union, local contractor (if any)</li> </ul>	√	√	√
	12.00 – 14.00	Lunch Break	√	√	√
	14.00 – 17.00	<ul style="list-style-type: none"> <li>• Continued Field Visit (if necessary)</li> <li>• Verification of field visit and completing checklist</li> <li>• Consultation with internal stakeholders (gender committee, labor union), local contractor (if any)</li> </ul>	√	√	√
	14.00 – 17.00	<ul style="list-style-type: none"> <li>• Continued Field Observation (if any)</li> <li>• Verification of field visit and completing checklist</li> </ul>	√	√	√
Thursday, 28/03/2019	08.00 – 12.00	Field visit to <b>Tanjung Selamat POM</b> : <ul style="list-style-type: none"> <li>• BMP for Mill Processing – site visit</li> <li>• Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, Processing Activities)</li> <li>• Implementation of Environmental and Waste Management Aspect (POME Pond, Empty Bunch Area, Reservoir/Intake Point, Biogas Plant – if any)</li> </ul>	√	√	√
	12.00 – 14.00	Lunch Break	√	√	√
	14.00 – 17.00	<ul style="list-style-type: none"> <li>• Continued Field Observation (if any)</li> <li>• Verification of field visit and completing checklist</li> </ul>	√	√	√
	14.00 – 17.00	<ul style="list-style-type: none"> <li>• Continued Field Observation (if any)</li> <li>• Verification of field visit and completing checklist</li> </ul>	√	√	√

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			PRSP0-LA	PRSP0-LA/ PRSP0-OHS/EMS	PRSP0-T OHS/EMS/SA
Friday, 29/03/2019	08.00 – 11.00	<ul style="list-style-type: none"> <li>Document review Mill &amp; Estates</li> <li>Consultation with external stakeholders: surrounding local communities.</li> </ul>	√		√
		Supply Chain for CPO Mill (site visit) - FFB Receiving, Weighbridge, Dispatch CPO.		√	
	11.00 – 13.00	<ul style="list-style-type: none"> <li>Lunch break</li> </ul>	√	√	√
	13.00 -15.00	Document Review Supply Chain for CPO Mill.		√	
	15.00 – 16.00	Report preparation	√		
	16.00 – 17.00	Closing Meeting <ul style="list-style-type: none"> <li>Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion)</li> <li>Comments, Responses and Questions</li> </ul>	√	√	√
	17.00 –	<ul style="list-style-type: none"> <li>Traveling to Kualanamu</li> </ul>	√	√	√
Saturday, 30/03/2019	09.00 – 11.25	Return flight Kualanamu to Jakarta GA 183	√	√	√

### Section 3: Assessment Findings

#### 3.1 Normative requirement applied for this assessment:

- PT. Indo Sepadan Jaya – Tanjung Selamat POM Multiple Management Units / Time Bound Plan
- RSPO P&C 2013 Generic
- RSPO Group Certification Standard 2016
- RSPO Supply Chain Certification Standard 2017
- RSPO P&C GA-NIWG 2017
- RSPO P&C INA-NIWG 2016
- RSPO P&C MY-NIWG 2014
- RSPO P&C PNG-NIWG 2017

#### 3.2 Time Bound Plan progress for multiple management units

Time Bound Plan		
Requirement	Remarks	Compliance
Does the plan include all current subsidiaries, estates and mills?	PT. Inti Indosawit Subur – Asian Agri Group has explained the certification plan for all of its subsidiaries; indicating all palm oil mills, company-owned estates and scheme smallholder as the supply base.	Comply
Have all the estates and mills certified within five years after obtaining RSPO membership?	Based on Time Bound Plan revising in December 2018, Segati Mill (PT Mitra Unggul Pusaka) located in Pelalawan, Riau postponed to Re-Audit in year 2020. Status of RaCP and relevant issues are still in progress and waiting for RSPO feedback.	Comply
Have there been any new acquisitions? If yes, the new acquisitions shall be certified within three-year from the date of acquisition. Certification plan for the new acquisition shall be available.	No new acquisition.	Comply
Have there been any changes to the time-bound plan since the last audit (both new acquisition and existing)? If yes, justification is required. Is this consistent with the ACOP reporting?	There is no changes from previous audit	Comply
Have there been any isolated lapses in implementation of the plan? If yes a <b>Minor</b> non-compliance shall be raised	No	Comply
Have there been any fundamental failure (e.g. unable to justify delay in planning the assessments) to proceed with implementation of	No	Comply

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the plan? If yes a <b>Major</b> non-compliance shall be raised		
Have there been any stakeholder comments?	Yes, stakeholder comment is presented within this report.	Comply
<b>Un-Certified Units or Holdings</b>		
No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO P&amp;C criterion 7.3.</li> </ul>	Based on Time Bound Plan revising in December 2018, Segati Mill (PT Mitra Unggul Pusaka) located in Pelalawan, Riau postponed to Re-Audit in year 2020. Status of RaCP and relevant issues are still in progress and waiting for RSPO feedback.	Comply
Any new plantings since January 1 <sup>st</sup> 2010 shall comply with the RSPO New Plantings Procedure.	Based on Time Bound Plan revising in December 2018, Segati Mill (PT Mitra Unggul Pusaka) located in Pelalawan, Riau postponed to Re-Audit in year 2020. Status of RaCP and relevant issues are still in progress and waiting for RSPO feedback.	Comply
Any Land conflicts are being resolved through a mutually agreed process, such as RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6. The RSPO RaCP tracker shall be checked to confirm for any land conflicts/Liabilities <a href="https://www.rspo.org/certification/remediation-and-compensation/racp-tracker">https://www.rspo.org/certification/remediation-and-compensation/racp-tracker</a> . The progress on the Liabilities shall be verified and reported.	Based on Time Bound Plan revising in December 2018, Segati Mill (PT Mitra Unggul Pusaka) located in Pelalawan, Riau postponed to Re-Audit in year 2020. Status of RaCP and relevant issues are still in progress and waiting for RSPO feedback.	Comply
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3.	Based on Time Bound Plan revising in December 2018, Segati Mill (PT Mitra Unggul Pusaka) located in Pelalawan, Riau postponed to Re-Audit in year 2020. Status of RaCP and relevant issues are still in progress and waiting for RSPO feedback.	Comply
Any Legal non- compliance is being addressed through measures consistent with the requirements of RSPO P&C criteria 2.1	Based on Time Bound Plan revising in December 2018, Segati Mill (PT Mitra Unggul Pusaka) located in Pelalawan, Riau postponed to Re-Audit in year 2020. Status of RaCP and relevant issues are still in progress and waiting for RSPO feedback.	Comply
Did the company conduct internal audit against the uncertified management units requirement? If yes, a positive assurance statement shall be available.	PT. Mitra Unggul Pusaka did an internal audit on 26-29 March 2019 in three uncertified unit. The positive assurance statement already informed to BSI Indonesia through email dated 19 <sup>th</sup> July 2019.	Comply

**3.3 Progress of scheme smallholders and/or**

Progress of scheme smallholders or outgrowers towards compliance with relevant standards		
Requirement	Remarks	Compliance
Has 100% of scheme smallholders and/or scheme outgrowers comply with the standard within three years of the mill's initial certification?  OFI shall be raised if after one year where 100% of the scheme smallholders and scheme outgrowers are not in compliance, a minor NC after two years, and a major NC if this requirement is not met after three years.	N/A	

**3.4 Details of findings**

The nonconformity is listed below. The summary report of the assessment by criteria is listed in Appendix A.

During the 4<sup>th</sup> Annual Surveillance Assessment (ASA-4) there were **Two Major** nonconformities raised. The PT. Indo Sepadan Jaya – Tanjung Selamat POM Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Major Nonconformities has been verified for its effectiveness and closed accordingly.

Summary of Total Number of Nonconformity			
Nonconformity			
<b>NCR Ref #</b>	1756144-201903-M1	<b>Clause &amp; Category (Major / Minor)</b>	<b>MAJOR 5.3.2</b>
<b>Date Issued</b>	<b>29<sup>th</sup> March 2019</b>	<b>Due Date</b>	<b>28<sup>th</sup> June 2019</b>
<b>Closed (Yes / No)</b>	<b>Yes</b>	<b>Date of nonconformity Closure</b>	<b>18<sup>th</sup> June 2019</b>
<b>Statement of Nonconformity:</b>	Fertilizer inner bag waste and Hazardous waste are not disposed of responsibly by Certificate Holder.		
<b>Requirement Reference:</b>	There shall be evidence that all chemicals and their empty containers are disposed of responsibly.		
<b>Objective Evidence:</b>	During field observation at fertilizer storage complex near worker housing complex Afdeling 1&2 Pangkatan Estate, auditor team found that fertilizer inner bag waste and hazardous waste are not placed and disposed responsibly. As follow:		



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	<p>1) Fertilizer inner bag stacked in open area.</p> <p>2) Oil filter disposed scattered in front yard of storage.</p>		
<b>Corrections:</b>	<p>1. Collect the fertilizer inner bag waste and place in central warehouse.</p> <p>2. Collect the oil filter and placed in Hazardous Waste storage and recorded in the logbook.</p>		
<b>Root Cause Analysis:</b>	<p>Less monitoring and supervising on Hazardous waste handling.</p>		
<b>Corrective Actions:</b>	<p>1. Optimization on supervising of all fertilizer inner bag and hazardous waste management to the workers following the company procedure.</p> <p>2. Monitoring and periodical inspection to all area relating hazardous waste management.</p>		
<b>Assessment Conclusion:</b>	<p>NC Closure Visit on 18<sup>th</sup> June 2019</p> <p>1. During field visit at used polybag and rags storage at central warehouse, all the fertilizer inner bag are placed at this area.</p> <p>2. Oil filter already placed in Hazardous Waste storage and recorded in Logbook. All hazardous waste already taken by permitted transporter (PT. Indo Star Cargo) and sent to collector (PT. Sumatera Deli Lestari Indah) on 24 May 2019, with Manifest Doc. No. 0027943.</p> <p>According to the evidence provided and field verification, the corrective action made is effectively implemented. Therefore, auditor concludes this Non-Conformity is Closed.</p>		
<b>NCR Ref #</b>	1756144-201903-M2	<b>Clause &amp; Category (Major / Minor)</b>	<b>MAJOR 5.6.2</b>
<b>Date Issued</b>	<b>29<sup>th</sup> March 2019</b>	<b>Due Date</b>	<b>28<sup>th</sup> June 2019</b>
<b>Closed (Yes / No)</b>	<b>Yes</b>	<b>Date of nonconformity Closure</b>	<b>18<sup>th</sup> June 2019</b>
<b>Statement of Nonconformity:</b>	<p>Certificate Holder has not implementing action to minimize impact of significant pollutant from all activities.</p>		
<b>Requirement Reference:</b>	<p>Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plan to reduce or minimize them implemented.</p>		
<b>Objective Evidence:</b>	<p>During field observation at fertilizer storage complex near worker housing complex Afdeling 1&amp;2 Pangkatan Estate, auditor team found that Diesel fuel was spillage and contaminate to soil by the replanting contractor.</p>		
<b>Corrections:</b>	<p>1. Taking the contaminated soil and collected in Hazardous Waste Storage.</p> <p>2. Place the oil proof layer and pallet pad below the fuel (diesel) drum.</p> <p>3. Create the oil containment from iron/solid plate when taking a fuel to small container.</p>		

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	4. Place the fire extinguisher near the fuel collection area and the signboard.
<b>Root Cause Analysis:</b>	No adequate pallet pad to place fuel (diesel) drum, then during taking of fuel there was spill and contaminating soil.
<b>Corrective Actions:</b>	1. Briefing routinely to person or contractor related handling of fuel spillage. 2. Put the company procedure relating fuel management by contractor. 3. Optimization on supervising to contractor.
<b>Assessment Conclusion:</b>	NC Closure Visit on 18 <sup>th</sup> June 2019 During field visit at front yard of fertilizer storage in Afdeling 1&2 Pangkatan Estate, Diesel fuel are place appropriately. According to the evidence provided and field verification, the corrective action made is effectively implemented. Therefore, auditor concludes this Non-Conformity is Closed.

Opportunity for Improvements	
OFI #	Description
OFI 1	None

Positive Findings	
PF #	Description
PF 1	Construction of Biogas Plant to reduce fossil fuel and GHG emission

**3.4.1 Status of Nonconformities Previously Identified and Observations**

Non-Conformity			
<b>NCR Ref #</b>	<b>1600992-201802-M1</b>	<b>Clause &amp; Category (Major / Minor)</b>	<b>MAJOR 1.1.2</b>
<b>Closed (Yes / No)</b>	<b>Yes</b>	<b>Date of nonconformity Closure</b>	<b>6<sup>th</sup> April 2018</b>
<b>Statement of Nonconformity:</b>	There is no evidence that information request from stakeholder has responded by PT Rantau Sinar Karsa - Pangkatan Estate and PT Indo Sepadan Jaya - Tanjung Selamat Mill		
<b>Requirement Reference:</b>	Records of requests for information and responses to the information requested shall be available.		
<b>Objective Evidence:</b>	Based on interview and document verification of record of information request: - Dated 14 September 2017 from Disnakertrans in Pangkatan Estate; regarding call for mediation hearing; - On 27 November 2017 from PUK SPSI in Tanjung		

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	Selamat Mill, regarding Request for Bipartite to fill out PKB article XIV paragraph 2 and request acceleration of negotiation with PD FSPP-SPSI North Sumatra. However there is no feedback and responses made by PT Rantau Sinar Karsa - Pangkatan Estate and PT Indo Sepadan Jaya - Tanjung Selamat Mill for the information request.
<b>Corrective Actions:</b>	Update the logbook of information request and its response accordingly and kept the archive of incoming and outgoing letters. Company has updated the logbook and kept the archive of incoming and outgoing letters by Kerani.
<b>Assessment Conclusion:</b>	Audit team has reviewed the root cause analysis, correction and corrective action plan submitted by PT Indo Sepadan Jaya - Tanjung Selamat Mill. Audit team accepted the correction and corrective action plan, audit team has reviewed the effectiveness of corrective action taken during NCR Close out Visit and found that NC were effectively addressed by company. The status of NC is CLOSED.

Non-Conformity			
<b>NCR Ref #</b>	<b>1600992-201802-M2</b>	<b>Clause &amp; Category (Major / Minor)</b>	<b>MAJOR 4.6.11</b>
<b>Closed (Yes / No)</b>	<b>Yes</b>	<b>Date of nonconformity Closure</b>	<b>6<sup>th</sup> April 2018</b>
<b>Statement of Nonconformity:</b>	Company has not consistently performed the medical examination and followed up the medical examination result.		
<b>Requirement Reference:</b>	Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available.		
<b>Objective Evidence:</b>	PT Rantau Sinar Karsa has performed annual medical examination on August 2017 for 134 workers of pesticide and fertilizer operators, follow-up treatment of medical results also available. However there is no record of follow-up treatment against 11 workers whose indicated leukosit/eritrosit in complete blood checked and completed urine checked.		
<b>Corrective Actions:</b>	To follow up on the results of a medical examination if there are employees who are indicated to be abnormal and undergo further investigation or medical treatment.		
<b>Assessment Conclusion:</b>	Audit team has reviewed the root cause analysis, correction and corrective action plan submitted by PT Indo Sepadan Jaya - Tanjung Selamat Mill. Audit team accepted the correction and corrective action plan, audit team has reviewed the effectiveness of corrective action taken during NCR Close out Visit and found that NC were effectively addressed by company. The status of NC is CLOSED.		

Non-Conformity			
<b>NCR Ref #</b>	<b>1600992-201802-M3</b>	<b>Clause &amp; Category (Major / Minor)</b>	<b>MAJOR 4.7.2</b>
<b>Closed (Yes / No)</b>	<b>Yes</b>	<b>Date of nonconformity Closure</b>	<b>6<sup>th</sup> April 2018</b>
<b>Statement of Nonconformity:</b>	During audit, found that Tanjung Selamat POM was not consistently performed risk assessment in several areas of POM operation.		
<b>Requirement Reference:</b>	A documented risk assessment shall be available and its implementation shall be recorded.		
<b>Objective Evidence:</b>	Tanjung Selamat POM has a documented risk assessment updated on March 2017. However the risk assessment was not covered in several areas such as:		

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	Incenerator operation, Contractor activity (Methane capture development contractor), CPO dispatch and sounding activity.
<b>Corrective Actions:</b>	Monitoring the risk assessment activity and document accordingly. Company has monitor and update the risk assessment activity and document accordingly on 29 March 2018.
<b>Assessment Conclusion:</b>	Audit team has reviewed the root cause analysis, correction and corrective action plan submitted by PT Indo Sepadan Jaya - Tanjung Selamat Mill. Audit team accepted the correction and corrective action plan, audit team has review the effectiveness of corrective action taken during NCR Close out Visit and found that NC were effectively addressed by company. The status of NC is CLOSED.

Non-Conformity			
<b>NCR Ref #</b>	<b>1600992-201802-M4</b>	<b>Clause &amp; Category (Major / Minor)</b>	<b>MAJOR 4.7.4</b>
<b>Closed (Yes / No)</b>	<b>Yes</b>	<b>Date of nonconformity Closure</b>	<b>6<sup>th</sup> April 2018</b>
<b>Statement of Nonconformity:</b>	There is no approved safety comitte and OHS expert who responsible for occupational health and safety in Tanjung Selamat POM. In addition there is no evidence that regular meeting of safety committee has performed on health and safety issues.		
<b>Requirement Reference:</b>	The responsible person(s) for occupational health and safety shall be identified and there shall be records of periodical meetings on health and safety issues.		
<b>Objective Evidence:</b>	<ul style="list-style-type: none"> <li>• P2K3 (Safety committee) in Tanjung Selamat POM has not formed yet and there is no OHS expert assigned in P2K3 organization;</li> <li>• OHS expert in Tanjung Selamat Estate was not assigned as secretary of P2K3 (Safety Committee) and the chairman of P2K3 has been change however there is no revised of P2K3 structure and endorsed by Disnakertrans Kab. Labuhan Batu.</li> </ul>		
<b>Corrective Actions:</b>	To update and renewal the safety committee (P2K3) immediately according to the latest organisation structure.		
<b>Assessment Conclusion:</b>	Audit team has reviewed the root cause analysis, correction and corrective action plan submitted by PT Indo Sepadan Jaya - Tanjung Selamat Mill. Audit team accepted the correction and corrective action plan, audit team has review the effectiveness of corrective action taken during NCR Close out Visit and found that NC were effectively addressed by company. The status of NC is CLOSED.		

Non-Conformity			
<b>NCR Ref #</b>	<b>1600992-201802-M5</b>	<b>Clause &amp; Category (Major / Minor)</b>	<b>MAJOR 4.7.5</b>
<b>Closed (Yes / No)</b>	<b>Yes</b>	<b>Date of nonconformity Closure</b>	<b>6<sup>th</sup> April 2018</b>
<b>Statement of Nonconformity:</b>	Company was not consistently applied the emergency response procedure/standard.		
<b>Requirement Reference:</b>	A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas.		
<b>Objective Evidence:</b>	<ul style="list-style-type: none"> <li>• There is no regular emergency response drill performed by Emergency response team in Pangkatan Estate and Tanjung Selamat POM</li> </ul>		

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	<ul style="list-style-type: none"> <li>• During field visit in Tanjung Selamat POM, it was found that Hydrant installation near to Workshop area is in broken condition and leaking.</li> <li>• During field visit in Tanjung Selamat POM, its found that in TPS LB3 emergency washer and eye wash was not proper function, there is no water flow when shower/tap opened.</li> </ul>
<b>Corrective Actions:</b>	<ul style="list-style-type: none"> <li>- To conducted emergency response drill and fire mitigation simulation minimum once a year. Latest emergency response drill has been performed on 10 March 2018.</li> <li>- Monitoring the Hydrant installation and performed Hydrant test regularly each month. Company has checking the Hydrant installation each month and performed the Hydrant test during checking. Latest checking conducted on first week of April 2018. Monitoring result indicated that Hydrant installation was in good condition. Company also has appointed person in charge who responsible for monitoring of Hydrant installation and emergency equipment in Tanjung Selamat Palm Oil Mill. PIC is Maruwas Tambunan (Laboratory head) according to Memorandum Nomor: 006/ML-PTS/INT/III/2018 datd 5 March 2018.</li> <li>- Monitoring regularly the emergency washer and eye wash in TPS LB3 area by the PIC. Company has appointed person in charge who responsible for monitoring of emergency equipment including emergency washer and eye wash in TPS LB3. The PIC is Maruwas Tambunan (Laboratory head).</li> </ul>
<b>Assessment Conclusion:</b>	Audit team has reviewed the root cause analysis, correction and corrective action plan submitted by PT Indo Sepadan Jaya - Tanjung Selamat Mill. Audit team accepted the correction and corrective action plan, audit team has review the effectiveness of corrective action taken during NCR Close out Visit and found that NC were effectively addressed by company. The status of NC is CLOSED.

Non-Conformity			
<b>NCR Ref #</b>	<b>1600992-201802-M6</b>	<b>Clause &amp; Category (Major / Minor)</b>	<b>MAJOR 6.1.4</b>
<b>Closed (Yes / No)</b>	<b>Yes</b>	<b>Date of nonconformity Closure</b>	<b>6<sup>th</sup> April 2018</b>
<b>Statement of Nonconformity:</b>	Company has performed the review of SEIA document however, the review was not relevant and not covered all social impact in current condition.		
<b>Requirement Reference:</b>	The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.		
<b>Objective Evidence:</b>	The Company has reviewed the SIA in January 2018 and recorded in "Review Efektivitas SIA PT Indo Sepadan Jaya (Tanjung Selamat Estate dan Mill) dan PT Rantau Sinar Karsa (Pangkalan Estate)". In the Review document only discusses of CSR program. While based on the report of identification and monitoring of social impact (SEIA), there is some activity on the plantations, for example: replanting activities in Tanjung Selamat and Pangkatan Estate area of 3855 Ha and also there is "Kemitraan" scheme (Koperasi Konsumen Anugerah Jaya Mandiri Sejahtera and Koperasi Mandiri Tani Sejahtera) area of 1,122.1365 Ha, but not included in SEIA review (Review Efektivitas SIA PT Indo Sepadan Jaya dan PT Rantau Sinar Karsa). Plans for management and monitoring of social impacts was not covered social aspect in current condition such as: impact of		

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	replanting, plantation partnership with independent smallholder, labor recruitment.
<b>Corrective Actions:</b>	Conducted regular review of SIA Management and Monitoring Plan at minimum once each 2 years.
<b>Assessment Conclusion:</b>	Audit team has reviewed the root cause analysis, correction and corrective action plan submitted by PT Indo Sepadan Jaya - Tanjung Selamat Mill. Audit team accepted the correction and corrective action plan, audit team has review the effectiveness of corrective action taken during NCR Close out Visit and found that NC were effectively addressed by company. The status of NC is CLOSED.

Non-Conformity			
NCR Ref #	1600992-201802-M7	Clause & Category (Major / Minor)	Supply Chain – General CoC 5.7.2
Closed (Yes / No)	Yes	Date of nonconformity Closure	6 <sup>th</sup> April 2018
<b>Statement of Nonconformity:</b>	Audit Team found Lack of evidence that PT ISJ – Tanjung Selamat POM has done “Remove” in the RSPO IT Platform, this is not in line with the General Chain of Custody Requirements for the Supply Chain Clause 5.7.2.		
<b>Requirement Reference:</b>	The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform: <ul style="list-style-type: none"> <li>• Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement/Announcement is based on members' own standard operating procedures.</li> <li>• Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.</li> <li>• Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> <li>• Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements/Announcements.</li> </ul>		
<b>Objective Evidence:</b>	Based on document review (Book Keeping – Mass Balance Report) and interview with Tanjung Selamat POM personnel, PT ISJ – Tanjung Selamat POM has done sales of certified CPO as other certified scheme (ISCC) in January 2018, however there is no evidence that the company has done “Remove” in the RSPO IT Platform.		
<b>Corrective Actions:</b>	Coordinate with the Marketing Team and Logistics Team (JRO) in improving the announcement mechanism with time limits.		
<b>Assessment Conclusion:</b>	Audit team has reviewed the root cause analysis, correction and corrective action plan submitted by PT Indo Sepadan Jaya - Tanjung Selamat Mill. Audit team accepted the correction and corrective action plan, audit team has review the effectiveness of corrective action taken during NCR Close out Visit and found that NC were effectively addressed by company. The status of NC is CLOSED.		

**Non-Conformity**

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<b>NCR Ref #</b>	<b>1600992-201802-N1</b>	<b>Clause &amp; Category (Major / Minor)</b>	<b>Minor 2.1.3</b>
<b>Closed (Yes / No)</b>	<b>Yes</b>	<b>Date of nonconformity Closure</b>	<b>29<sup>th</sup> March 2019</b>
<b>Statement of Nonconformity:</b>	The company has not consistently implementing procedure of ensuring legal compliance, "Prosedur Pemenuhan Peraturan Perundang - undangan dan Perubahannya" (SOP AA-GL-5001.1-R0).		
<b>Requirement Reference:</b>	A mechanism for ensuring compliance shall be implemented.		
<b>Objective Evidence:</b>	Implementation of "Prosedur Pemenuhan Peraturan Perundang - undangan dan Perubahannya" (SOP AA-GL-5001.1-R0), dated 5 December 2009, related ensuring legal compliance is lacking during audit. The company has not identified and evaluated a number of relevant regulations, among others: <ul style="list-style-type: none"> <li>• Ministry of Agriculture Regulation No. 26/Permentan/OT.140/2/2017 article 9 verse 1, article 11 verse 1, article 34 and article 42 verse 1 regarding IUP (plantation permit).</li> <li>• Act No.39/2014 regarding Plantation.</li> <li>• Government Regulation No.101/2014 regarding Hazardous Waste Handling.</li> <li>• Ministry of Manpower Regulation No. 7/2013, regarding Minimum Wage.</li> <li>• Governor Regulation regarding Province Minimum Wage.</li> <li>• President Instruction No. 1/2013, regarding Action for Corruption Prevention and Eradication.</li> </ul>		
<b>Corrective Actions:</b>	Make a Memorandums for staff / KTU (As Public Relations) who are responsible for Updating Legal Compliance Evaluation documents. Company has issued the memorandum Nomor: 011/MI-PTS/INT/III/2018 dated 5 March 2018. Acoding to Memorandum Nomor: 011/MI-PTS/INT/III/2018 dated 5 March 2018. Acoding to Memorandum, company has appointed Ms. Verawati as a PIC who responsible to Updating Legal Compliance Evaluation documents each semester/year.		
<b>Assessment Conclusion:</b>	Audit team has reviewed the root cause analysis, correction and corrective action plan submitted by PT Indo Sepadan Jaya - Tanjung Selamat Mill. Audit team accepted the correction and corrective action plan, audit team has review the effectiveness of corrective action taken during NCR Close out Visit and found that NC were effectively addressed by company. The status of NC is remain CLOSED		

Non-Conformity			
<b>NCR Ref #</b>	<b>1600992-201802-N2</b>	<b>Clause &amp; Category (Major / Minor)</b>	<b>Minor 4.7.7</b>
<b>Closed (Yes / No)</b>	<b>Yes</b>	<b>Date of nonconformity Closure</b>	<b>29<sup>th</sup> March 2019</b>
<b>Statement of Nonconformity:</b>	Tanjung Selamat Estate and Pangkatan Estate has not calculate the Occupational injuries using Lost Time Accident (LTA) metrics.		
<b>Requirement Reference:</b>	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.		
<b>Objective Evidence:</b>	<ul style="list-style-type: none"> <li>• Tanjung Selamat Estate and Pangkatan Estate has record the accident report, however there is no calculation of Lost Time Accident including Frequency rate and severity rate of accident.</li> <li>• Tanjung Selamat Estate, Pangkatan Estate and Tanjung Selamat POM has investigate the accident and recorded in Catatan Kecelakaan Kerja, however there is no proper of rootcause analysis and follow up action to prevent the similar accident.</li> </ul>		

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<b>Corrective Actions:</b>	Update the LTI calculation regularly by OHS expert and reported to manpower office each 3 month in "Laporan P2K3". Conduct regular refreshment training on accident investigation.
<b>Assessment Conclusion:</b>	Audit team has reviewed the root cause analysis, correction and corrective action plan submitted by PT Indo Sepadan Jaya - Tanjung Selamat Mill. Audit team accepted the correction and corrective action plan, audit team has review the effectiveness of corrective action taken during NCR Close out Visit and found that NC were effectively addressed by company. The status of NC is remain CLOSED.

Non-Conformity			
<b>NCR Ref #</b>	<b>1600992-201802-N3</b>	<b>Clause &amp; Category (Major / Minor)</b>	<b>Minor 5.1.3</b>
<b>Closed (Yes / No)</b>	<b>Yes</b>	<b>Date of nonconformity Closure</b>	<b>29<sup>th</sup> March 2019</b>
<b>Statement of Nonconformity:</b>	Company was not consistently implementing the environmental monitoring document accordingly.		
<b>Requirement Reference:</b>	Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.		
<b>Objective Evidence:</b>	<ul style="list-style-type: none"> <li>Tanjung Selamat POM has measured the emission of incinerator (Tungku Bakar) No. 02 Certificate analysis No. 08613/CLACAK dated 30 November 2017, however there was a parameter of Amonia (NH3) was exceed the threshold KepMenLH No, KEP-13/MENLH/3/1995: result of analysis 0.66 mg/m3 and the standard is 0.5 mg/m3</li> <li>PT Indo Sepadan Jaya has analyzed the water body/surface water of Kalundang river in upstream and downstream, Analysis report No. F/BTKLMDN/5.10.1.k dated 10 July 2017, however there was a parameter of BOD and COD was exceed the threshold PP No. 82 tahun 2001 regarding Water quality management and water pollution mitigation Class II. Analysis result:               <ul style="list-style-type: none"> <li>Upstream: BOD 17.75 mg/l, COD 15.45 mg/l</li> <li>Downstream: BOD 20.0 mg/l, COD 62.50 mg/l</li> <li>Standard: BOD 3 mg/l, COD 25 mg/l</li> </ul> </li> <li>For the environment parameter which exceed the threshold was not explained in the RKL-RPL report, there is no rootcause analysis, correction and corrective action to addressed the issue.</li> </ul>		
<b>Corrective Actions:</b>	Maintaining the incinerator function to make it proper and met the emission. Socialization to employees regarding the importance of maintaining the cleanliness of the river and the environment around the river.		
<b>Assessment Conclusion:</b>	Audit team has reviewed the root cause analysis, correction and corrective action plan submitted by PT Indo Sepadan Jaya - Tanjung Selamat Mill. Audit team accepted the correction and corrective action plan, audit team has review the effectiveness of corrective action taken during NCR Close out Visit and found that NC were effectively addressed by company. The status of NC is remain CLOSED.		

Opportunity for Improvement	
OFI#	Description



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<b>1589237-201801-I1</b>	Company is considered to improve the management of fossil fuels usage due to mechanisation program to enhanced the efficiency of resources.Mechanisation programs proclaimed by company with the use of machinery as a means of supporting may have implications for the increased use of fossil fuels. Therefore, it is necessary to perform the efficiency of fossil fuel use.
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**3.4.2 Summary of the Nonconformities and Status**

CAR Ref.	Category (Major / Minor)	P&C Indicator	Issued Date	Status & Date (Closure)
1128962M1	Major		08/12/2014	CLOSED on 23/03/2015
1128962M2	Major		08/12/2014	CLOSED on 23/03/2015
1128962M3	Major		08/12/2014	CLOSED on 23/03/2015
1307239N1	minor		31/03/2016	CLOSED on 23/03/2015
1307239N2	minor		31/03/2016	CLOSED on 23/03/2015
1307239N3	minor		31/03/2016	CLOSED on 23/03/2015
1479188-201705-N1	minor	6.1.4	18/05/2017	OPEN, Escalated to Major NC
1600992-201802-M1	Major	1.1.2	28/02/2018	CLOSED on 6 April 2018
1600992-201802-M2	Major	4.6.11	28/02/2018	CLOSED on 6 April 2018
1600992-201802-M3	Major	4.7.2	28/02/2018	CLOSED on 6 April 2018
1600992-201802-M4	Major	4.7.4	28/02/2018	CLOSED on 6 April 2018
1600992-201802-M5	Major	4.7.5	28/02/2018	CLOSED on 6 April 2018
1600992-201802-M6	Major	6.1.4	28/02/2018	CLOSED on 6 April 2018
1600992-201802-M7	Major	SCC 5.7.2	28/02/2018	CLOSED on 6 April 2018
1600992-201802-N1	minor	2.1.3	28/02/2018	CLOSED on 6 April 2018
1600992-201802-N2	minor	4.7.7	28/02/2018	CLOSED on 6 April 2018
1600992-201802-N3	minor	5.1.3	28/02/2018	CLOSED on 6 April 2018
1756144-201903-M1	Major	5.3.2	29/03/2019	CLOSED on 18 June 2019
1756144-201903-M2	Major	5.6.2	29/03/2019	CLOSED on 18 June 2019

**3.5. Stakeholders Consultation**

Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss **PT. Indo Sepadan Jaya – Tanjung Selamat POM** Certification Unit’s environmental and social performance, legal and any known dispute issues.

Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by

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stakeholders and later was verified with the management team. Any comment which is not complying to the RSPO P&C requirements have been incorporated as an assessment finding.

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

<b>List of Stakeholders Contacted</b>	
<b>Internal Stakeholders</b> <ul style="list-style-type: none"> <li>- Workers Interviewed</li> </ul>	<b>Union/Contractors/Local Communities</b> <ul style="list-style-type: none"> <li>- Kampung Padang Village</li> <li>- Sennah Village</li> <li>- Tanjung Selamat Worker Union</li> <li>- Pangkatan Worker Union</li> </ul>
<b>Government Departments</b> <ul style="list-style-type: none"> <li>- Plantation and Forestry Agency, Labuhanbatu Regency.</li> <li>- Environmental Agency, Labuhanbatu Regency.</li> <li>- Manpower Agency, Labuhanbatu Regency.</li> <li>- National Land Agency, Labuhanbatu Regency.</li> </ul>	<b>NGO</b> None

<b>IS #</b>	<b>Description</b>
<b>1</b>	<p><b>Feedbacks:</b>  <b>"Dinas Pertanian Kabupaten Labuhan Batu" – Plantation Service Labuhan Batu Regency</b></p> <ul style="list-style-type: none"> <li>- In general, communication between company and "Dinas Perkebunan Kabupaten Labuhan Batu" has gone well.</li> <li>- PT. Indo Sepadan Jaya and PT. Rantau Sinar Karsa have obtained "Izin Usaha Perkebunan (IUP)".</li> <li>- PT. Indo Sepadan Jaya and PT. Rantau Sinar Karsa have send "Laporan Perkembangan Usaha Perkebunan (LPUP) for first, second and fourth quarter of year 2017 to relevant authorities: "Bupati Labuhan Batu,"Dinas Pertanian Kabupaten Labuhan Batu", "Dinas Pengendalian Lahan dan Tata Ruang (PLTR) Kabupaten Labuhan Batu" and "Kantor Pertanahan Kabupaten Labuhan Batu" in accordance to "Bukti penyerahan dokumen LPUP".</li> <li>- PT. Indo Sepadan Jaya and PT. Rantau Sinar Karsa have obtained "Penilaian Kelas Kebun II".</li> <li>- Company has reported monitoring of fire incident on three-month basis.</li> <li>- FFB price was determined from "Dinas Pertanian Propinsi Sumatera Utara" on monthly basis.</li> <li>- No complaint reported and/or noted by "Dinas Perkebunan Propinsi Sumatera Utara" related to mill and estate operational activities.</li> </ul> <p><b>Management Responses:</b></p> <ul style="list-style-type: none"> <li>- Management acknowledge the positive inputs/comments and deemed comply.</li> </ul>

	<ul style="list-style-type: none"> <li>- PT. Indo Sepadan Jaya and PT. Rantau Sinar Karsa have sent the report, "Laporan Triwulan Perkembangan Pembangunan Kelapa Sawit, Pabrik Pengolahan Kelapa Sawit dan Perkebunan Kemitraan Period IV/2017 (October – December) year 2017 to relevant authorities on 10<sup>th</sup> January 2018.</li> <li>- The company has provided FFB pricing formula and communicated to the FFB supplier, so far no complaint was noted regarding FFB price.</li> <li>- "Mekanisme Penetapan Harga TBS Luar", which becomes the parameter of the price calculation are:             <ol style="list-style-type: none"> <li>1. CPO Price</li> <li>2. Transportation cost</li> <li>3. OER CPO from third party (outside)</li> </ol> </li> <li>- The company cooperates with the surrounding community in terms of purchasing FFB and recorded in "Pernyataan dan Jaminan"-Statement and Guarantee as a supplier of FFB, there is 10 TBS suppliers, namely: Roma, Wan juma Sari, UD. Ula Tersia, UD. Friends, Soo Boon Pin, Al-Muh TS, Tan Ing Sing, Mitra Langgeng, Gapoktan Sumber Rejeki and KOPKUN Anug Jaya Mandiri.</li> </ul>
	<p><b>Audit Team Findings:</b></p> <ul style="list-style-type: none"> <li>- Audit teams acknowledge the inputs and have verified the report being sent.</li> <li>- Implementation of FFB grading in Tanjung Selamat Palm Oil Mill in order to be socialized and explained especially to independent farmers and plasma with full managed system.</li> </ul>
<p><b>2</b></p>	<p><b>Feedbacks:</b>  <b>"Dinas Lingkungan Hidup Daerah Kabupaten Labuhan Batu" – Environmental Service Labuhan Batu Regency</b></p> <ul style="list-style-type: none"> <li>- In general, communication between company and "Badan Lingkungan Hidup Daerah Kabupaten Labuhan Batu" has gone well.</li> <li>- PT. Indo Sepadan jaya has obtain "Izin Lingkungan" for all area of oil palm plantation and palm oil mill.</li> <li>- PT. Indo Sepadan jaya has permit for hazardous waste storage.</li> <li>- PT. Indo Sepadan jaya has permit for POME land application.</li> <li>- Company has prepared "Laporan Pelaksanaan RKL-RPL", "Laporan Limbah B3" and reported regularly (three-monthly basis) to "Badan Lingkungan Hidup Daerah Kabupaten Labuhan Batu".</li> <li>- No complaint reported and/or noted by "Badan Lingkungan Hidup Daerah Kabupaten Labuhan Batu" related to pollution caused by mill and estate operational activities.</li> <li>- There was no report related to fertilizer application and agrochemical applied aerially.</li> </ul> <p>There is an issue:            Based on the meeting in November 2018 at the Directorate General of Environmental Pollution and Damage Elimination of the Ministry of Environment and Forestry-"<i>Direktorat Jenderal Pengenlaian Pencemaran dan Kerusakan Lingkungan Kementerian Lingkungan Hidup dan Kehutanan</i>", PT Indo Sepadan Jaya is included in the Peat Restoration policy. So based on a letter from the Directorate General of Environmental Pollution and Damage Elimination of the Ministry of Environment and Forestry no. S.320/PPKL/PKG/PKL.6/11/2018 dated 22 November 2018, regarding the follow-up to the implementation of the restoration of peat ecosystems and the submission of a map of indications of damage to the peat ecosystem, that the company is "<i>wajib</i>" to restore the function of the peat ecosystem as stipulated in</p>

	<p>PermenLH no P.16/MENLHK/SETJEN/KUM.1/2017 concerning technical guidelines for restoring peat ecosystems.</p> <p><b>Management Responses:</b></p> <ul style="list-style-type: none"> <li>- The company has implemented a peat ecosystem restoration plan and recorded on "Rencana Pemulihan Ekosistem Gambut" and the document was sent to the Minister of Environment and Forestry on March 11, 2019, the document contains:             <ol style="list-style-type: none"> <li>1) PT Indo Sepadan Jaya Peat Ecosystem Recovery Plan Document</li> <li>2) Map of peatland use area. As well as monitoring points for peat land.</li> </ol> </li> <li>- Receipt of Plantation Unit Peat Damage Indication Map and/or Plantation Activities for submission in the form of Peat Ecosystem Damage Indication Map and/or Plantation Activities with no. S.320 / PPKL / PKG / PKL.0 / 11/2018 dated November 26, 2018.</li> </ul> <p><b>Audit Team Findings:</b></p> <ul style="list-style-type: none"> <li>- Audit teams acknowledge the inputs and have verified the report being sent.</li> <li>- Related to the issue, auditor will be verification on next surveillance</li> </ul>
<p><b>3</b></p>	<p><b>Feedbacks:</b>  <b>"Dinas Pertanahan Kabupaten Labuhan Batu" – National Land Body Labuhan Batu Regency</b></p> <ul style="list-style-type: none"> <li>- PT. Indo Sepadan Jaya has build good communication with "Badan Pertanahan Kabupaten Labuhan Batu".</li> <li>- PT. Indo Sepadan jaya has follow procedures for legal ownership of the land, to obtain "Hak Guna Usaha".</li> <li>- PT. Indo Sepadan jaya maintained and monitored the boundary poles "patok HGU" in good manner.</li> <li>- Up to now "Badan Pertanahan Nasional Kabupaten Labuhan Batu" there is record conflict in area of PT. Indo Sepadan Jaya.</li> </ul> <p><b>Management Responses:</b></p> <ul style="list-style-type: none"> <li>- Management acknowledge the positive inputs/comments and deemed comply.</li> <li>- PT. Indo Sepadan jaya has prepared the document demonstrating response and justification to the complaint letter.</li> </ul> <p><b>Audit Team Findings:</b>          Audit teams acknowledge the inputs and have verified the report being sent.</p>
<p><b>4</b></p>	<p><b>Feedbacks:</b>  <b>"Dinas Tenaga Kerja dan Transmigrasi Kabupaten Labuhan Batu" – Manpower office Labuhan Batu Regency</b></p> <ul style="list-style-type: none"> <li>- PT. Indo Sepadan Jaya has built good communication with "Dinas Tenaga Kerja dan Transmigrasi Kabupaten Kabupaten Labuhan Batu".</li> <li>- PT. Indo Sepadan jaya has prepared and reported their industrial relation obligation such as "Wajib Lapor Tenaga Kerja" and "Laporan P2K3" for health and safety performance.</li> <li>- There is no indication/report on the use of underage worker in PT. Indo Sepadan jaya.</li> <li>- PT. Indo Sepadan Jaya has implementing minimum wage as in "Upah Minimum Kabupaten Labuhan Batu" to the workers.</li> </ul>

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- Regular examination on pressure vessel and steam vessel has been carried out and the result analysis was reported by "Dinas Tenaga Kerja dan Transmigrasi Kabupaten Labuhan Batu".
- All steam machinery, boiler machinery, and welding operators have been trained and awarded with operator license from "Kementerian Tenaga Kerja".
- Company has provided training on the use of limited pesticide for sprayers.
- Company has reported the worker's overtime to "Dinas Tenaga Kerja dan Transmigrasi Kabupaten Labuhan Batu".
- Company has been equipped with clinic, with a doctor and paramedic – which has been trained with "Hiperkes" training.
- All employees have been registered in social insurance "BPJS Tenaga Kerja dan Pemeliharaan Kesehatan".
- Company has prepared risk assessment in each operational stage.
- Company has prepared personal protective equipment, based on risk assessment and accident record.
- The validity of PKB registers of PT Indo Sepadan aya has expired in December 2017.
- PT Indo Sepadan Jaya (Tanjung Selamat and Pangkatan Estate) has established a Labor Union in accordance with the Decision Letter of PD FSPPP - SPSI of North Sumatra No. Kep-149/ORG/DPC FSPTI-K.SPSI/LS/V/2016, dated 9 May 2016 and has been registered with the Manpower Office of Labuhanbatu Regency. 26/DTK-VIII/ 2001 dated August 30, 2001.
- Labor Unions at Tanjung Selamat Mill, is based on "Perwakilan Cabang"-PC FSP.PP-SPSI Decree no. 59/ORG/PC FSP.PP-LBR/X/ 2015; regarding "Pengesahan Penetapan Penataan Kedua Komposisi Pengurus Unit Kerja Serikat Pekerja Pertanian dan Perkebunan PT Indo Sepadan Jaya PMKS Tanjung Selamat periode 2015-2017" is chaired by Mr. Faisal Ahmad Nasution.
- At this time the company and worker representative (Labor Union/SPM: Serikat Pekerja Mandiri and also Bipartit) has agreed to review and renew work collective work agreement/PKB period 2018- 2020, as recorded in the Minutes dated 14th November 2017, and during this audit still in progress to register to Disnakertran Labuhanbatu Regency.


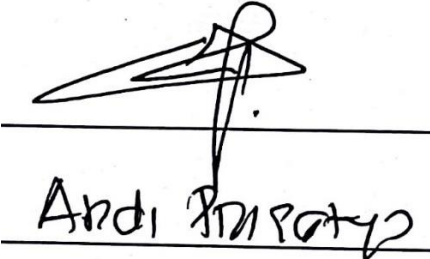
**Management Responses:**

- PT. Indo Sepadan jaya acknowledge the positive inputs and deemed the comments are constructive.
- The wage payment for period of January-February 2019 will be conducted in March 2019, based on a letter from HRD dated 12 February 2019, the calculation of remuneration ("Rapel") is from the January 2018 period following the the governor's decision above amount of Rp 3,010,000. Department of KTU namely Mr. Wardohar Rajagukguk (Tanjung Selamat Estate) and Fadlan Nur Muharram (Pangkalan Estate) stated that the wage period of 2018 will be done "Rapel" in March 2019.
- Chronology of the PKB Process for PPS BKS Year 2018-2020 (presented by PT Indo Sepadan Jaya (General Staff), as follows:
  - In August 2018 a New PKB Draft was agreed between 2018-2020 between PP-SPSI and the BKS-PPS Team representing the BKS-PPS member companies.
  - September 13, 2018; BKPPS submits registration to the Ministry of Manpower (this applies to cross-province PKBs) by letter no. 59/BKS-PPS/2018.
  - October 26; based on letter no. B.319/PHIJSK/X/2018 reply to a letter from the BKS-PPS stating that they refused to register the PKB on the grounds that the Collective Labor Agreement must be

	<p>registered by the directors of their respective companies where the PKB must be signed by the PUK Workers Union (worker representative) in each company.</p> <ul style="list-style-type: none"> <li>▪ On December 5, 2018, the BKS-PPS party again wrote to the Dirjen of PHI and Jamsos regarding the refusal to register the PKB, but until now the BKS-PPS or PP SPSI has not obtained the response from the Dirjen of PHI and Jamsos.</li> <li>▪ Then according to the sound of article XXIV PKB Year 2015-2017 that PKB is still in used.</li> </ul> <p>- At this time the company and worker representative (Labor Union/SPM: Serikat Pekerja Mandiri and also Bipartit) has agreed to review and renew work collective work agreement/PKB period 2018-2020, as recorded in the Minutes on August 2018 and during this audit still in progress to register to Disnakertran Labuhanbatu Regency.</p> <p><b>Audit Team Findings:</b></p> <ul style="list-style-type: none"> <li>- Audit teams acknowledge the inputs and have verified the report being sent.</li> <li>- Regarding the ongoing process of the PKB determination for 2018-2020 period, the auditor team will verify again on the next surveillance.</li> </ul>
<p><b>5</b></p>	<p><b>Feedbacks:</b>  <b>Village Head of Kampung Padang, Dusun Aek Nauli Bpk. Jamri</b></p> <p><b>Issues:</b>          Related to the BIOGAS development in Tanjung Selamat POM, there is concern in the surrounding village community.</p> <p><b>Management Responses:</b>          The construction of BIOGAS at the PT ISJ PMKS Tanjung Selamat, has been socialized to the surrounding village community on February 7, 2018 which was attended by 59 communities and the surrounding community leaders. Based on the minutes of the socialization results, there are several agreements at the request of the community, including:</p> <ul style="list-style-type: none"> <li>- The construction of meeting hall with size 14x20 mtr. and has been carried out in 2018</li> <li>- Health care every 3 months – has been performed starting from 2018</li> <li>- Electricity subsidies to 76 families are still coordinated with HO management</li> <li>- Villagers are given the opportunity to get scholarships</li> </ul> <p><b>Audit Team Findings:</b></p> <ul style="list-style-type: none"> <li>- Audit team acknowledges the positive inputs.</li> <li>- Auditor team will verify again on the next surveillance.</li> </ul>

<p><b>Formal Signing-off of Assessment Conclusion and Recommendation</b></p>	
<p>The audit objectives have been achieved and the certificate scope remains appropriate. Based on the results of this audit, it is concluded that <b>PT. Indo Sepadan Jaya – Tanjung Selamat POM</b> has complied with the RSPO Supply Chain Certification Standard (June 2017) and audit criteria identified within the audit report. It is deemed that the management system continues to achieve its intended outcomes. Therefore, it is recommended that the certification of <b>PT. Indo Sepadan Jaya – Tanjung Selamat POM</b> is continued.</p>	

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Report prepared by	Acceptance of Assessment Conclusion
<b>Name:</b> Yudwi Wisnu Rahmanto	<b>Name:</b> Andi Prasetya
<b>Company Name:</b> PT. BSI Group Indonesia	<b>Company Name:</b> PT. Indo Sepadan Jaya
<b>Title:</b> Lead Auditor	<b>Title:</b> Tanjung Selamat Estate Manager
<b>Signature:</b>  	<b>Signature:</b>  
<b>Date:</b> 19 <sup>th</sup> July 2019	<b>Date:</b> 19 <sup>th</sup> July 2019

**Appendix A: Summary of Findings**

Criterion / Indicator	Assessment Findings	Compliance
<b>Principle 1: Commitment to Transparency</b>		
<b>Criterion 1.1:</b> 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>List of information related to criterion 1.2 that can be accessed by relevant stakeholders shall be available.</p> <p>- Minor compliance -</p> <p>The list of information has been listed in "Daftar Dokumen dan Informasi untuk Diakses Publik PT Indo Sepadan Jaya has established on October 2016, there are 32 type of document of information.</p> <p>Documents accessible to the stakeholders, consist of legal documents, such as:</p> <ul style="list-style-type: none"> <li>- Izin Usaha Budidaya Perkebunan (Operational Plantation Permit),</li> <li>- Izin Lokasi (Location Permit),</li> <li>- HGU (Land Title Rights),</li> <li>- Environmental documents (AMDAL (SEIA),</li> <li>- Program Keselamatan dan Kesehatan Kerja (OHS), Laporan Pelaksanaan RKL/RPL (Environmental Management and Monitoring Report),</li> <li>- Penilaian Nilai Konservasi Tinggi-High Conservation Value (HCV),</li> <li>- Prosedur Ganti Rugi Lahan (Land Compensation Mechanism),</li> <li>- Rencana Pengelolaan Limbah (Waste Management Plan), complaint and grievanceis from internal dan external parties, and continuous improvement.</li> <li>- Documents related financial can only be shared upon discretion of General Manager, Group policies and procedures are available in public area in estates and mill.</li> </ul>	Comply



		<ul style="list-style-type: none"> <li>- Number of employee and salary payment – accesible to government bodies, BPJS, worker union and NGO;</li> <li>- Information on Nomor Pokok Wajib Pajak and Pajak Bumi dan Bangunan – accessible to government bodies; Tax and retribution payment – accessible to government bodies;</li> <li>- Environment document – accessible to government bodies and NGO; Establishment deed, area database, production database, manuring application – accessible to government bodies;</li> <li>- Legal ownership of the land – accessible to government bodies and NGO;</li> <li>- HCV Report – accessible to government bodies and NGO; Social Impact Assessment – accessible to government bodies and NGO;</li> <li>- Community Development Program – accesible to government bodies and NGO;</li> <li>- Health and Safety Committee Report – “Laporan Panitia Pembina Keselamatan dan Kesehatan Kerja” – accessible to government bodies;</li> <li>- Continuous Improvement Plan document – accessible to government bodies;</li> <li>- Human Rights Policy – accessible to government bodies and NGO;</li> <li>- Summary report of Certification Body Certification – accesible to government bodies and NGO;</li> <li>- Complaint and Grievance Document – accesible to government bodies and NGO;</li> </ul> <p>See detail in criterion 1.2.1.</p>	
1.1.2	<p>Records of requests for information and responses to the information requested shall be available.</p> <p>- Major compliance -</p>	<p>Requests for information are responded by the department concerned in accordance with their authority. The company has developed a matrix describing the status of each information request and responsible/authorized department to respond into. Records of response of request information documented in the same book, consist of person handle the request, information given and acknowledgement from the person in-charge and signature. Record of incoming communication available in each estate and mill unit.</p>	Comply

		<p>Tanjung Selamat Estate:</p> <p>"Buku Komunikasi dan Konsultasi dengan Stakeholder-Tanjung Selamat Estate". Throughout 2019, Tanjung Selamat Estate received 37 incoming letters. Sample seen:</p> <ul style="list-style-type: none"> <li>- Plantation Business Reports (Laporan Usaha Perkebunan) every 6 months, the latest report for the period July - December 2018 is sent to the Department of Agriculture, Sub-Sector of Plantation, Labuhanbatu Regency on 3/25/2019</li> <li>- Regular report every 6 month, RKL/RPL period SM II/2018 Report has been submit on 25 January 2019.</li> <li>- Letter from the Office of Environment Labuhanbatu Regency on 01/21/2019; concerning the Environmental Agency's Visit Plan for Labuhanbatu Regency, has been responded to on 21/01/2019</li> <li>- Proposal for funding for the Performing Arts event by Yayasan Ridho Allah Islamic in Perlavian Village dated February 2, 2019, was responded to on February 2, 2019.</li> <li>- The Christmas Celebration Proposal for the Pangkat and Aek Nabara Youths on January 2, 2019, was followed up on January 14, 2019.</li> </ul> <p>Pangkatan Estate:</p> <p>Pangkatan Estate received 17 incoming letters on 2017. Sample seen:</p> <ul style="list-style-type: none"> <li>- Dated 14 September 2018 from Disnakertrans; regarding call the mediation meeting on industrial relations issues at Disnakertrans.</li> <li>- 18 September 2018 from Komando Distrik Militer 0209/Lab FSPMI. In the recording of such information is not explained what information is meant.</li> <li>- Dated 9 January 2019 from Camat Pangkatan; regarding Information for the Village Head (Kadesh) to present their respective village heads and PKK Desa Village Chiefs</li> </ul>	
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<p><b>Criterion 1.2:</b> Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p>			
1.2.1	<p>Publicly available documents shall include, but are not necessarily limited to:</p> <ul style="list-style-type: none"> <li>a) Land titles/user rights (Criterion 2.2)</li> <li>b) Occupational health and safety plans (Criterion 4.7)</li> <li>c) Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8)</li> <li>d) HCV documentation (Criteria 5.2 and 7.3)</li> <li>e) Pollution prevention and reduction plans (Criterion 5.6)</li> <li>f) Details of complaints and grievances (Criterion 6.3)</li> <li>g) Negotiation procedures (Criterion 6.4)</li> </ul>	<p>The list of information has been listed in "Daftar Dokumen dan Indormasi untuk Diakses Publik PT indo Sepadan Jaya has established on October 2016, there are 32 type of document of information. This list is made available in all estate (Tanjung Selamat Estate, Pangkatan Estate and Tanjung Selamat Mill). The list consist of:</p> <ul style="list-style-type: none"> <li>- Number of employee and salary payment – accesible to government bodies, BPJS, worker union and NGO;</li> <li>- Information on Nomor Pokok Wajib Pajak and Pajak Bumi dan Bangunan – accessible to government bodies; Tax and retribution payment – accessible to government bodies;</li> </ul>	Comply

	<p>h) Continual improvement plans (Criterion 8.1)  i) Public summary of certification assessment report  j) Human Rights Policy (Criterion 6.13).</p> <p>- Major compliance –</p>	<ul style="list-style-type: none"> <li>- Environment document – accessible to government bodies and NGO; Establishment deed, area database, production database, manuring application – accessible to government bodies;</li> <li>- Legal ownership of the land – accessible to government bodies and NGO;</li> <li>- HCV Report – accessible to government bodies and NGO; Social Impact Assessment – accessible to government bodies and NGO;</li> <li>- Community Development Program – accesible to government bodies and NGO;</li> <li>- Health and Safety Committee Report – “Laporan Panitia Pembina Keselamatan dan Kesehatan Kerja” – accessible to government bodies;</li> <li>- Continuous Improvement Plan document – accessible to government bodies;</li> <li>- Human Rights Policy – accessible to government bodies and NGO;</li> <li>- Summary report of Certification Body Certification – accesible to government bodies and NGO;</li> </ul> <p>Complaint and Grievance Document – accesible to government bodies and NGO;</p>	
<p><b>Criterion 1.3:</b>  Growers and millers commit to ethical conduct in all business operations and transactions.</p>			
<p>1.3.1</p>	<p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions along with the documentation of socialisation process of the policy to all levels of the workers and operations.</p> <p>- Minor compliance –</p>	<p>The company has code ethical conduct policy that has been published “Company policy” dated 01st December 2014 which also covering ethics in business that stated that “ethical behaviour, prohibition of all forms of corruption, bribery in the conduct or transaction of business practices and fraudulent use of funds”.</p> <p>Dissemination on code of ethical conduct policy: on 16 January 2019 to operations 12 contractors and 17-18 January 2019 to all level workers (310 workers) in Tanjung Selamat Estate and on Pangkatan Estate to operations as many 5 contractors on 17 January 2019 and 17-18 January 2019 to all level workers (265 workers). Dissemination on code of ethical</p>	<p>Comply</p>

		<p>conduct policy: on 6-8 February 2019 to 14 contractors and to all level workers (85 workers) in Tanjung Selamat Mill</p> <p>Based on interviewed with worker union, interview with employee and local contractors, they have understood the message in code of ethical conduct policy.</p> <p>Based on interview with sampled workers, they understand the code of ethical conduct in simple association – no corruption, no collusion, and no nepotism.</p>	
<b>Principle 2: Compliance with applicable laws and regulations</b>			
<b>Criterion 2.1</b>			
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>The company has demonstrated evidence of compliance with relevant legal requirements, such as:</p> <ol style="list-style-type: none"> <li>1. Izin Lokasi (Location Permit) form North Sumatera Governor no. 7550/Sekr/Tahun 1988 (± 3,885 Ha) for Tanjung Selamat Estate and no. 593.41/2834/K, year 1989, dated 8 November 1989 (± 4,500 Ha) for Pangkatan Estate.</li> <li>2. Izin Lokasi (Location permit) from Bupati Labuhan Batu SK No. 503.593/35/Ptnh/2014, dated 14 February 2014 related "Pemberian Ijin Lokasi Penggunaan Tanah untuk Keperluan Usaha Perkebunan Kelapa Sawit Kepada PT Indo Sepadan Jaya yang terletak di Desa Kampung Padang Kecamatan Pangkatan, Kabupaten Labuhan Batu dengan luas ± 118.4 Ha".</li> <li>3. Decree from Minister of Forestry no. 578/Kpts-II/1993 dated 1 October 1993, related "Pelepasan Sebagian Kelompok Hutan S. Bilah – S. Kelundang" yang terletak di Kabupaten Labuhan Batu Propinsi Sumatera Utara seluas 3,475.6 Ha.</li> <li>4. Izin Usaha Perkebunan (Operational Business Permit) from Minister of Agriculture No. HK.350/E4.242/03.89, dated 28 March 1989, renewal no. HK.350/M4.338/04.90, dated 10 April 1990 related "Perubahan dan Perpanjangan Persetujuan Prinsip Usaha Perkebunan" – revision of commodity from rubber become oil palm plantation as ±</li> </ol>	Comply

		<p>3,500 Ha at location Bilah Hilir District, Labuhan Batu Regency, North Utara Province” for Tanjung Selamat Estate.</p> <ol style="list-style-type: none"> <li>5. Izin Usaha Perkebunan (Operational Business Permit) from Minister of Agriculture No. HK.350/ E4.236/03.89, dated 23 March 1989 and renewal IUP commodity from rubber to oil palm plantation no. HK.350/E4.329/04/90 dated 10 April 1990 related “Perubahan dan Perpanjangan Persetujuan Prinsip Usaha Perkebunan” becomes oil palm plantation as ± 3,150 Ha di Bilah Hilir Regency, District Labuhan Batu, Sumut” for Pangkatan Estate.</li> <li>6. Renewal IUP in 2013 for Tanjung Selamat Estate from Governor of North Sumatera no. 522.2/87/BPPTSU/2/1.3/IX/2013, dated 9 September 2013 for ± 3,885 Ha and Mill capacity 45 tons FFB/hour.</li> <li>7. IUP no. 522.2/186/BPPTSU/2/1.2/X/2015, dated 30 October 2015 regarding “Izin Perluasan Usaha Perkebunan PT. Indo Sepadan Jaya” for area 118.4 Ha.</li> <li>8. Risalah Pemeriksaan Tanah “B” No. 67/PPT/a/1989, dated on 24 November 1989, issued by “Kanwil BPN” (National Land Agency) of North Sumatera Province (+ 3,885 Ha) for Tanjung Selamat Estate; and re-cadastral in 2014 with “Peta Bidang Tanah” no. 12/12/2014, August 2014 (3,347.01 Ha) and no. 12A/12/2014, August 2014 (531.72 Ha).</li> <li>9. Hak Guna Usaha (HGU)/Land title SK BPN no. 5/HGU/BPN/90, dated 13 March 1990 (4,336 Ha) with land certificate no. 3, year 1993 for Pangkatan Estate.</li> <li>10. Renewal Hak Guna Usaha (HGU) from Kepala BPN no. 125/HGU/BPN/2004, tentang Pemberian Perpanjangan Jangka Waktu dan Pembaharuan HGU Atas Tanah Terletak di Kabupaten Labuhan Batu, Propinsi Sumatera Utara (4,336 Ha) with Land Certificate (Sertifikat) no. 3, year 1993 (Valid until 31 December 2080).</li> <li>11. Decree of BPN Head No. 3/HGU/BPN.12/XII/2017 on 21 December 2017, related issuance of land use tittle (HGU) of PT Indo Sepadan Jaya, with area 123.915 Ha for Tanjung Selamat Estate.</li> </ol>	
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		<ul style="list-style-type: none"> <li>- "Pengesahan Penggunaan Instalasi Listrik di Tempat Kerja" by Ministry of Manpower, North Sumatera Office decree No. 144/IL/D/W2/1997 dated 27 January 1997 for electrical installation. Latest inspection report was evident dated 9 April 2018 and reported that the condition is good and it well functioned and next inspection will be on April 2019.</li> <li>- "Pengesahan Pemakaian Turbin" by Ministry of Manpower, North Sumatera Office decree No. 343/PTP./W2/1996 dated 30 December 1996 for Turbin Vessel Shinko. Latest inspection report dated 9 April 2097 and reported that the condition is good and it well functioned and next inspection will be on April 2019.</li> </ul>	
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 established mechanism for ensuring compliance with applicable legal requirement. It was stated on "<i>Prosedur Pemenuhan Peraturan Perundang - undangan dan Perubahannya</i>" (SOP AA-GL-5001.1-R0), dated 5 December 2009. The procedure stated that company assigned PIC for law compliance was Social, Security and Legal (SSL) Department. The department is obliged to inform the issuance of any new regulation and communicating interpretation and implementation of this new regulation. Relevant departments are obliged to review the process on their department and ensure the relevant regulations are implement. If necessary, relevant department will revise the policy, revise the procedure/work instruction, and communicating the changes to all interested parties.</p> <p>The company has conducted evaluation of compliance with relevant legal requirements in "<i>Status Evaluasi Periode Januari 2019</i>". Public relation officer conducted the evaluation on annual basis. Latest evaluation has conducted on January 2019.</p>	Comply
2.1.3	<p>A mechanism for ensuring compliance shall be implemented.</p> <p>- Minor compliance –</p>	<p>The Company has implemented mechanism for ensuring compliance with applicable legal requirement. It was stated on "<i>Prosedur Pemenuhan Peraturan Perundang - undangan dan Perubahannya</i>" (SOP AA-GL-5001.1-R0), dated 5 December 2009. Evidence of implementation of legal requirements compliance evaluation is documented in "Status</p>	Comply

		<p>Evaluasi Per January 2019". The evaluation was perform on annual basis conducted by public relation officer. Latest evaluation was conducted on January 2019.</p> <p>Company has made reviewed some of relevant regulations, among others:</p> <ul style="list-style-type: none"> <li>- Permenaker no. 15 of 2018 concerning Minimum Wages</li> <li>- PerMenLHK No. 93 of 2018 concerning Continuous monitoring of wastewater quality and in the scope of businesses and / or activities</li> <li>- PerMenaker No. 5 of 2018 concerning Occupational Safety and Health at the Work Environment</li> <li>- Permentan No. 5 of 2018 concerning the opening and / or processing of plantation land without burning</li> <li>- Permentan No. 1 of 2018 concerning guidelines for setting prices for oil palm FFB for plantation production.</li> </ul> <p>Etc.</p>	
<p>2.1.4</p>	<p>A system for tracking any changes in the law shall be available and implemented.</p> <p>- Minor compliance –</p>	<p>Documented methodology for tracking any changes in the law was described in "<i>Prosedur Pemenuhan Peraturan Perundang – undangan dan Perubahannya (SOP AA-GL-5001.1-R0)</i>", dated 5 December 2009. The PIC of Law Compliance and SSL (social, security, and licence) Department was conducted identification, verification and registering all legal and other requirements include environment issues, OHS, agronomy, manufacturing, social, etc.</p> <p>The SSL Department is obliged to inform the issuance of any new regulation and communicating interpretation and implementation of this new regulation. Relevant departments are obliged to review the process on their department and ensure the relevant regulations are implemented. If necessary, relevant department will revise the policy, revise the procedure/work instruction, and communicating the changes to all interested parties. Every time a new regulation PIC of Law Compliance will update the legal compliance evaluation.</p>	<p>Comply</p>
<p><b>Criterion 2.2</b>  The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>			

<p>2.2.1</p>	<p>Documents showing legal ownership or lease, history of land tenure ownership/control, and the actual legal use of the land shall be available.</p> <p>- Major compliance -</p>	<p>PT Indo Sepadan Jaya has obtained the legal ownership of land, history of land tenure ownership/control, and the actual legal use of the land:</p> <ol style="list-style-type: none"> <li>1. Izin Lokasi (Location Permit) form North Sumatera Governor no. 7550/Sekr/Tahun 1988 (<math>\pm</math> 3,885 Ha) and no. 593.41/2834/K, year 1989, dated 8 November 1989 (<math>\pm</math> 4,500 ha) for Tanjung Selamat estate and no,593.41/2834/K, year 1989, dated 8 November 1989 (<math>\pm</math> 4,500 Ha) for Pangkatan Estate.</li> <li>2. Izin Lokasi (Location permit): is based on Decree of Bupati Labuhanbatu Regency No. 503.593/35/Ptnh/2014, dated 14 February 2014, concerning Land Location Permit for the purpose of oil palm plantation business to PT Indo Sepadan Jaya located in Kampung Padang Village Pangkatan District, Labuhan Batu Regency with an area of <math>\pm</math> 118.4 HKeputusan Menteri Kehutanan on 1 October 1993, no. 578/Kpts-II/1993, related "Pelepasan Sebagian Kelompok Hutan S. Bilah – S. Kelundang" yang terletak di Kabupaten Labuhan Batu Propinsi Sumatera Utara seluas 3.475,6 Ha.</li> <li>3. Izin Usaha Perkebunan (Operational Business Permit) from Agriculture Ministry No. HK.350/E4.242/03.89, dated 28th March 1989, renewal no. HK.350/M4.338/04.90, dated 10th April 1990 "Perubahan dan Perpanjangan Persetujuan Prinsip Usaha Perkebunan" become oil palm plantation as <math>\pm</math> 3,500 Ha in location Bilah Hilir Regency, District Labuhan Batu, Province Sumatera Utara" for Tanjung Selamat Estate and No. HK.350/ E4.236/03.89, dated 23 March 1989 and renewal IUP from rubber to oil palm plantation no. HK.350/E4.329/04/90 dated 10 April 1990 related renewal "Perubahan dan Perpanjangan Persetujuan Prinsip Usaha Perkebunan" becomes oil palm plantation as <math>\pm</math> 3,150 Ha di Bilah Hilir Regency, District Labuhan Batu, Sumut" for Pangkatan estate.</li> <li>4. Renewal IUP in 2013 for Tanjung Selamat estate from Governor of North Sumatera no. 522.2/87/BPPTSU/ 2/1.3/IX/2013, dated 9<sup>th</sup> September 2013 for + 3,885 Ha dan Mill capacity 45 tonnes FFB/hour.</li> <li>5. IUP no. 522.2/186/BPPTSU/2/1.2/X/2015, dated 30<sup>th</sup> October 2015 regarding Izin Perluasan Usaha Perkebunan PT. Indo Sepadan Jaya for area 118.4 ha.</li> </ol>	<p>Comply</p>
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		<p>6. Risalah Pemeriksaan Tanah "B" No. 67/PPT/a/1989, dated on 24th November 1989, issued by "Kanwil BPN" North Sumatera Province (+ 3,885 Ha) for Tanjung Selamat Estate; and re-cadastral in 2014 with "Peta Bidang Tanah" no. 12/12/2014, August 2014 (3,347.01 ha) and no. 12A/12/2014, August 2014 (531.72 ha).</p> <p>7. Decree of the Head of the Regional Office of the National Land Agency of the Province of North Sumatera, no. 3/HGU/BPN.12/XII /2017 dated December 21, 2017, concerning: "Granting of Right to Use Business on behalf of PT Indo Sepadan Jaya on Land Located in Labuhan Batu Provonsi Regency, North Sumatera. HGU for 35 years since this Decree on State Land covering 123,915 Ha located in Kampung Padang Village, Pangkatan District, Labahanbatu Regency, North Sumatera Province, the location of the plantation is near the Tanjung Selamat Estate factory.</p> <p>8. Decree of BPN Head No. 3/HGU/BPN.12/XII/2017 on 21 December 2017 related "Pemberian HGU atas nama PT Indo Sepadan Jaya atas tanah terletak di Kabupaten Labuhan Batu, Provinsi Sumatera Utara" - issuance of land use tittle (HGU) of PT Indo Sepadan Jaya, with area 123.915 and 117.573 Ha for Tanjung Selamat Estate, valid for 35 years, based on map no. 07/2016 dated 16 May 2016, covers 123.915 and 117.573 Ha.</p> <p><u>Tanjung Selamat Palm Oil Mill :</u></p> <p>Tanjung Selmat POM has obtained HGB (Hak Guna Bangunan), covering area of 21.7599 Ha, including:</p> <ol style="list-style-type: none"> <li>1. HGB no 1 on 22 July 1996 as 43.012 M<sup>2</sup></li> <li>2. HGB no 2 on 22 July 1996 as 39.544 M<sup>2</sup></li> <li>3. HGB no 3 on 22 July 1996 as 41.583 M<sup>2</sup></li> <li>4. HGB no 4 on 22 July 1996 as 15.732 M<sup>2</sup></li> <li>5. HGB no 5 on 22 July 1996 as 19.527 M<sup>2</sup></li> <li>6. HGB no 6 on 22 July 1996 as 19.394 M<sup>2</sup></li> <li>7. HGB no 7 on 22 July 1996 as 19.104 M<sup>2</sup></li> <li>8. HGB no 8 on 22 July 1996 as 19.703 M<sup>2</sup></li> </ol>	
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		<p>Chronology of completion of PT Indo Sepadan Jaya and PT Rantau Sinar Karsa HGU:</p> <p>A. <u>Tanjung Selamat Estate:</u></p> <ol style="list-style-type: none"> <li>1. December 17, 2014; Field examination, research and field monitoring as well as the meeting of "Panitia Pemeriksaan Tanah B" on the application of HGU PT Indo Sepadan Jaya covering 3,347.01 Ha (Kampung Padang Village, Pangkat District, Labuhan Batu Regency) and 531.72 Ha (Tanjung Selamat Village, Kampong Rakyat Regency and Labuhan Batu District. , Based on letter dated December 17, 2014, No. 16/BAPHTBH/HGU/XII/ 2014, the result of examination:             <ul style="list-style-type: none"> <li>• Land Area Map (Peta Bidang Tanah) No. 12/12/2014 scala 1:20.000 on August 2014 for covering 3.347,01 Ha location at Labuhan Batu Regency, regarding Location Permits No. 503.593/79/Ptnh/2014 dated 20 March 2014.</li> <li>• Land Area Map (Peta Bidang Tanah) No. 12A/12/2014 scala 1:10.000 on August 2014 for covering area 531,72 Ha location at Labuhan Batu Selatan Regency, regarding Location Permit No. 503.556/BPPTPM/2012 dated 16 August 2012.</li> </ul> </li> <li>2. Letter of application for follow-up of HGU, dated July 21, 2016, no. 084/GL-AAS/EXT/07/16 to Head of Regional Office of BPN Prov. North Sumatra.</li> <li>3. Letter from PT Indo Sepadan Jaya no. 057/GL-AAS/EXT/08/17 dated 31 October 2017, related request of information to BPN of North Sumatera Province. Responded by BPN of North Sumatera Province through letter no. 1671/8-12.300/IX/2017 dated 7 September 2017, that mention papers of PT Indo Sepadan Jaya HGU proposals is on process, as follows:             <ul style="list-style-type: none"> <li>• Area of 3,347.02 Ha, located in Kampung Padang Village, Pangkatan District, Labuhan Batu Regency, North Sumatera Province.</li> <li>• Area of 531.72 Ha, located in Tanjung Selamat Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatera Province.</li> <li>• Area of 117.573 Ha, located in Kampung Padang Village, Pangkatan District,</li> </ul> </li> </ol>	
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		<p style="text-align: center;">Labuhan Batu Regency, North Sumatera Province.</p> <ol style="list-style-type: none"> <li>4. Letter from BPN Regional North Sumatera No. 286/12.300/II/2018 dated 8 February 2018, related invitation to conduct checking, examination and field observation, and meeting "Rapat Panitia Pemeriksaan Tanah B", on 11 to 13 February 2018.</li> <li>5. Decree of BPN Head No. 3/HGU/BPN.12/XII/2017 on 21 December 2017, related "Pemberian HGU atas nama PT Indo Sepadan Jaya atas tanah terletak di Kabupaten Labuhan Batu, Provinsi Sumatera Utara" - issuance of land use title (HGU) of PT Indo Sepadan Jaya, with area 123.915 and 117.573 Ha for Tanjung Selamat Estate, valid for 35 years, based on map no. 07/2016 dated 16 May 2016, covers 123.915 and 117.573 Ha</li> </ol> <p><b>B. <u>PT Rantau Sinar Karsa:</u></b></p> <ol style="list-style-type: none"> <li>1. Hak Guna Usaha (HGU)/Land title SK BPN no. 5/HGU/BPN/90, dated 13 March 1990 (4,336 Ha) with land certificate no. 3, year 1993 for Pangkatan estate.</li> <li>2. Renewal Hak Guna Usaha (HGU) from Kepala BPN no. 125/HGU/BPN/2004, concerning: Extension of Duration and Renewal of HGU on Land Located in Labuhan Batu District, North Sumatera Province (4,336 ha)with Land Certificate (Sertifikat) no. 3, year 1993 (Valid until 31 December 2080)</li> </ol> <p>Based on document verification, that status of land use title is still regarding of Risalah Pemeriksaan Tanah "B" No. 67/PPT/a/1989, dated on 24th November 1989, issued by "Kanwil BPN" North Sumatera Province. Therefor the company shall be make sure to obtaine the land used tittle (Certificate HGU) prior to Re-certification upcoming.</p>	
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<p>2.2.2</p>	<p>Legal boundaries are demonstrated clearly and maintained.</p> <p>- Minor compliance -</p>	<p><u>Tanjung Selamat Estate:</u></p> <p>Tanjung Selamat Estate has performed monitoring on HGU poles. Maintenance of the HGU poles is done every 3 months, the last is on 15 November 2018, sample seen:</p> <ul style="list-style-type: none"> <li>- HGU Pole No. 24 in block C13H year planting 2015, Divisi II, coordinat number: 02°08'08.0" N; 100°06'29.1" E.</li> <li>- HGU Pole No. 23 in block C13H year planting 2015, Divisi II, coordinat number: 02°08'08.4" N; 100°07'31.7" E.</li> <li>- HGU Pole No. 22 in block C13H year planting 2015, Divisi II, coordinat number: 02°08'30.6" N; 100°07'31.7" E.</li> <li>- HGU Pole No. 25 in block C13H year planting 2015, Divisi II, coordinat number: 02°07'18.9" N; 100°06'30.0" E.</li> </ul> <p><u>Pangkalan Estate:</u></p> <ul style="list-style-type: none"> <li>- HGU Pole No. 33 location at Nursery area Blok C18g, Afdeling 3, coordinate number: 02°11'55.33" N; 100°01'22.43" E.</li> <li>- HGU Pole No. 31 di block C16i year planting 2015, Afeling 3, coordinat number: 02°12'13.60" N; 100°0'37.501" E.</li> <li>- HGU Pole No. 13 location at block B20e year planting 2015, Afdeling 2, coordinate number: 02°15'9.07" N; 100°01'19.37" E.</li> <li>- HGU Pole No. 58 location at block A18i year planting 2015, Afdeling 1, coordinate number: 02°14'4.70" N; 99°59'35.08" E.</li> </ul> <p>All boundary poles are in maintained status – as seen on site. Maintenance of poles conducts regularly every 6 month, last maintained on 15 November 2018 to all boundary poles.</p>	<p>Comply</p>
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<p>2.2.3</p>	<p>In the event that there is a dispute or a dispute has occurred, adequate evidence of legitimate acquisition and compensation or compensation settlement process through conflict resolution which has been received through Free, Prior and Informed Consent by all related parties shall be provided.</p> <p>- Minor compliance -</p>	<p><u>Tanjung Selamat Estate</u></p> <p>Based on information management, verification of documents "Risalah Panitia B" No. 67/PPT/a/1989 dated 24 November 1989 by BPN Regional Office of North Sumatra province and also Hectare Statement mentions an indication that there is no land dispute between the company and the community. On period 2018 there is no dispute occurs at Tanjung Selamat Estate.</p> <p><u>Pangkatan Estate</u></p> <p>Based on the results of the public consultation with the Land Office-BPN of Labuhan Batu Regency on 26 March 2019 stated that there is a community claim on the area of HGU PT.</p> <p>Based on interviews with village communities around at the public consultation dated 26-27 March 2019, that up to now there are no disputes related to plantation land.</p>	
<p>2.2.4</p>	<p>There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.</p> <p>- Major compliance –</p>	<p><u>Tanjung Selamat Estate</u></p> <p>Based on information management, verification of documents "Risalah Panitia B" No. 67/PPT/a/1989 dated 24 November 1989 by BPN Regional Office of North Sumatra province and also Hectare Statement mentions an indication that there is no land dispute between the company and the community. On period 2018 there is no dispute occurs at Tanjung Selamat Estate.</p> <p><u>Pangkatan Estate</u></p> <p>Based on the results of the public consultation with the Land Office-BPN of Labuhan Batu Regency on 26 March 2019 stated that there is a community claim on the area of HGU PT.</p>	<p>Comply</p>



		Based on interviews with village communities around at the public consultation dated 26-27 March 2019, that up to now there are no disputes related to plantation land.	
2.2.5	For any conflict or dispute over the land, the evidence of the extent of disputed area is mapped out in a participatory way with involvement of affected parties (including neighboring communities and local government where applicable), shall be available.  - Minor compliance –	Base on interview with local community around the plantation both of PT Indo Sempadan Jaya and of PT Rantau Sinar Perkasa, Currently, no any land dispute was noted/recorded.  Company has completed all land compensation. No further land compensated up to 2 <sup>nd</sup> Annual Surveillance Assessment.	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/or planned operations.  - Major compliance –	Based on interview with local community around the plantation both of PT Indo Sempadan Jaya and of PT Rantau Sinar Perkasa, Currently, no any land dispute ware noted.  Company has completed all land compensation. No further land compensated up to Annual Surveillance Assessment.	Comply
<b>Criterion 2.3</b>			
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 with appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighboring communities where applicable, and relevant authorities).  - Major compliance -	Tanjung Selamat and Pangkatan Estate  Based on the verification of legal documents and the results of public consultation with BPN and Communities around the state that no traditional rights in the work area of Tanjung Selamat Estate.  In 2014 cadastral measurements have been carried out by Badan Pertanahan Kanwil Sumatera Utara and recorde on the Peta Bidang Tanah/Land Area Map;  a. Land Area Map No. 12/12/2014, scale 1:20.000; on August 2014, covering área 3.347,01 Ha, location at Labuhan Batu Regency on the location permit No. 503.593/79/Ptnh/2014, dated 20 March 2014.	

		<p>b. Land Area Map No. 12A/12/2014, scale 1:10.000; on August 2014, covering area 531,72 Ha, location at Labuhan Batu Regency on the location permit No. 503.593/79/Ptnh/2014, dated 20 March 2014.</p> <p>Based on Land Title / HGU map, it was noted that no any customary rights or user rights within Pangkatan and Tanjung Selamat Estate.</p>	
<p>2.3.2</p>	<p>Copies of negotiated agreements including the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and these include:</p> <ul style="list-style-type: none"> <li>a) Evidence of consultation</li> <li>b) Statement of transfer of rights</li> <li>c) Evidence of compensation</li> </ul> <p>See specific guidance 2.3.2</p> <p>- Minor compliance -</p>	<p>Copies of documents are available in the estate and the original documents are kept in Samarinda representative office.</p> <p>The whole process of the implementation of the compensation set forth in the Joint Agreement and Handover including participatory measurement results. The agreement also provided with a map based on result of participatory mapping is witnessed by local government agencies, receipt of payment, and photograph of payment of compensation as evidence.</p> <p>Based on the management's statement and the "Risalah panitia B" document in 1989, it is stated that there is no traditional rights of the people in PT Indo Sepadan Jaya (Tanah Negara Bebas) working area so there is no compensation process to other parties including the community.</p> <p>Based on the results of interviews with the surrounding community states that the company does not make land compensation because it is considered the land of the Free State so no compensation is required.</p> <p>In the work area of PT Rantau Sinar Karsa, land acquisition was not carried out because based on management's statement and the Committee's Proceed Document B 1989 stated that there is no traditional right of the community in PT Rantau Sinar Karsa (Tanah Negara Bebas) working area so there is no compensation process to other parties Including to the community.</p>	<p>Comply</p>

2.3.3	<p>Relevant information shall be available in appropriate forms and languages, including analysis of impacts, proposed benefit sharing, and legal arrangements.</p> <p>- Minor compliance -</p>	<p>Based on interviews with the local communities on public consultation on 26-27 March 2019 that it was no any land compensation was made due to no customary land or legal rights within the company areas.</p>	Comply
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 compliance -</p>	<p>Based on interviews with the local communities on public consultation on 26-27 March 2019 that is no any land compensation was made due to no customary land or legal rights within the company areas.</p>	Comply
Principle 3: Commitment to long-term economic and financial viability			
Criterion 3.1			
<b>There is an implemented management plan that aims to achieve long-term economic and financial viability.</b>			

<p>3.1.1</p>	<p>A documented management plan, a minimum of three years shall be available, including, where appropriate, plan for scheme smallholders.</p> <p>- Major compliance-</p>	<p>The company has committed to economic and financial sustainability and has documented the working plan in the Financial Budget Plan "Penyusunan Anggaran Detail". The company has set up a business management plan for the next 5 years and the forecast have been well documented in the document "Proyeksi Produk Sustainable &amp; Non Sustainable PT Indo Sepadan Jaya" 2017 - 2020. Management plan was set up including independent FFB suppliers. Its management plan include:</p> <ol style="list-style-type: none"> <li>1. FFB Production projection 2017 – 2020</li> <li>2. CPO, PK, production projection 2017 – 2020</li> <li>3. OER, KER projection 2017 – 2020</li> <li>4. Estate Cost Estimation: Upkeep cost, manuring cost, pest and disease management cost, pruning cost, census cost, terrace maintenance cost, road and bridge maintenance cost, harvesting cost.</li> <li>5. Mill Cost, KCP Cost, Selling cost, Bulking cost and Tax portion actual 2016 and projection 2018 – 2022</li> <li>6. Net Profit/Loss</li> </ol> <table border="1" data-bbox="855 975 1655 1246"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="3">Projection of Production (tons)</th> </tr> <tr> <th>Tanjung Selamat Estate</th> <th>Pangkatan Estate</th> <th>Third Party</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>50,367</td> <td>37,242</td> <td>50,000</td> </tr> <tr> <td>2018</td> <td>65,302</td> <td>27,342</td> <td>50,000</td> </tr> <tr> <td>2019</td> <td>85,316</td> <td>29,126</td> <td>50,000</td> </tr> <tr> <td>2020</td> <td>102,795</td> <td>33,316</td> <td>75,000</td> </tr> <tr> <td>2021</td> <td>114,112</td> <td>52,524</td> <td>75,000</td> </tr> </tbody> </table>	Year	Projection of Production (tons)			Tanjung Selamat Estate	Pangkatan Estate	Third Party	2017	50,367	37,242	50,000	2018	65,302	27,342	50,000	2019	85,316	29,126	50,000	2020	102,795	33,316	75,000	2021	114,112	52,524	75,000	<p>Comply</p>
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3.1.2	<p>An annual replanting program 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>The company has set a replanting program of Tanjung Selamat Estate 2012 – 2017 and Pangkatan Estate for Year 2015-2020. Some documents were reviewed such as document "Peta Rencana Replanting KPT 2015 – 2020 (Revisi) – PT Rantau Sinar Karsa – Kebun Pangkatan, Peta Rencana Tumbang Chipping OP 2018, and etc.</p> <p>Plan and realization of replanting 2012 until 2017 at Tanjung Selamat Estate and replanting plan for period 2019 until 2020 at Pangkatan Estate presented as table below:</p> <table border="1" data-bbox="857 603 1774 1182"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Tanjung Selamat Estate (Ha)</th> <th colspan="2">Pangkatan Estate (Ha)</th> </tr> <tr> <th>Plan</th> <th>Actual</th> <th>Plan</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>2012</td> <td>464</td> <td>464</td> <td>-</td> <td>-</td> </tr> <tr> <td>2013</td> <td>886</td> <td>985</td> <td>-</td> <td>-</td> </tr> <tr> <td>2014</td> <td>826</td> <td>826</td> <td>-</td> <td>-</td> </tr> <tr> <td>2015</td> <td>475</td> <td>475</td> <td>293</td> <td>293</td> </tr> <tr> <td>2016</td> <td>595</td> <td>597</td> <td>659</td> <td>659</td> </tr> <tr> <td>2017</td> <td>612</td> <td>629</td> <td>710</td> <td>710</td> </tr> <tr> <td>2018</td> <td>-</td> <td>-</td> <td>717</td> <td>717</td> </tr> <tr> <td>2019</td> <td>-</td> <td>-</td> <td>713</td> <td>769</td> </tr> <tr> <td>2020</td> <td>-</td> <td>-</td> <td>548</td> <td>-</td> </tr> </tbody> </table>	Year	Tanjung Selamat Estate (Ha)		Pangkatan Estate (Ha)		Plan	Actual	Plan	Actual	2012	464	464	-	-	2013	886	985	-	-	2014	826	826	-	-	2015	475	475	293	293	2016	595	597	659	659	2017	612	629	710	710	2018	-	-	717	717	2019	-	-	713	769	2020	-	-	548	-	Comply
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Principle 4: Use of appropriate best practices by growers and millers																																																									
Criterion 4.1																																																									
<b>Operating procedures are appropriately documented, consistently implemented and monitored.</b>																																																									
4.1.1	Standard Operating Procedures (SOPs) for estates (land clearing to harvesting) and SOP for	Tanjung Selamat and Pangkatan Estate have demonstrated procedures for estate operation, starts from land preparation including replanting up to harvesting, such as:	Comply																																																						

	<p>mills (reception of FFB to dispatch of CPO and PKO) shall be available.</p> <p>- Major compliance -</p>	<ol style="list-style-type: none"> <li>1. SOP AA-APM-OP-1100.01-R4 dated 5/09/2016 Pembibitan; explains Nursery.</li> <li>2. SOP AA-APM-OP-1100.02-R3 10/06/2015 Penanaman Areal Baru; explains New Area Palnting.</li> <li>3. SOP AA-APM-OP-1100.03-R2 24/07/2015 Pembuatan dan Perawatan Jalan dan Jembatan; explains road and bridge construction and maintenance.</li> <li>4. SOP AA-APM-OP-1100.04-R3 07/12/2015 Pembuatan dan Pemeliharaan Parit; explains culvert/drainage construction and maintenance.</li> <li>5. SOP AA-APM-OP-1100.05-R3 23/11/2016 Konservasi Tanah dan Air; explains Soil &amp; Water Conservation.</li> <li>6. SOP AA-APM-OP-1100.06-R6 16/02/2017 Menanam Kacangan; related to Planting cover crops.</li> <li>7. SOP AA-APM-OP-1100.07-R6 16/02/2017 Menanam Kelapa Sawit; related to Planting Oil Palm.</li> <li>8. SOP AA-APM-OP-1100.08-R6 11/05/2016 Pengendalian Gulma or Weed control.</li> <li>9. SOP AA-APM-OP-1100.09. R5 5/09/2016 Pemupukan; related to Fertilizer application.</li> <li>10. SOP AA-APM-OP-1100.10. R6 23/11/2016 Pengendalian Hama dan Penyakit; explains Pests &amp; Disease Control.</li> <li>11. SOP AA-APM-OP-1100.11. R1 01/02/2009 Pestisida dan Pengendaliannya; explains for pesticide handling.</li> <li>12. SOP AA-APM-OP-1100.12. R3 23/11/2016 Kastrasi; explains castration (cutting all generative product (male flower, female flower, all fruit, to support vegetative growth) – done 5-6 months before being harvested.</li> <li>13. SOP AA-APM-OP-1100.13. R3 04/03/2016 Tunas Pokok for pruning.</li> <li>14. SOP AA-APM-OP-1100.14. R3 16/02/2017 Sensus dan Identifikasi Pokok; explains census and palm identification;</li> </ol>	
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		<p>treatment;</p> <p>13. SOP AA-MPM-OP-1400.14-R2 Stasiun penimbunan dan pengiriman CPO dan kernel for CPO and PK bulking and despatch operation;</p> <p>14. SOP AA-MPM-OP-1400.15-R1 Perawatan for preventive maintenance;</p> <p>15. SOP AA-MPM-OP-1400.19.R2 Manajemen dan Metode Menghitung Emisi Gas rumah kaca (GHG)</p> <p>16. SOP AA-MPM-OP-1400.18-R4 Book Keeping</p> <p>17. AA-MPM-OP-1400.17-R6 Traceability</p> <p>The mill operational procedures explains the flow process, specification of material and process, machinery and tools required, step-by-step process, control, monitoring and measurement and health and safety requirements.</p>	
4.1.2	<p>Checking or monitoring of operations procedures is conducted at least once a year.</p> <p>- Minor compliance -</p>	<p>The company follows procedure for internal audit under Standard Operating Procedures AA-SOP-ES-6001-R1 01/03/2013. The procedure stated that internal audit conducted minimum once a year. Upon finding, management unit shall prepare review on audit finding and prepare root cause analysis, prepare corrective action – with person in charge and completion target. The latest Sustainability internal audit has performed on 25 – 26 April 2018 in Tanjung Selamat Estate by internal auditor: Andy Prasetyo, Mardohar Rajagukguk, Okky Sanjaya, Riko Budi, Ali Topan, Oscar Pardosi and Aris Marta. During audit there were 5 issue raised, rootcause and corrective action has been taken and implemented. Internal Audit in Pangkatan Estate has been performed on 29 – 30 November 2018 by Hendrik Kristian Simanjuntak, Ridho Ilahi, Wahy Mulya Atmaja, SF Hasoloan Debataraja and Fadlan NM. During audit raised 9 issue and has been followed up by Estate management.</p> <p>To checking and monitoring of operations procedures, the company has conducted any others internal audit and visit both in estate and mill:</p> <ul style="list-style-type: none"> <li>- R&amp;D Agronomic Visit, conducted once a year to check and monitor the implementation of Agronomy best management practices particularly for pest and disease control and plant upkeep. Last visit performed in Tanjung Selamat Estate 2 – 4 April 2018 by</li> </ul>	Comply



		<p>Jhonson Situmorang. During visit found the symptomp of Mg deficiency in several plant at OP 2015 in Block B15a and B15b. Recommendation: Immediate selective application of Kieserite on July 2018.</p> <ul style="list-style-type: none"> <li>- R&amp;D P&amp;D Visit in Tanjung Selamat Estate conducted on 28 February – 1 March 2019 by David Sinambela. During visit it was recommended to: control the setora nitens attack by fogging in block A15a with area 8 ha by apply the insecticide Polydor 25 EC, 300 ml/ha and in block A15b with area 7 ha by apply NPV 5 ml/ha. Contact insecticide performed considering the high leaf defoliation 2 – 15%. Collecting the infected caterpillar (setora nitens) by NPV and fungi.</li> <li>- R&amp;D P&amp;D Visit in Pangkatan Estate conducted on 6 – 7 November 2018 by David Sinambela. During visit it was recommended to: strict monitoring for census and manual picked up control for all caterpillar attack at OP 16, OP 17 and OP 18, Performing host-plant upkeep regularly.</li> <li>- Visiting Agent conducted once a year to check and monitor the implementation of general Agronomy best management practices. Latest visit performed in Tanjung Selamat Estate on 3 – 7 Septmber 2018 by Sinnaiha Ganapathy number of comments recommendation were made such as:             <ul style="list-style-type: none"> <li>✓ The management must immediately liaise with R&amp;D. In the meantime set up pheromone trap every 20 palms and monitor the number of trapped beetles. Maintainthe trap at least for a year.</li> <li>✓ The management must take a minimum 10% of all the census point and verify for the accuracy.</li> <li>✓ The management must program another round of spraying failing which the work done earlier will be a waste. This weed must be control as it grows aggressively.</li> </ul> </li> <li>- Visiting Agent in Pangkatan Estate conducted on 10 – 14 December 2018 by Ng Herng Shio, number of comments recommendation were made such as:             <ul style="list-style-type: none"> <li>✓ Main issue affecting performance: Upkeep in most fields due for replanting in 2019 (704 ha) were mostly neglected – last maintenance for circles &gt; 6 months ago,</li> </ul> </li> </ul>	
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		<p>interrows &gt; 2 years ago and drain &gt; 1.5 years ago, affecting access and suitable field conditions for optimal production before replanting.</p> <ul style="list-style-type: none"> <li>✓ Construction of 4 metre drains for double-hedge bunds (in B18h and B18k – 40 ha) is unsuitable as it resulted narrow top surfaces (6 – 7 m) and hence in the palms being planted at the edges (0.5 – 1.0 m) of the slopes of the bunds. This will result in leaning or toppled palms and difficult and inefficient harvesting later on.</li> <li>- Visiting Engineering (VE) performed once a year to check and monitoring the implementation of mill operation procedure. Last VE in Tanjung Selamat Mill performed on 13 – 17 January 2018 by TCJ Thomas. All issue found during visit has been addressed and solved by Tanjung Selamat POM. For example:             <ul style="list-style-type: none"> <li>✓ Boiler furnaces cleaning is not satisfactory; must be cleaned every week to prevent build up of ash on walls. Mill manager has taken action by regularly cleaning the boiler furnace after the process done and the boiler standby.</li> <li>✓ Cappacitor controller unit has been removed from the panel for repairs. Mill must replace the capacitor controller as soon as possible. It has been followed up by Mill manager on Second Week of March 2018.</li> </ul> </li> <li>- Process and Quality Control visit performed each semester to check the quality parameter of mill process and mill production (CPO and PK standard quality), loses, FFB quality, sterilizer pressure, process temperature, unstriped bunches, raw water treatment plant, laboratory, etc. Last visit performed on 06 – 11 March 2019 by Bimo Basworo. All issue found during visit has been addressed and solved by Tanjung Selamat POM. For example:             <ul style="list-style-type: none"> <li>✓ The quality of own estate FFB seen from the maturity of TBS is sufficient, only the percentage of empty fruit bunch and over ripe is still quite high which average reaches 2.84% (std &lt;1%) and 7.11% (std &lt;1).</li> </ul> </li> </ul> <p>From result of sample cross check analysis, oil losses and kernel losses to sample in Tanjung Selamat POM is still fluctuating.</p>	
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<p>4.1.3</p>	<p>Records of monitoring and any follow-up actions shall be available.</p> <p>- Minor compliance -</p>	<p>Records of monitoring and any follow up actions can be demonstrated during audit, such as:</p> <ul style="list-style-type: none"> <li>- Integrated Sustainability internal audit report, which done on 25 – 26 April 2018 in Tanjung Selamat Estate by internal auditor: Andy Prasetyo, Mardohar Rajagukguk, Okky Sanjaya, Riko Budi, Ali Topan, Oscar Pardosi and Aris Marta. During audit there were 5 issue raised, rootcause and corrective action has been taken and implemented.</li> <li>- Internal Audit report, which done on in Pangkatan Estate has been performed on 29 – 30 November 2018 by Hendrik Kristian Simanjuntak, Ridho Ilahi, Wahy Mulya Atmaja, SF Hasoloan Debataraja and Fadlan NM. During audit raised 9 issue and has been followed up by Estate management.</li> <li>- R &amp; D Pest and Disease Visit Report Tanjung Selamat Estate No. KTS/R&amp;D-P&amp;D-P&amp;D/01-2019, date of visit 21 February – 1 March 2019 by David Sinambela. All issues found during visit have been addressed by the company as explained above.</li> <li>- R &amp; D Pest and Disease Visit Report Pangkatan Estate No. KPT/R&amp;D-P&amp;D-P&amp;D/02-2018, date of visit 6 – 7 November 2018 by David Sinambela. All issues found during visit have been addressed by the company as explained above.</li> <li>- R&amp;D Agronomic Visit Report Pangkatan Estate no. KPT/R&amp;D-AGRO/01-18 date of visit 2 – 4 April 2018 by Jhonson Situmorang. All issues found during visit have been addressed by the company as explained in indicator 4.1.2 above.</li> <li>- Visit Agent Report No.KTS/VA/FULL 01-18 by Sinnaiha Ganapathy, date of visit 3 – 7 September 2018 in Tanjung Selamat Estate. All issues found during visit have been addressed by estates as explained in indicator 4.1.2 above.</li> <li>- Visit Agent Report No.KPT/VA/FULL 02-18 by Ngu Heng Shioh, date of visit 10 – 14 December 2018 in Pangkatan Estate. All issues found during visit have been addressed by estates as explained in indicator 4.1.2 above.</li> <li>- Production Performance report, that explained the FFB production performance and evaluation as well as determined production target for next year. Evaluation FFB production each block can be demonstrated.</li> <li>- Mandore logbook, contain information of daily work monitoring covering: harvesting, spraying, fertilizing, pest and disease census, road and infrastructure maintenance, and others.</li> </ul>	<p>Comply</p>
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		<ul style="list-style-type: none"> <li>- Visiting Engineering report No.PTS-VE-FULL 01-19 date of visit 13 – 17 January 2019 by TCJ Thomas. All issue found during visit has been addressed by company as explained in indicator 4.1.2 above.</li> <li>- Process and QC visit report No. PTS/R&amp;D-P&amp;QC/01-2018 date of visit 06 – 11 March 2019 by bimo Basworo. All issue found during visit has been addressed by company as explained in indicator 4.1.2 above.</li> <li>- Internal Audit RSPO SCCS which carried out on 14 March 2019 by Oscar Pardosi ft Welly Joel, against RSPO SCCS 2017 – RSPO General Chain of Custody requirements and Module E: Mass Balance.</li> <li>- Mill Daily Report of Tanjung Selamat POM, latest on 27 March 2019; contain information covering FFB receiving, FFB process: gross and net FFB processed, FFB stock, shift hour, process hour, press hour, press capacity, sterilizer process, Utility factor commercial and capacity, CPO and PK production, CPO and PK extraction rate, CPO and PK quality. Process performance evaluated each day by mill manager and some corrective action to address some issue has been developed by Tanjung Selamat POM.</li> </ul> <p>It is a routine that the estate and mill management prepare monthly reports and send to the company’s head office for monitoring purpose as well. Monthly Report Document has recorded all field inspection results.</p>	
4.1.4	<p>Records of the origins of all third-party FFB sourced (collector, deliver, Cooperative, Farmers Association and outgrower) shall be available.</p> <p>- Major compliance -</p>	<p>PT. Inti Indosawit Subur-Buatan has a policy related to purchase of non-certified FFB under “Kebijakan Perusahaan”. Point 17 stated “Melakukan komunikasi dan evaluasi kepada pihak ketiga terkait asal penerimaan TBS dari lahan yang legalitasnya dapat dibuktikan, tidak ada pembakaran untuk pembukaan areal baru maupun peremajaan (replanting), tidak melakukan pembukaan areal gambut setelah September 2014, tidak terdapat konflik lahan dan tidak mempekerjakan anak-anak dalam pengelolaannya” – To communicate and evaluate third party related to pruchase of FFB from legally demonstrable area, no burning for new development or replanting, no new development in peat area after September 2014, no land conflict and not employing children in the process”.</p> <p>The Mill has recorded list of third party FFB supplier as recorded in “Laporan Harian Pabrik” (Mill Daily Report) and resume in document Mill Summary Operation. The FFB from third</p>	Comply

		<p>party coming from collectors, cooperative farmers association and outgrower. List of third party supplier that supplied FFB to Tanjung Selamat Mill are as follow:</p> <ul style="list-style-type: none"> <li>a. Roma</li> <li>b. UD Ula Tersia - TS</li> <li>c. UD Sahabat</li> <li>d. William Tanizar - PTS</li> <li>e. Tan Ing Sing (TSG)</li> <li>f. Asosiasi Wan Juma Sari Dewi (WJD)</li> <li>g. Asosiasi Wan Juma Sari Dewi-KS (WJD-KS)</li> <li>h. Koperasi Perkebunan Anugrah Jaya Mandiri Sejahtera</li> <li>i. Kop Mandiri Tani Sejahtera (MTS)</li> <li>j. Bumdes T T Pangkatan Sejahtera</li> </ul> <p>Based on document "Laporan Harian Pabrik" dated 31 December 2018, FFB received from own and third-party during 2018, are as follows:</p> <ul style="list-style-type: none"> <li>1. Own estate: 99,433,544 consist of: <ul style="list-style-type: none"> <li>- Tanjung Selamat Estate: 70,095,976 kg</li> <li>- Pangkatan Estate: 29,337,568 kg</li> </ul> </li> <li>2. Third party: 126,505,043 kg <ul style="list-style-type: none"> <li>- Roma: 200,711 kg</li> <li>- Wanjuna Sari Dewi: 37,335,085 kg</li> <li>- UD Ula Tersia – TS: 49,973,465 kg</li> <li>- UD Sahabat: 16,612,475 kg</li> </ul> </li> </ul>	
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		<ul style="list-style-type: none"> <li>- Wiliam Tanizar – PTS: 955,395 kg</li> <li>- Wanjuma Sari Dewi – KS: 16,377,327 kg</li> <li>- Tan Ing Sing (TSG): 12,829 kg</li> </ul> <p>3. Total FFB received in 2018: 225,938,587 kg</p> <p>PT. Inti Indosawit Subur – Buatan I POM shows SOP to communicate and evaluate the source of third party FFB (non-certified). SOP Pengawasan Sumber Pembelian TBS Luar AA-MM-506.2-R0, dated 1<sup>st</sup> January 2014. The procedure for monitoring and evaluation of source of FFB. Purpose to ensure third party FFB sourced from non-forest area, completed with legal use of the land. The procedure: check supporting document from supplier (delivery order, Surat pernyataan, plantation block maps); compare the plantation location map/coordinate against the legal documents; team will compare the plantation location map against the RTRWP; conduct field verification to the source of FFB (oil palm plantation belong to farmer), randomly selected; team prepares database, listing the complying suppliers. Supply of FFB from area which legally contested or coming from protected forest, plantation forest, conservation area – will be rejected.</p> <p>SOP Traceability – FFB Purchase AA-SOP-MM-506.3-R0, dated 1<sup>st</sup> January 2015. The procedure stated all supplier shall fulfill legal requirement, not limited to: legal ownership/legal use of the land, hectarage, planting year, production, type of soil, type of seedling, distance from palm oil mill, etc. All supplier shall completed with coordinate points, listed in weighbridge system. While grading and sortation follows SOP for FFB receiving.</p> <p>Verification process up to audit: UD Sahabat, Desa Asam Jawa, Kec. Torgamba, Bilah Hilir, verified on 15<sup>th</sup> July 2017, covering area plantation 2,000 Ha. The verification database completed with name of land owner, planting year, hectare per plantation block and GPS coordinates. “Pernyataan dan Jaminan”, stated the guarantee from the supplier that the FFB is coming from their own property, the plantation does not falls under protected forest, plantation forest, production forest, conservation area status; not a stolen FFB; FFB not coming from new plantation and converted from forest after September 2014; FFB not coming from new plantation, or plantation converted from peat area after September 2014</p>	
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		– signed on 15 <sup>th</sup> July 2017. Pricing is determined by meknisme market FFB and set every day and recorded in the pricing document “Mekanisme Penetapan harga TBS Buatan I Mill”.																													
<b>Criterion 4.2</b>																															
Practices maintain soil fertility at, or where possible improve soil fertility to a level that ensures optimal and sustained yield.																															
4.2.1	A record of SOP implementation to maintain soil fertility that ensures optimal and sustained yield, shall be available.  - Major compliance -	<p>The company has established procedure soil fertility in “SOP AA-APM-OP-1100.09. R1” - SOP Pemupukan, consist of type and recommendation of fertilizer for immature and mature areas, cycle, dosage and when fertilizer is applied. During field visit can be demonstrated that company has applied management strategy to maintain soil fertility according to the procedure. Manuring was performed manually with spreading the fertilizer by person uniformly in each palm oil trees in accordance with dosage which has defined by Research and Development recommendation.</p> <p>Fertilizers were applied to maintain and increase soil fertility, fertilizer applied in accordance to the fertilizer recommendation which created based on soil and leaf analysis. Records of fertilizer application in Tanjung Selamat and Pangkatan Estate 2018 as well as recommendation are available in “Fertilizer application and recommendation 2018”.</p>	Comply																												
4.2.2	Records of fertilizer inputs shall be available. - Minor compliance -	<p>Fertilizer recommendation and actual implementation is recorded under “Fertilizer Application and Recommendation 2018” and “Laporan Unit Kebun”. Below are fertilizer input of Tanjung Selamat and Pangkatan Estate in 2018:</p> <p>Tanjung Selamat Estate (Mature &amp; Imature Plantation):</p> <table border="1"> <thead> <tr> <th rowspan="3">Type of Fertilizer</th> <th colspan="4">Pangkatan Estate</th> </tr> <tr> <th colspan="2">Recommendation (kg)</th> <th colspan="2">Realization (kg)</th> </tr> <tr> <th>Mature</th> <th>Imature</th> <th>Mature</th> <th>Imature</th> </tr> </thead> <tbody> <tr> <td>Dolomite</td> <td>535,360</td> <td>53,854</td> <td>535,238</td> <td>53,857</td> </tr> <tr> <td>Kieserite</td> <td>-</td> <td>3,608</td> <td>-</td> <td>3,608</td> </tr> <tr> <td>MOP</td> <td>1,430,882</td> <td>82,111</td> <td>1,430,806</td> <td>82,111</td> </tr> </tbody> </table>	Type of Fertilizer	Pangkatan Estate				Recommendation (kg)		Realization (kg)		Mature	Imature	Mature	Imature	Dolomite	535,360	53,854	535,238	53,857	Kieserite	-	3,608	-	3,608	MOP	1,430,882	82,111	1,430,806	82,111	Comply
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		RP	307,284	-	307,284																													
		NPK 12.12.17.2	-	46,982	-	46,982																												
		ZA	993,159	46,170	993,159	46,590																												
		Hi - Kay	107,106	964,718	107,106	879,446																												
		CuSO <sub>4</sub>	8,461	27,861	8,461	26,260																												
		HGFB	77,521	37,475	77,521	34,437																												
		ZnSO <sub>4</sub>	8,642	27,861	8,642	12,217																												
		Mix Cu Zn	31,876	-	31,876	-																												
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		NPK 12.12.17.2+TE	5,304	5,304	
		NPK 15-15-6-4	5,015	5,015	
		Cu EDTA	50	50	
		NPK-13.6.27.4+0.6	801,024	801,024	
		Micromix VG	31,878	31,878	
4.2.3	Records of periodical leaf, soil and visual analysis shall be available. - Minor compliance -	<p>Records of periodical leaf sampling and visual analysis were available. Foliar Analysis Report shows that leaf sampling and analysis has been done recently in 26 May 2018 at Pangkatan Estate. The result will be used to develop fertilizer recommendation of 2019. It was shown Foliar Analysis Report #152/INT/R&amp;D/JUL/L/18 dated 13 July 2018, Afdeling I – IV Blok A13a – A16j, B13a – B15j, C12a – C14q, D12a – D14f Afdeling I – IV year of planting 2012 – 2016. Major element analyzed: N, P, K, Mg, Ca, B, Cu, Zn, Mn, Fe, S, Cl.</p> <p>Leaf sampling analysis or Foliar analysis at Pangkatan Estate conducted on 29 March 2018. Foliar Analysis Report# 041/INT/R&amp;D/APR/L/18 dated 16 April 2018 with 62 samples in Afdeling I, Afdeling II and IV. Major element analyzed: N, P, K, Mg, Ca, B, Cu, Zn, Mn, Fe, S, Cl.</p> <p>Soil Analysis performed each 6 year. Evidence of soil analysis was shown on record "Data Analisis Tanah Profil" sample seen: Soil Profil on Division II Block F92c dated 08/05/2013 by Gunawan kristiyanto. Result of soil analysis are Fisiografi and Topographi flat 0 – 8 %, Humidity regime : Udic, Temperature regim: Isohipertemik, Drainage class: Bad, Depth solum 120 cm, Ground water depth 60 cm, Epipedon: Histik, Horizon: Hemists, Soil Classification: Typic Haplohemists. Detail of soil analysis data by soil laboratory are available and can be demonstrated.</p>			Comply
4.2.4	A nutrient recycling strategy is recorded, including use of Empty Fruit Bunches (EFB), land application, and palm residues after replanting. - Minor compliance -	Nutrient recycling strategy performed by maintaining palm residues after replanting. The company also implemented bunch ash application. Below is bunch ash application record of Tanjung Selamat Estate:			Comply

		Description	Pangkalan Estate		
		Applied Area (ha)			
		Dosage (kg/tree)	3		
		Bunch ash (kg)	759,732		
		In year 2018, there is no application of bunch ash in Pangkatan Estate. There is no application of EFB and POME in Tanjung Selamat and Pangkatan Estate since the whole area is peat.			
<b>Criterion 4.3</b>					
Practices minimise and control erosion and degradation of soils.					
4.3.1	Maps of any fragile soils shall be available. - Major compliance -	<b>Tanjung Selamat Estate:</b> Map of peat soil is available in place with scale 1 : 20.000, including: 1. Peta Kerja Kebun Tanjung Selamat, contained block number, Afdeling, hectares, road, river and housing complex. 2. Peta Citra Landsat year 2002. 3. Elevation Map; contain 0 – 8% (3,855 ha) 4. Topography Map; contain 2.5 – 12.5 m above sea level 5. Soil and Suitability Map; a. Peat < 1 meter: 1,602 ha b. Peat 1 – 3 meter: 2,101 ha c. Peat > 3 meter: 152 ha Total: 3,855 ha 7. Soil Serial Map <b>Pangkalan Estate</b> - Peta Citra Landsat 7 ETM, path 128, raw: 058, PT Rantau Sinar Karsa Kebun Pangkatan, year 2002, scale 1:20.000 - Soil Serial Map, covers 3,855 ha, scale 1:20.000 a. Typic Endoaquults seri Pangkatan b. Sapric Haplohemists seri Pangkatan c. Typic Haplohemist seri Pangkatan - Soil Suitability Map, scale 1:20.000;			Comply

		<ul style="list-style-type: none"> <li>○ Typic Endoaquults – Slope: 0-3% (856 ha)</li> <li>○ Typic Haplohemist, Peat &lt; 1 m; Slope 0-3% (746 ha)</li> <li>○ Sapric Haplohemist, Peat 1 - 3 m; Slope: 0-3% (2,101 ha)</li> <li>○ Sapric Haplohemist, Peat &gt; 3m; Slope 0-3% (152 ha)</li> <li>○ Marginal Suitable Area (S3): ± 746 ha (19,4%)</li> <li>○ Unsuitable Area with Condition (N1): ± 3,109 ha (80,6%)</li> </ul> <p>Elevation Map, scale 1:20.000; Flat (0 - 8%): 3,855 ha.</p>			
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>All of area on Tanjung Selamat and Pangkatan Estate has slope 0-3 %, so the organization does not implement management strategy for planting on slope a certain limit.</p>	Comply		
4.3.3	<p>A road maintenance program shall be in place.</p> <p>- Minor compliance –</p>	<p>Procedure for road maintenance has been established. Company have established road maintenance program for main road, collection road and access road by manual and mechanical maintenance. Road maintenance includes manual, grading and compacting and road hardening. Budget for Grading and Compacting 2019 is available including the realization. In 2018 in Tanjung Selamat Estate total manual road maintenance was 592,705 m at Mature plantation and 148,200 m at Imature plantation, mechanical road maintenance was 130,010 m at Mature plantation and 58,415 at Imature plantation. While in Pangkatan Estate 2018 has been realize the manual road maintenance 368,131 m and mechanical maintenance was 102,480 m and road hardening was 52,424 m.</p> <p>Program of Road Hardening Pangkatan Estate 2019 was 3.635 m, mechanical road maintenance program was 35,900 and manual road maintenance program was 78.535 m. To date February 2019 has been realize road hardening 447 m, mechanical road maintenance 8,300 m and manua road maintenance 8,000 m.</p> <p>Program of Grading and Compacting Afdeling III Tanjung Selamat Estate, April, May, September &amp; October 2019:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">OP/Block</td> <td style="width: 50%; text-align: center;">Meter</td> </tr> </table>	OP/Block	Meter	Comply
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OP 2012 (C12a – C12f)	15,742									
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OP 2014 (C14a – C14q)	43,556									
<p>4.3.4</p>	<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>The company has established a procedure of Water Management AA-SOP-OP-1100.17-R1. Documented water management program to ensure that subsidence of peat soils are minimized and monitored has established. There is sufficient evidence that the defined program was implemented. Water management procedure for peat land is implemented, the company has installed water gate, main drain gate, peat subsidence monitoring, and washing drainage regularly, also monitoring of water level, main gate water lever, peat subsidence level.</p> <p>The organization has documented water and ground cover management program and maintained records of monitoring subsidence of peat soils, i.e.:</p> <ul style="list-style-type: none"> <li>- Water Level Monitoring, using water level pole.</li> <li>- Monitoring of Peat Subsidence, using peat subsidence pole. There are 4 pole subsidence installed in Tanjung Selamat Estate Block A16f, B13i, C14i and D13j. In Pangkatan Estate there are 12 subsidence pole installed in Block A18i, A18b, A16e, A17a, H92e, G92d, G92i, B18g, B18b, C91n, D17i and C91h.</li> <li>- Water Table Monitoring, using piezometer. There are 4 piezometer installed in Tanjung</li> </ul>	<p>Comply</p>							

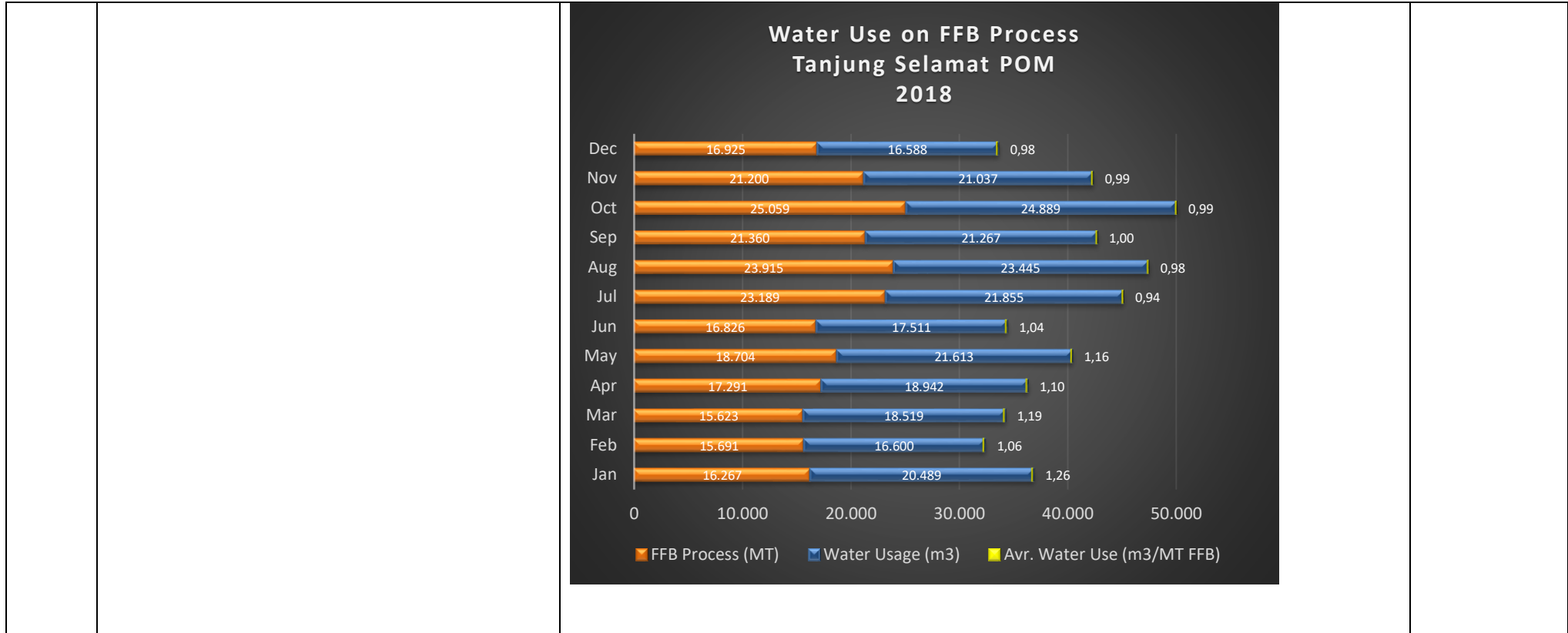
		<p>Selamat Estate Block A16f, B13i, C14i and D13j. While in Pangkatan Estate there are 12 piezometer installed in Block A18i, A18b, A16e, A17a, H92e, G92d, G92i, B18g, B18b, C91n, D17i and C91h.</p> <p>All monitoring performed each week. It was found that water level is maintained at 30 – 60 cm. Peat subsidence until March 2019 average was 0 - 0.5 cm.</p>	
4.3.5	<p>Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.</p> <p>- Minor compliance –</p>	<p>Drainability Assessment in Tanjung Selamat Estate has been conducted and documented in “Laporan Studi Drainase Di Areal Gambut Kebun Tanjung Selamat PT Indo Sepadan Jaya, Maret 2017”</p> <p>The conclusions from this study are as follows:</p> <ol style="list-style-type: none"> <li>1. Elevation range at Pangkatan Estate are 7 – 11 m asl, and it is above Kalundang river with the lowest contour 7.6 m.</li> <li>2. The actual drainage class at Tanjung Selamat Estate in general is S-2 which means that water excess can be released when the Kalundang River water level is at the middle level (MWL) to lowest level (LWL).</li> <li>3. Pangkatan Estate has a vary peat depth from 1 to &gt; 3 m with middle - good maturity level (hemik - saprik).</li> <li>4. Minimum economic life span of peatlands at Tanjung Selamat Estate is about 103.3 years (4 planting period) and may change according to land management and drainage system.</li> </ol> <p>Drainability Assessment in Pangkatan Esatate has been conducted and documented in “Studi Drainase Di Areal Gambut Kebun Pangkatan PT Rantau Sinar Karsa (RSK), April 2016.</p> <p>The conclusions from this study are as follows:</p> <ol style="list-style-type: none"> <li>1. Pangkatan Estate elevation ranges from 6 to 13 m asl, and it is above the merbau river with the lowest contour height is 1.3 m.</li> </ol>	Comply

		<p>2. The actual drainage class in general is S-3 which means that water excess can be released when the Merbau River water level is at the lowest level (LWL).</p> <p>3. Pangkatan Estate has a vary peat depth from 1 to &gt; 3 m with good maturity level (saprik).</p> <p>Minimum economic life span of peatlands in Pangkatan Estate is about 74.6 years and may change according to land management and drainage system.</p>	
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>There is no other fragile and problem soil in Tanjung Selamat and Pangkatan Estate area, beside peat soil.</p>	Comply
<p>Criterion 4.4  <b>Practices maintain the quality and availability of surface and groundwater</b></p>			
4.4.1	<p>An implemented water management plan shall be in place.</p> <p>- Minor compliance -</p>	<p>Certificate Holder located in peat area. As an agronomy practices, water management is required to maintain the palm crops. During surveillance audit, the certificate holder able to demonstrate water management plan document. Monitoring of water management plan are include: Water Level Monitoring, Peat Subsidence Monitoring and Piezometer.</p> <p>During field observation at Watergate in Tanjung Selamat Estate, monitoring of water level are conducted as the company procedures.</p>	Comply
4.4.2	<p>Protection of water courses and wetlands, including securing and maintaining appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated.</p> <p>- Major compliance -</p>	<p>Certificate Holder has provide identification of water sources and wetland as described in HCV report in 2013. Protection form of water source and wetlands is by conserving buffer zone and periodically water analysis tested.</p> <p>Result from accredited laboratory "Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit Kelas 1 Medan". Kalundang River Laboratory tested twice a year, 30 January 2018 and 23 July 2018 as follow:</p>	Comply

		<p style="text-align: center;"><b>Water Quality Test of Kalundang River Tanjung Selamat POM 2018</b></p> <table border="1"> <thead> <tr> <th>Sampling Point</th> <th>TSS (TH: 50 mg/L)</th> <th>pH (6-9)</th> <th>COD (TH: 25 mg/L)</th> <th>BOD (TH: 3 mg/L)</th> </tr> </thead> <tbody> <tr> <td>Downstream SM-2</td> <td>26</td> <td>8,07</td> <td>13,56</td> <td>1,634</td> </tr> <tr> <td>Upstream SM-2</td> <td>24</td> <td>7,95</td> <td>6,19</td> <td>0,746</td> </tr> <tr> <td>Downstream SM-1</td> <td>4</td> <td>6,81</td> <td>19,8</td> <td>1,336</td> </tr> <tr> <td>Upstream SM-1</td> <td>5</td> <td>6,36</td> <td>18,9</td> <td>1,048</td> </tr> </tbody> </table> <p>According to laboratory analysis, the water quality of Kalundang River is well maintained.</p>	Sampling Point	TSS (TH: 50 mg/L)	pH (6-9)	COD (TH: 25 mg/L)	BOD (TH: 3 mg/L)	Downstream SM-2	26	8,07	13,56	1,634	Upstream SM-2	24	7,95	6,19	0,746	Downstream SM-1	4	6,81	19,8	1,336	Upstream SM-1	5	6,36	18,9	1,048	
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Upstream SM-1	5	6,36	18,9	1,048																								
<p>4.4.3</p>	<p>Records for monitoring of effluent especially BOD (Biochemical Oxygen Demand) and efforts to comply with legal requirements, shall be available (see criteria 2.1 and 5.6). - Minor compliance –</p>	<p>Tanjung Selamat Mill has effluent treatment pond prior to release in the environmental body. Monitoring of effluent quality conducted by third party accredited laboratory “Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit, Medan” in monthly basis. Reference of legal requirements used is Environmental Ministry Decree “Peraturan Menteri Lingkungan Hidup No. 5 Tahun 2014” about Threshold Mill Effluent for Palm Oil Industry. The analysis result during year 2018 as follow:</p>	<p>Comply</p>																									

		<p style="text-align: center;"><b>Records of Monitoring Effluent Tanjung Selamat POM 2018</b></p> <table border="1"> <thead> <tr> <th>Month</th> <th>TSS (TH: 250 mg/L)</th> <th>BOD (TH: 100 mg/L)</th> <th>COD (350 mg/L)</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>27,52</td><td>27,52</td><td>86</td></tr> <tr><td>Feb</td><td>25,6</td><td>25,6</td><td>80</td></tr> <tr><td>Mar</td><td>97,84</td><td>97,84</td><td>342,44</td></tr> <tr><td>Apr</td><td>212</td><td>67,84</td><td>212</td></tr> <tr><td>May</td><td>212</td><td>67,84</td><td>212</td></tr> <tr><td>Jun</td><td>36,74</td><td>36,74</td><td>128,59</td></tr> <tr><td>Jul</td><td>87,24</td><td>43,62</td><td>87,24</td></tr> <tr><td>Aug</td><td>114,52</td><td>38,17</td><td>114,52</td></tr> <tr><td>Sep</td><td>28,58</td><td>86,62</td><td>28,58</td></tr> <tr><td>Oct</td><td>52,73</td><td>52,73</td><td>184,56</td></tr> <tr><td>Nov</td><td>85,12</td><td>85,12</td><td>266</td></tr> <tr><td>Dec</td><td>18,54</td><td>18,54</td><td>61,18</td></tr> </tbody> </table>	Month	TSS (TH: 250 mg/L)	BOD (TH: 100 mg/L)	COD (350 mg/L)	Jan	27,52	27,52	86	Feb	25,6	25,6	80	Mar	97,84	97,84	342,44	Apr	212	67,84	212	May	212	67,84	212	Jun	36,74	36,74	128,59	Jul	87,24	43,62	87,24	Aug	114,52	38,17	114,52	Sep	28,58	86,62	28,58	Oct	52,73	52,73	184,56	Nov	85,12	85,12	266	Dec	18,54	18,54	61,18	
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4.4.4	<p>Monitoring of mill water use per ton of FFB shall be recorded. - Minor compliance –</p>	<p><b>Tanjung Selamat POM:</b> Record of mill water use 2018:</p>	Comply																																																				





<p><b>Criterion 4.5</b> Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate integrated Pest Management (IPM) techniques.</p>			
4.5.1	<p>Monitoring of Integrated Pest Management (IPM) plan implementation shall be available. - Major compliance -</p>	<p>Integrated Pest Management (IPM) was implemented and documented in related records, e.g. "Rekap Serangan Hama dan Penyakit", Pest Census Summary form B2 (Ulat Api &amp; Ulat</p>	Comply

		<p>Kantong), "Data Titik Sensus Ulat Api", "Ringkasan Sensus Hama Tikus", "Sensus Kandang Burung Hantu", "Formulir A4 Sensus Burung Hantu".</p> <p>Detection of leaf-eater caterpillar conducted monthly as early warning system. There is no nettle caterpillar exist in Tanjung Selamat and Pangkatan Estate in 2018 based on "Rekapitulasi Hasil Sensus Hama Pemakan Daun" and "Rekap Sensus Hama Daun" period January - December 2018. The company has implemented butterfly trap to control population of leaf-eater caterpillar as well as planting beneficial plants. In February 2019 there were <i>Pteroma pendula</i> caterpillar attack upper threshold (&gt;10) in area 23 ha with average 15 catterpillar per frond in Tanjung Selamat Estate, control has been taken by fogger (fogging); it has been effectively controlled after fogging.</p> <p>Tanjung Selamat and Pangkatan Estate has implemented biological control to minimize or eliminate pest and disease, e.g. by use of barn owl and planting beneficial plants such as <i>Casia sp.</i>, <i>Antigonon leptopus</i> and <i>Turnera subulatta</i>.</p>	
4.5.2	<p>Training records of Integrated Pest Management (IPM) shall be available.</p> <p>- Minor compliance –</p>	<p>Training related Integrated Pest Management (IPM) has been held recently by Learning &amp; Development Department on 15 January 2019. All supervisors and worker of IPM from Tanjung Selamat and Pangkatan Estate have attended the training. Based on document of training module and attendance list, the training was attended by 25 participants.</p>	Comply
<p><b>Criterion 4.6</b>  Pesticides are used in ways that do not endanger health or the environment.</p>			
4.6.1	<p>Documented evidence shall be available to show that pesticide used based on regulations and the use of pesticide is specific to target species with appropriate dosage which have minimal impact on non-target species.</p> <p>- Major compliance -</p>	<p>Justification of pesticide used is explained under company procedure of weed control - "SOP Pengendalian Gulma No.AA-APM-OP-11100.08- R1" dated 1 November 2008. Chapter IV explains the weed control program for woody, grass, fern, caladium, wild banana (<i>Musa spp</i>), <i>Asystasia</i>, etc. It does explain active ingredients use to control such weed, dosage per application, type of nozzle used and volume of spraying per application. 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 spraying worker in Afdeling II Tanjung Selamat Estate Block 11 – 12 A indicated that they understood the target species and active ingredients to control it.</p>	Comply

		<p>Spraying worker shows knowledge on minimizing chemical impact on beneficial weed. Justification for use of pesticide is clear, and understood by workers.</p> <p>Spraying works were conducted by selected spraying on specific target, for example weeds spraying on circle, path and TPH. Other areas beside specific area were not applied. Riparian area along the river are prohibits to be performed spraying to minimize and reduce the negative environmental impact to the river and ecosystem. Pesticide and herbicide used by company was registered in the book of pesticides - "Komisi Pestisida" and has permit from government.</p> <p>Type of pesticide use by Tanjung Selamat and Pangkatan Estate and its weeds target are as follow:</p> <table border="1" data-bbox="855 730 1776 1286"> <thead> <tr> <th>Agrochemical</th> <th>Active ingredients</th> <th>Register No.</th> <th>Weeds target</th> </tr> </thead> <tbody> <tr> <td>Metsulindo 20 WP</td> <td>Metil metsulfuron 20%</td> <td>01030119991484</td> <td>Wide leaf weeds, Stenochlaena, Crysan</td> </tr> <tr> <td>Gramoxone</td> <td>Paraquat 200 g/l</td> <td>0103011975116</td> <td>Fern, VOP, wood, Kerisan grass</td> </tr> <tr> <td>Kenlon 480 EC</td> <td>Triklopir 480 g/l</td> <td>01030120062433</td> <td>Wood</td> </tr> <tr> <td>Bionasa 480 AS</td> <td>Isopropil Amina Glifosat 480 g/l</td> <td>01030120031806</td> <td>Narrow leaf weed, <i>Asystasia</i>, <i>Imperata cylindrical</i></td> </tr> <tr> <td>Kenrane 288 EC</td> <td>Florokspir 20 g/l</td> <td>01010120103759</td> <td><i>Legume</i>, <i>Asystasia</i></td> </tr> <tr> <td>Solusi 865 SL</td> <td>2.4 Dimetil Amina 865 g/l</td> <td>011030120031931</td> <td><i>Legume</i>, <i>Asystasia</i></td> </tr> <tr> <td>Elang 480 SL</td> <td>Isopropil Amina Glifosat 480 g/l</td> <td>01030119941170</td> <td>Narrow leaf weed, <i>Asystasia</i>, <i>Imperata cylindrical</i></td> </tr> </tbody> </table>	Agrochemical	Active ingredients	Register No.	Weeds target	Metsulindo 20 WP	Metil metsulfuron 20%	01030119991484	Wide leaf weeds, Stenochlaena, Crysan	Gramoxone	Paraquat 200 g/l	0103011975116	Fern, VOP, wood, Kerisan grass	Kenlon 480 EC	Triklopir 480 g/l	01030120062433	Wood	Bionasa 480 AS	Isopropil Amina Glifosat 480 g/l	01030120031806	Narrow leaf weed, <i>Asystasia</i> , <i>Imperata cylindrical</i>	Kenrane 288 EC	Florokspir 20 g/l	01010120103759	<i>Legume</i> , <i>Asystasia</i>	Solusi 865 SL	2.4 Dimetil Amina 865 g/l	011030120031931	<i>Legume</i> , <i>Asystasia</i>	Elang 480 SL	Isopropil Amina Glifosat 480 g/l	01030119941170	Narrow leaf weed, <i>Asystasia</i> , <i>Imperata cylindrical</i>	
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<p>4.6.2</p>	<p>Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per Ha and number of applications) shall be available. - Major compliance -</p>	<p>The Company has a pesticide application program which documented in annual work programme. Activities using pesticides among others circle and path spraying, selective spraying etc.</p> <p>Records of pesticides use have been recorded including active ingredient, area treated, amount applied per ha, use of selective product and rotation number of applications. Several records of pesticide used were sighted, e.g. application schedule, list of pesticide use in oil palm estate, work achievement and pesticide use, stock card of agrochemicals. The records covered date of application, quantity of pesticide use and name of sprayers.</p> <p>Record "Daftar Pemakaian Bahan Pestisida Tahun 2018" described that pesticide use are as follows:</p> <table border="1" data-bbox="862 746 1765 1300"> <thead> <tr> <th>Chemical</th> <th>Application 2018</th> <th>Active Ingredients Used</th> <th>Active Ingredients per ha applied</th> <th>Active Ingredients per ton FFB</th> </tr> </thead> <tbody> <tr> <td colspan="5"><b>Tanjung Selamat Estate</b></td> </tr> <tr> <td>Gramoxone (Paraquat diklorida)</td> <td>5,138 L</td> <td>980 L</td> <td>0.26 L/ha</td> <td>0.010 L/ton FFB</td> </tr> <tr> <td>Metaprima (Metil metsulfuron 20%)</td> <td>689,465 gr</td> <td>137,893 gr</td> <td>34.73 gr/ha</td> <td>1.385/ton FFB</td> </tr> <tr> <td>Bionasa 480 AS</td> <td>3,109 L</td> <td>1,424 L</td> <td>0.46 L/ha</td> <td>0.014 L/ton FFB</td> </tr> </tbody> </table>	Chemical	Application 2018	Active Ingredients Used	Active Ingredients per ha applied	Active Ingredients per ton FFB	<b>Tanjung Selamat Estate</b>					Gramoxone (Paraquat diklorida)	5,138 L	980 L	0.26 L/ha	0.010 L/ton FFB	Metaprima (Metil metsulfuron 20%)	689,465 gr	137,893 gr	34.73 gr/ha	1.385/ton FFB	Bionasa 480 AS	3,109 L	1,424 L	0.46 L/ha	0.014 L/ton FFB	<p>Comply</p>
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4.6.3	Any use of pesticides shall be minimized as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no	There were records showing that the use of pesticides have been minimised in accordance with Integrated Pest Management (IPM) plan. Use of pesticides in the field was always lower	Comply																				

	<p>prophylactic use of pesticides, except in specific situations identified in Indonesia Best Practice guidelines. - Major compliance -</p>	<p>than the planned budget. It also shows the company's commitment to always reduce pesticide usage and give priority to the prevention of mechanical, biological and integrated pest management.</p> <p>There was no prophylactic use of pesticides, it is evident by site visit and field observation in Tanjung Selamat and Pangkatan Estate. Pesticide only used and apply for weeds and pest.</p>															
<p>4.6.4</p>	<p>The evidence shall be available to demonstrate that use of Pesticides, categorized in Class 1A or 1B by World Health Organization, or those are listed in the Stockholm and Rotterdam Conventions, and paraquat are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -</p>	<p>The Company has a complete listing of WHO class 1A, class 1B, and Stockholm or Rotterdam Conventions pesticide. It was well documented in Estate office. Paraquat is not banned in Indonesia according Act No.12/1992 regarding plant cultivation system, article 60 (g) jo. Article 38, and Ministry of Agriculture regulation No.107/Permentan/SR.140/9/2014 regarding pesticides supervisor. National regulation mentioned that paraquat dichloride is a restricted active ingredient so that its user must hold a certificate use of limited pesticides and the manufacturer must train first for the user of the pesticide.</p> <p>Paraquat which was the active ingredient of Gramoxone was still used in Tanjung Selamat and Pangkatan Estate especially at replanting area (to control the stnochlaena and hard crysan grass), however the organisation has set internal target to reduce paraquat use. Record of paraquat use in Tanjung Selamat and Pangkatan Estate are available in "Monitoring Penggunaan Paraquat". Below are the trend of paraquat usage in Tanjung Selamat and Pangkatan Estate for last 3 years:</p> <table border="1" data-bbox="857 1074 1771 1318"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Paraquat usage volume (L)</th> </tr> <tr> <th>Tanjung Selamat Estate</th> <th>Pangkalan Estate</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>7,070</td> <td>6,699.69</td> </tr> <tr> <td>2017</td> <td>9,891</td> <td>7,305.90</td> </tr> <tr> <td>2018</td> <td>4,300</td> <td>3,638.85</td> </tr> </tbody> </table>	Year	Paraquat usage volume (L)		Tanjung Selamat Estate	Pangkalan Estate	2016	7,070	6,699.69	2017	9,891	7,305.90	2018	4,300	3,638.85	<p>Comply</p>
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		<p>The increasing of paraquat usage in 2017 because of the increasing of replanting area. In 2018 the paraquat usage has reduce and in 2020 company will planed to stop using paraquat and substitute by other herbicide.</p>	
<p>4.6.5</p>	<p>Evidence of pesticide application by trained person and in accordance with application guidelines in product label and storage guidelines shall be available. Appropriate safety equipment shall be provided and utilized. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>- Major compliance -</p>	<p>Pesticide use and handling was documented in the procedure of Pesticides Management (SOP AA-APM-OP-1100.11-R1, dated 1 February 2009), Pests &amp; Disease Control (SOP AA-APM-OP-1100.10-R5, dated 11 January 2016) and Weeding Control (SOP AA-APM-OP-1100.08-R5, dated 7 December 2015). General instructions of security in working with pesticides described in procedure includes the selection of types of pesticides, pesticide storage, pesticide use, addressing pesticide contamination, first aid instructions, medical assistance.</p> <p>Agrochemicals have been applied and handled by trained spraying workers who have received usage of limited pesticide training. Training for limited pesticides uses was delivered by Pesticide Commission of Agriculture Department of North Sumatera Province on 20 February 2018 located in Tanjung Selamat Estate. Certificate of training were evident such as; Sunarsih, Julita Br Siregar, Suparmi Br Gurning, Sugiarti, and Mulastri Certificate No. 521.4/277.07/UPTTPH/II/2018. Refreshment training for SOP and WI regarding spraying work was conducted regularly in morning briefing. Training record and certificates were sighted for all sprayers. Its evidence that training has been conducted in an appropriate language (Bahasa Indonesia) and understood by the workers.</p> <p>Training covered handling of agrochemical concentrate and spraying method including pesticide hazard. Pesticides handled, used and applied only by persons who have completed the necessary training, it was observed during field audit at Block 11 – 12 A Tanjung Selamat Estate that all spraying workers have trained. Personnel interviewed (spraying workers) can clearly explain the type of work including work methods and goals, materials used (pesticides) including the dosage and hazards and risks, personal protective equipment and first aid.</p> <p>Pesticides were always applied in accordance with the product label and storage instruction. Agrochemicals storage was locked areas with limited access. The storage was ventilated. MSDS and hazard symbol label were provided nearby of agrochemicals. Emergency shower</p>	<p>Comply</p>

		<p>and eyewash were also provided to anticipate in case of an emergency of agrochemical handling. The possible spill was managed. Secondary containment was provided around the chemical storage area. Spill kit was also provided in the area.</p> <p>PPE for handling of chemicals were provided including boots, apron, safety glass, respiratory mask and hand gloves. PPE used was appropriate according to recommendations in any risk assessments. PPE provided and used can be easily replaced if damaged.</p>	
4.6.6	<p>Storage of pesticides shall be according to recognised best practices. All pesticides containers shall be properly managed according to the existing regulations and or instructions enclosed on the containers (see criterion 5.3).            - Major compliance -</p>	<p>Pesticides were stored in the determined area separated from fertilizer and other chemicals. Pesticides storage provided in central workshop and it was locked areas with limited access, both Tanjung Selamat Estate and Pangkatan Estate. The storage ventilated through cross flow ventilation. MSDS and hazard symbol label were provided nearby of pesticides. Emergency shower and eyewash were also provided to anticipate in case of an emergency of chemical handling. PPE for handling of chemicals were provided including boots, apron, safety glass, respiratory mask and hand gloves.</p>	Comply
4.6.7	<p>Application of pesticides shall be by proven methods that minimize risk and negative impacts.            - Minor compliance -</p>	<p>Application of pesticides was following SOP of Pesticides Management – “Pestisida dan Pengelolaannya” (AA-APM-OP-1100.11-R1) chapter III point 3.2 which stated that pesticide operator must be fit, not in pregnancy or breast feeding, must have meal before work, and uses appropriate PPE.</p> <p><b>Tanjung Selamat Estate:</b></p> <p>Based on interview with 14 spraying operator at Block D14 E and D14 F Afdeling 4, it is clearly stated that all sprayer already attending in medical checkup. Also, PPE for spraying activities are used appropriately.</p> <p><b>Pangkalan Estate:</b></p> <p>During surveillance, there is no spraying activities conducted in Pangkatan Estate. Spraying program for first period already completed in 20 March 2019. To minimize risk and negative impacts, all pesticides operator and person who handling pesticides was treated with medical check-up, appropriate PPE and pregnancy monitoring for women.</p>	Comply



<p>4.6.8</p>	<p>Pesticides may only be applied aerially where there is a documented justification. Surrounding communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.</p> <p>- Major compliance -</p>	<p>Tanjung Selamat Estate and Pangkatan Estate are not apply pesticides aerially.</p>	<p>Comply</p>																								
<p>4.6.9</p>	<p>Evidence of training on handling pesticide for workers and scheme smallholder (if any) shall be available.</p> <p>- Minor compliance -</p>	<p><b>Tanjung Selamat Estate:</b></p> <p>According to sample of 14 spraying operator at Block D14 E and D14 F Afdeling 4, training for pesticides handling (particularly Paraquat) already performed in 2014 and 2018. Evidence of training as follow:</p> <table border="1" data-bbox="857 847 1771 1310"> <thead> <tr> <th>Name</th> <th>Certificate #</th> <th>Name</th> <th>Certificate #</th> </tr> </thead> <tbody> <tr> <td>Mulastri</td> <td>521.4/277.07UP TTPH/II/2018</td> <td>Rumada Br. Manulang</td> <td>521.4/191.02/PL A.S/IX/2014</td> </tr> <tr> <td>Yudilia Zai</td> <td>521.4/191.02/PL A.S/IX/2014</td> <td>Sugianti</td> <td>521.4/277.07UP TTPH/II/2018</td> </tr> <tr> <td>Medina Wawuru</td> <td>521.4/191.02/PL A.S/IX/2014</td> <td>Suparmi Br. Gurning</td> <td>521.4/277.07UP TTPH/II/2018</td> </tr> <tr> <td>Riana Zega</td> <td>521.4/191.02/PL A.S/IX/2014</td> <td>Julita Br. Siregar</td> <td>521.4/277.07UP TTPH/II/2018</td> </tr> <tr> <td>Sarimine Zebua</td> <td>521.4/191.02/PL A.S/IX/2014</td> <td>Sunarseh</td> <td>521.4/277.07UP TTPH/II/2018</td> </tr> </tbody> </table>	Name	Certificate #	Name	Certificate #	Mulastri	521.4/277.07UP TTPH/II/2018	Rumada Br. Manulang	521.4/191.02/PL A.S/IX/2014	Yudilia Zai	521.4/191.02/PL A.S/IX/2014	Sugianti	521.4/277.07UP TTPH/II/2018	Medina Wawuru	521.4/191.02/PL A.S/IX/2014	Suparmi Br. Gurning	521.4/277.07UP TTPH/II/2018	Riana Zega	521.4/191.02/PL A.S/IX/2014	Julita Br. Siregar	521.4/277.07UP TTPH/II/2018	Sarimine Zebua	521.4/191.02/PL A.S/IX/2014	Sunarseh	521.4/277.07UP TTPH/II/2018	<p>Comply</p>
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4.6.10	<p>Proof that pesticide waste has been handled as per legal regulations and understood by worker and manager, shall be demonstrated.</p> <p>- Minor compliance -</p>	<p>All empty pesticides containers were triple rinsed and collected in the temporary storage of hazardous waste. Pesticides containers were transported by authorized transporter. Records of pesticides containers quantity were evident, e.g. Hazardous Waste Disposal Manifest. Liquid waste from pesticides was reused for the next spraying applications also there are several ex-containers "jerry can" that may re-use for field application.</p> <p>Each unit (Mill and Estate) has a license of hazardous waste storage as per required by regulation. Sample of Pangkatan Estate license:</p>	Comply																								

		<p>Temporay storage of hazardous waste license "Izin Penyimpanan Limbah B3" (Pangkalan Estate of PT. Rantau Sinar Karsa) from Labuhan Batu Regent No. 503/660/323/BLH-LB/WAS/2014, dated 30 December 2014 (Valid until 30 December 2019).</p>																																		
<p>4.6.11</p>	<p>Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available.</p> <p>- Major compliance -</p>	<p>Certificate Holder performed regular medical check-up for all workers once a year and special medical checkup twice a year for workers which exposed pesticide/fertilizer/agrochemical including warehouse officer of store and supervisor.</p> <p>Based on sample of 14 spraying operator at Block D14 E and D14 F Afdeling 4, Tanjung Selamat Estate it is known that those sprayers already attended in medical check-up.</p> <p>Latest medical examination records for pesticide operators in Pangkatan Estate was on 11 December 2018. Medical examination conducted by Pramita Clinic and Health Laboratory. Sample document records of medical result for pesticide operators as follow:</p> <table border="1" data-bbox="857 799 1720 1343"> <thead> <tr> <th>Name</th> <th>Lab. Reg. #</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>Dormasi Sinaga (F)</td> <td>181202070EA</td> <td>Normal</td> </tr> <tr> <td>Hariyani (F)</td> <td>181202283EA</td> <td>Normal</td> </tr> <tr> <td>Jumiati (F)</td> <td>181202104EA</td> <td>Normal</td> </tr> <tr> <td>Lusiana Br. Pakpahan (F)</td> <td>181202136EA</td> <td>Normal</td> </tr> <tr> <td>Marlyn Sumarni (F)</td> <td>181202138EA</td> <td>Normal</td> </tr> <tr> <td>Mesrawati (F)</td> <td>181202298EA</td> <td>Normal</td> </tr> <tr> <td>Risnawati Br. Meha (F)</td> <td>181202314EA</td> <td>Normal</td> </tr> <tr> <td>Samsul Bahri Sinaga (M)</td> <td>181202219EA</td> <td>Normal</td> </tr> <tr> <td>Supanji (M)</td> <td>181202320EA</td> <td>Normal</td> </tr> <tr> <td>Yurihati Hulu (F)</td> <td>181202124EA</td> <td>Normal</td> </tr> </tbody> </table>	Name	Lab. Reg. #	Result	Dormasi Sinaga (F)	181202070EA	Normal	Hariyani (F)	181202283EA	Normal	Jumiati (F)	181202104EA	Normal	Lusiana Br. Pakpahan (F)	181202136EA	Normal	Marlyn Sumarni (F)	181202138EA	Normal	Mesrawati (F)	181202298EA	Normal	Risnawati Br. Meha (F)	181202314EA	Normal	Samsul Bahri Sinaga (M)	181202219EA	Normal	Supanji (M)	181202320EA	Normal	Yurihati Hulu (F)	181202124EA	Normal	<p>Comply</p>
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4.6.12	<p>Records shall be available to show that spraying is not conducted by pregnant or breast-feeding women.</p> <p>- Major compliance -</p>	<p><b>Tanjung Selamat Estate:</b></p> <p>According to sample of 14 spraying operator at Block D14 E and D14 F Afdeling 4, pregnant or breast-feeding women do not conduct spraying activities. Health examination against pregnancy/breast-feeding women conducted in monthly basis. Last checked up in 28 February 2019 and the result is negative.</p> <p><b>Pangkalan Estate:</b></p> <p>16 pesticides operator has regularly monitored to prevent pregnancy or breast-feeding women on chemical handling. In form of monitoring is by urine test. Last monitoring of urine test conducted on 4<sup>th</sup> March 2019 with result is Negative. This means those operator is allowed to continuing</p>	Comply
<p><b>Criterion 4.7</b>  An occupational health and safety plan is documented, effectively communicated and implemented.</p>			
4.7.1	<p>A health and safety policy shall be in place. A health and safety plan shall be documented and implemented, and its effectiveness monitored.</p> <p>- Major compliance -</p>	<p>Certificate Holder has established the health and safety policy under "Kebijakan Perusahaan", signed by Managing Director of Asian Agri Group, on 1st December 2014. Point 3. Committed to implement and maintain occupational health and safety management system in compliance with national and international applicable regulation. The policy was not changes during this surveillance.</p> <p>The policy was communicated to all employees and displayed at strategic locations of Mill and Estates and communicated to employees including contractor workers.</p> <p>Health and Safety Program as part of its policy are also provided in each certified unit (Mill and Estate). In example:</p> <p>OHS Management Program 2019 Pangkatan Estate:</p> <ol style="list-style-type: none"> <li>1. OHS Inspection: PPE providing (Mar19), Worker housing inspection (Jun19).</li> <li>2. Safety Program: Emergency and Fire Training (Mar19), Safety Briefing (Routine).</li> <li>3. Healthcare: Medical Check Up (Jan &amp; Jul 19), POSYANDU (monthly basis), Disease Handling and Awareness (May 19).</li> </ol>	Comply

		<p>4. Emergency Response Program: Fire Drill (May 19)</p> <p>5. Environment Program: Green Program at Housing complex (routine), Domestic Waste Management (routine).</p>	
4.7.2	<p>A documented risk assessment shall be available and its implementation shall be recorded.</p> <p>- Major compliance -</p>	<p>OHS risk assessment procedure SOP "Identifikasi bahaya, Penilaian Resiko dan Penentuan Pengendalian" AA-SMK3-02-R0 dated 3 August 2017 was established and implemented for Mill and Estates activities both routine and non-routine activities. Hierarchy of control was considered for planning of risk control. According to the procedure, at least OHS risk assessment document must be reviewed once a year. Risk assessment in Tanjung were available.</p> <p>During field observation at Tanjung Selamat Mill, activities in Sterilizer station, Press station and Boiler station, it was found that workers aware with Safety as per Risk Assessment.</p>	Comply
4.7.3	<p>Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.</p> <p>- Major compliance -</p>	<p>OHS training has been programmed and provided appear balanced with OHS hazard and risk at Mill and Estates. Basic OHS training performed internally by safety officer in charge at mill and estate, the training record and programme related to OHS were sighted and verified during this audit, e.g. licenses for boiler operator, licence for operator of generator set, licence of heavy equipment operator, pesticide training for sprayers, etc.</p> <p>Observed evidence at Tanjung Selamat Estate: During interview with sample workers at Fertilizer application, PPE are used properly as per risk assessment and procedures required.</p> <p>Safety inspection regularly conducted by company to check the OHS implementation and unsafe condition/action. For example safety inspection and observation on 29 November 2018 in Tanjung Selamat POM. PPE inspection in Mill and Estate conducted each day during master morning before working.</p>	Comply
4.7.4	<p>The responsible person(s) for occupational health and safety shall be identified and there shall be records of periodical meetings on health and safety issues.</p> <p>- Major compliance -</p>	<p><b>Tanjung Selamat Estate:</b></p> <p>Safety Officer or "Ahli K3 Umum" Mr. Oky Sanjaya has license from Ministry of Manpower with License No: 16825/PK3/AJ/12/2016/P0, valid until 14 November 2019.</p>	Comply

		<p>Latest Safety meeting on 14 March 2019. Content: Ensuring completeness on First Aid Box for Supervisor; Checklist First Aid use.</p> <p><b>Pangkalan Estate:</b></p> <p>Safety Officer or "Ahli K3 Umum" Mr. Arif Budiman has license from Ministry of Manpower with License No: 25192/PK3/AJ/12/2015/P0, valid until 19 October 2018. Renewal progress still undergoing with reference Letter No: Ket.56/SKT/SR-MDN/III/2019 dated 5 March 2019. (Observation #1756144-201903-O3). This process proposed by OHS consultant services PT. Safindo Raya.</p> <p>This person is responsible for OHS in Pangkatan Estate.</p> <p>Safety Committee Structure (P2K3) approved by Manpower Agency No: KEP.35-7/P2K3/WIL-IV/DTK/SU/2018, dated 3<sup>rd</sup> July 2018.</p> <p>Latest Safety meeting on 21 March 2019. Content: Create list of near miss according to actual condition; Repairing Riparian broken stack; Monitoring on domestic waste at housing complex; Monitoring on hazardous waste administration and its management.</p> <p><b>Tanjung Selamat POM:</b></p> <p>Safety Officer or "Ahli K3 Umum" Mr. Kurniawan has license from Ministry of Manpower with License No: 47024/PK3/AJ/12/2017/P0, valid until 27 December 2020.</p> <p>Latest Safety meeting on 27 Feb 2019. Meeting summary: Reviewing work incident of previous month (Jan-19) and potential hazard at Mill; Review on potential incident at FFB receiving station; Commitment for all Safety Committee members related OHS implementation.</p>	
4.7.5	A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas.	There were established several documented procedures related to emergency response in local language Bahasa Indonesia. Company has establish SOP Kesiagaan Tanggap Darurat AA-EMS-820PR dated 5 April 2017. The emergency conditions have been identified including Fire and explosion at buildings; land fire; earthquake; flooding; chemical spill and poisonings	Comply

	<p>- Minor compliance -</p>	<p>also waste water ponds spillage. The procedures described the roles and responsibilities of each emergency response team include the mechanism how to conduct medical evacuation to near hospital/local health centre, the emergency contact number of each internal emergency team and external related parties such as public fire station at local area Kabupaten Labuhan Batu and Public health centre were also available.</p> <p><b>Tanjung Selamat POM:</b></p> <p>Auditor trying for emergency fire drill for Hydrant tested located near Boiler and Power House station. The emergency team very prepared to doing drill and the Hydrant equipment is in well condition.</p>	
<p>4.7.6</p>	<p>All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).</p> <p>- Minor compliance –</p>	<p><b>Tanjung Selamat Estate:</b></p> <p>6 of 7 fertilizer workers already checked on medical condition (hematology, urine and autspirometry test) on 20 August 2018 by Pramita Clinic and Medical Laboratory.</p> <p>Ms. Irma Lubis (Reg. #180802999EA); Ms. Endang Sihombing (Reg. #180803157EA); Ms. Lamria Sinaga (Reg. #180803034EA)</p> <p>According to laboratory result, those workers in Normal condition.</p> <p>Accident insurance covers: Document of Payment Application for BPJS Ketenagakerjaan Tanjung Selamat Estate February 2019, A/C No. 180202xxxx. Registration of BPJS Number BB020568000, number of employee 528 Payment Slip Bilyet Giro No. xxxx.</p> <p>Medical insurance covers: Document of Payment Application for BPJS Kesehatan Tanjung Selamat Estate February 2019, A/C No. 180202xxxx. Registration of BPJS Number SS012558, number of employee 327 with dependent Payment Slip Bilyet Giro No. xxxx.</p> <p><b>Pangkatan Estate:</b></p> <p>MCU for all workers conducted in 5-19 February 2019.</p>	<p>Comply</p>

		<p>Accident insurance covers: Document of Payment Application for BPJS Ketenagakerjaan Pangkatan Estate period February 2019, A/C No. 88999xxxx. Registration of BPJS Number BB020242000, number of employee 432 Payment Slip Bilyet Giro No. xxxx.</p> <p>Medical insurance covers: Document of Payment Application for BPJS Kesehatan Pangkatan Estate period January 2019, A/C No. 88999xxxx. Registration of BPJS Number SS012560, number of employee 326 with dependent Payment Slip Bilyet Giro No. xxxx.</p> <p><b>Tanjung Selamat POM:</b></p> <p>Pramita Clinic and Health Laboratory have conducted medical examination to 16 workers at Mill on 6 December 2018. Records of sample workers as follow:</p> <ol style="list-style-type: none"> <li>1. Mr. Charles Hasibuan (Reg.# 181201230EA) – Effluent Operator.</li> <li>2. Mr. Endri Syahputra (Reg.# 181201377EA) – Boiler Operator.</li> <li>3. Mr. Lamsuan Simamora (Reg.# 181201378EA) – Engine Room Operator.</li> <li>4. Mr. Rasidin (Reg.# 181201239EA) – Boiler Operator</li> <li>5. Mr. Nurwan (Reg.# 181201235EA) – Engine Room Operator</li> </ol> <p>Those operators is in Normal condition.</p> <p>Medical Check Up result was socialized on 13 March 2019 for 85 Mill workers. The result is Normal condition.</p> <p>Accident and Medical insurance for Mill workers already covered. Record seen:</p> <ul style="list-style-type: none"> <li>- Document of Payment Application for BPJS Ketenagakerjaan Pangkatan Estate period February 2019, A/C No. 88999xxxx. Registration of BPJS Number BB020568000, number of employee 85 Payment Slip Bilyet Giro No. xxxx.</li> </ul>	
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		- Document of Payment Application for BPJS Kesehatan Pangkatan Estate period March 2019, A/C No. 898889xxxx. Registration of BPJS Number SS012560, number of employee 85 with dependent Payment Slip Bilyet Giro No. xxxx	
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.  - Minor compliance	PT Indo Sepadan Jaya EHS team prepares safety index. The safety index is monitoring tool, indicating number of worker (at each operating units), number of major and minor accident as well as the lost time injury.  The monitoring carried out on monthly basis and results were discussed during safety committee meeting. The incident statistics include man-hours, lost time accident and Frequency rate (FR) and Severity rate (SR) were reported quarterly by safety officer.  In Tanjung Selamat and Pangkatan Estate there is a record of accident report, however there is no incident statistics include man-hours, lost time accident and Frequency rate (FR) and Severity rate (SR) were made by safety officer.	Comply
<b>Criterion 4.8</b>			
All staff,workers, smallholders and contract workers are appropriately trained.			
4.8.1	Records of training program related to the aspects of RSPO Principles and Criteria shall be available.  - Major compliance -	<p><b>Mill and Estates:</b></p> <p>Training program 2019 provided by the Certificate Holder. Training program consist of</p> <ul style="list-style-type: none"> <li>• Technical Estate. Example: Refreshment Pest &amp; Disease Procedure; Trainer: Learning &amp; Development Depart; Participant: 193 person; Planning: March, April, May.</li> <li>• Vendor Estate. Example: Limited Pesticides; Trainer: Syngenta; Participant: 150 person; Planning: February, March.</li> <li>• Technical Mill. Example: Electricity; Trainer: Mill Depart; Participant: 34 person; Planning: February.</li> <li>• Technical Traction. Example: Road Maintenance. Trainer: Traction Depart; Participant: 7 persons; Planning: April and May.</li> <li>• Vendor Mill. Example: Bearing Training. Trainer: PT. CBI; Planning: April and May.</li> </ul>	Comply

		<ul style="list-style-type: none"> <li>• Technical Administration. Example: Refreshment Plantation Management System (Administration System); Trainer: PMS and Acct Depart; Participant: 119 persons; Planning: March, April, June, July.</li> <li>• Environment &amp; Sustainability. Example: First Aid and Basic Fire. Trainer: Enviro &amp; Sustain Depart; Participant: 16 persons; Planning: Feb, Mar, May, Jul, Aug.</li> <li>• Special Certification. Example: Safety Officer "AK3U" certification training. Trainer: Assigned Vendor; Participant: 28 persons; Planning: February.  First Aider certification. Trainer: Assigned Vendor; Participant: 4 persons; Planning: May.</li> </ul>	
4.8.2	Records of training for each employee shall be maintained. - Minor compliance –	<p>Sample of training record employees as follow:</p> <p>Tanjung Selamat Estate: Mrs. Kristina Hutapea (Fertilizer supervisor). PPE training was conducted in 4<sup>th</sup> Feb 2019.</p> <p>Pangkalan Estate: Mr. Yatmin (Chemical storage). Pesticide training 20 Feb 2018.</p> <p>Tanjung Selamat POM: Mr. Rianto Silitonga (Boiler operator). Emergency drill on 18 Jan 2019.</p>	Comply
Principle 5: Environmental responsibility and conservation of natural resources and biodiversity			
Criterion 5.1			
<b>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.</b>			
5.1.1	Environmental impact assessment document(s) shall be available. - Major compliance -	<p><b>Tanjung Selamat Estate and POM:</b></p> <p>Environmental impact assessment PT Indo Sepadan Jaya refer to SEL (Studi Evaluasi Lingkungan) documents, its consist of EIA document, Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL). The company has EIA documents which have been approved by persetujuan Komisi AMDAL Departemen Pertanian No. 998/AMDAL/V/1993 dated 4 May 1993. EIA scope for Tanjung Selamat Estate was 3,855</p>	Comply

		<p>ha and Tanjung Selamat Palm Oil Mill with plan capacity 30 MT/hour and can be extended to become 60 MT/hour.</p> <p><b>Pangkalan Estate (PT. Rantau Sinar Karsa):</b></p> <p>Environmental impact assessment PT Rantau Sinar Karsa refer to ANDAL (Analisa Dampak Lingkungan) documents, its consist of EIA document, Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL). The company has EIA documents that have been approved by persetujuan Komisi Pusat AMDAL Departemen Pertanian No. 49/AMDAL/V/1993 dated 15 May 1993. EIA scope for Pangkatan Estate was 4,366 ha with mill capacity 60 MT/hour.</p> <p><b>Tanjung Selamat POM:</b></p> <p>Tanjung Selamat Mill has started to install Biogas Plant started from February 2018. Construction of Biogas Plant installation has permit from Regency Government of Labuhanbatu, i.a:</p> <ol style="list-style-type: none"> <li>1. Surat Keputusan Kepala Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu No: 503.660/117/DPMPTSP-BP2MNP/2019, dated 20 February 2019. This permit about Amendment of Environmental Document "Perubahan Izin Lingkungan Kegiatan Perkebunan, Pabrik Kelapa Sawit dan <b>Biogas Plant</b> yang terletak di Desa Kampung Padang, Kec. Pangkatan, Kab. Labuhanbatu.</li> <li>2. Surat Pengumuman Nomor: 503.660/152/DPMPTSP-BP2MNP/2019, dated 20 February 2019 related "Penerbitan Perubahan Izin Lingkungan Kegiatan Perkebunan Kelap Sawit, Pabrik Minyak Kelapa Sawit dan Biogas Plant oleh PT. Indo Sepadan Jaya.</li> <li>3. Surat Keputusan Kepala Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu No: 503.660.31/397/DPMPTSP-BP2MNP/2018, dated 21 September 2018. Izin Pembuangan Limbah Cair Ke Air Atau Sumber Air Kepada PT. Indo Sepadan Jaya – Pabrik Minyak Kelapa Sawit Tanjung Selamat.</li> </ol>	
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		<p>ISO 14001 document "Evaluasi Aspek – Dampak Lingkungan (EMS-431-003-LT, Rev. 14, Dated 22 January 2019". It is applicable for all unit Tanjung Selamat Estate, Tanjung Selamat POM and Pangkatan Estate.</p>	
<p>5.1.2</p>	<p>Environment management plan document to prevent negative impacts, its implementation report and revision (if the identification of impact requires changes in current company's practices) shall be available. The company's management shall appoint the responsible person(s) for the implementation of the document.</p> <p>- Minor compliance -</p>	<p>Environment management plan document to prevent negative impacts already recorded in ISO 14001 document "Evaluasi Aspek – Dampak Lingkungan (EMS-431-003-LT, Rev. 14, Dated 22 January 2019". It is applicable for all unit Tanjung Selamat Estate, Tanjung Selamat POM and Pangkatan Estate.</p> <p>Environment management plan to prevent negative impact such as:</p> <ul style="list-style-type: none"> <li>- To prevent air quality decrease, company performed action: Reduce exhaust emissions from the engines by maintenance routine engine, the use of anti-dust mask continuously for workers who are near the source of pollutants that exceed the threshold.</li> <li>- To prevent water quality decrease, maintaining green areas along the river banks, do not logging in the river banks area, planting land cover crop on the cliffs and prone to erosion areas, the use of wastewater for Land Application, solid waste utilization plant (shell, fibre) for fuel.</li> <li>- To prevent erosion: land clearing mechanically, land clover crop planting, terracing in slope.</li> <li>- To prevent wildlife habitat disturbance, place signboard to prohibit illegal hunting in conservation area and around estate, awareness to employee and surrounding community to save the protected species.</li> <li>- To increased job opportunities, provide employment opportunities to the local community, the provision of supporting infrastructure for public economic activities, providing employment opportunities information to the public.</li> <li>- The increase in public revenues, maximize the use of local labor, involving the local community as business partners.</li> </ul>	<p>Comply</p>

5.1.3	<p>Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.</p> <p>- Minor compliance –</p>	<p>Environment monitoring plan document presented in “Rencana Pemantauan Lingkungan” as part of AMDAL (SEIA) document. Its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) available in “Laporan Pelaksanaan Pengelolaan dan Pemantauan Lingkungan” which reported periodically within 6 month to authority body.</p>	Comply
<p><b>Criterion 5.2</b>  The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>			
5.2.1	<p>Record(s) on the results of High Conservation Value (HCV assessment) that includes both the planted area and the relevant wider landscape-level considerations (such as wildlife corridors) shall be available.</p> <p>- Major compliance -</p>	<p>The Certificate Holder both of Tanjung Selamat and Pangkatan estates has conducted HCV assessment included both of planted area and the relevant wider landscape. The HCV assessment was conducted by the competent HCV assesors. There is no any revisions on HCV assessment and HCV areas since the last audit. Short explanation of HCV assessment documents as below:</p> <p><u>Tanjung Selamat Estate(under PT Indo Sepadan Jaya)</u></p> <p>The company has conducted HCV identification with collaborated IPB (Bogor Agriculture University) in 2013 as documented in “Laporan Akhir Kajian Penuh (Full Assessment) Identifikasi dan Analisis Keberadaan Nilai Konservasi Tinggi (NKT) di Areal PT Indo Sepadan Jaya – Kebun Tanjung Selamat Tahun 2014”.</p> <p>Assessor team consist of Dr. Ir. H. Nyoto Santoso, MS (Team Leader/RSPO HCV Assessor), Ahmad Faisal, S.Hut, MSI (Member /RSPO HCV Assessor), Eko Adhiyanto, S.Hut (Member); Sutopo S.Hut (Member /RSPO HCV Assessor); Rae Birumbo (Member), Arif Prasetyo, S.Hut (Member).</p> <p>Peer Review by Mr Dr. Jarwadi Budi Hernowo (Independent Consultant/RSPO HCV Assessor) in January 2014.</p>	Comply

		<p>Based on the assessment report, it was identified HCV area, such as: HCV 1.3: 1.24 ha and HCV: 5,33 ha (total HCV area 6.57 ha). It means HCV area was 0.16% from total area of Tanjung Selamat Estate (3.977 ha).</p> <p><u>Pangkalan Estate (under PT Rantau Sinar Karsa)</u></p> <p>The company has conducted HCV identification with collaborated IPB (Bogor Agriculture University) in 2013 as documented in "Laporan Akhir Kajian Penuh (Full Assessment) Identifikasi dan Analisis Keberadaan Nilai Konservasi Tinggi (NKT) di Areal PT Rantau Sinar Karsa – Kebun Pangkatan tahun 2014.</p> <p>Assessor team consist of Dr. Ir. H. Nyoto Santoso, MS (Team Leader/RSPO HCV Assessor), Ahmad Faisal, Shut, MSI (Member /RSPO HCV Assessor), Eko Adhiyanto, S.Hut (Member); Sutopo S.Hut (Member /RSPO HCV Assessor); Rae Birumbo (Member), Arif Prasetyo, S.Hut (Member). Peer Review by Mr Rachmad Hermawan (Independent Consultant/RSPO HCV Assessor) in January 2014</p> <p>Based on the assessment report, it was identified HCV area, such as: HCV 1.3 and HCV 4.1 (110,87 Ha) as well as HCV 6 (0,04 Ha). So, total HCV area at Pangkatan estate was 110.91 ha.</p> <p>Therefore, total HCV area within Tanjung Selamat and Pangkatan estates was 117.48 ha</p>	
5.2.2	<p>Whererare, threatened or endangered (RTE) species and or other HCVs are present or affected by the plantation and mill operations, an appropriate measures that are expected to maintain or enhance them shall be implemented through a management plan.</p> <p>- Major compliance -</p>	<p>The company has established "Conservation Management Plan" to manage and to monitor of RTE's. There was found RTEs as per PP No. 7, year 1999, such as: Kucing kuwuk (<i>Prionailurus Bengalensis</i>), Burung Madu kelapa (<i>Anthreptes Malacensis</i>), Elang Brontok (<i>Nisaetus Cirrhatus</i>), Kuntul kecil (<i>Egretta garzeta</i>) and etc.</p> <p>Company has monitor the RTE species and HCV area regularly.</p> <p>Based on document "Laporan Monitoring Areal Konservasi" for period January – Juny 2018 and July – December 2018, there is found and reported any RTE species (flora and fauna) within areas such as: Kucing kuwuk (<i>Prionailurus Bengalensis</i>), Burung Madu kelapa (<i>Anthreptes Malacensis</i>), Elang Brontok (<i>Nisaetus Cirrhatus</i>), Kuntul kecil (<i>Egretta garzeta</i>), cekakan sungai (<i>Tordirhampus chloris</i>), Bangau Tong-tong, etc.</p>	Comply

<p>5.2.3</p>	<p>Program(s) to socialize the status of protected, rare, threatened or endangered (RTE) to all workers shall be available, including records of appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance –</p>	<p>Organization has been established management program of HCV to annually educate about the status and protection of the RTE species to worker and community around estate. Public Consultation and dissemination of information to local communities has been carried out since the first time of HCV assessment on 2013 – 2014.</p> <p>All staff and employees was informed about HCV areas and RTE species. Object of educate program regarding the status of the RTE species, list of protection species in area, management of RTE species, protection of RTE species. Educate to worker through socialization conducted continuously through master morning and minimum twice a year. Latest socialization in conducted on 15 January 2019 both in Pangkatan Estate and Tanjung Selamat Estate. Documentation and minutes of socialization can be demonstrated.</p> <p>Based on field visit and interview with workers and local communities it was found no any capture, harm, collect or kill RTEs.</p>	<p>Comply</p>
<p>5.2.4</p>	<p>Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available, and the results of monitoring are to be used to follow-up on the improvement of the management plan.</p> <p>- Minor compliance –</p>	<p>HCV and wildlife/animal monitoring continuously conducted in a regular basis. Secondary monitoring conducted each month and primary monitoring conducted twice a year. Monitoring of animal/wildlife performed by HCV/Sustainability officer and field workers, result of monitoring presented in "laporan pemantauan Jenis satwa/tumbuhan".</p> <p>Report of Management and Monitoring for HCV and RTEs is reported every 6 months and review is conducted regularly to ensure that monitoring is effective. Reports period semester I and II 2018 can be demonstrated. Results of monitoring was evaluated using trend evaluation. Monitoring RTE species in January – December 2018 observed type of mammal and two species was protected by law such as Macan akar (<i>Felis bengalensis</i>); 42 species of Aves (bird) and 7 species was protected such as Alap-alap kawah (<i>Falco feregrinus</i>), Burung madu kelapa (<i>Anthreptes malaccensis</i>), Kipasan belang (<i>Rhipidura javanica</i>), Kuntul kerbau (<i>Bubulcus ibis</i>), Cekakak sungai (<i>Tordirhampus chloris</i>); 6 species of Herpetofauna such as Biawak (<i>varanus salvator</i>), Kodok buduk (<i>Bufo asper</i>).</p> <p>Result of monitoring gives the feedback into the management plan improvement. The results from monitoring of wildlife, environmental, and socio-cultural services gives feedback advice and recommendations to the management plan.</p>	<p>Comply</p>

5.2.5	Where HCV areas overlapped with an identified local community's land, there shall be evidence of a negotiated agreement that optimally safeguard their HCVs and the local community's rights. - Minor compliance –	No any HCV areas in existing local community rights	Comply
<b>Criterion 5.3</b> Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.			
5.3.1	A documented identified source of all waste and pollution, shall be available. - Major compliance -	Waste and pollution sources have been identified and documented on ISO 14001 document "Evaluasi Aspek – Dampak Lingkungan (EMS-431-003-LT, Rev. 14, Dated 22 January 2019". Including on Replanting Activities.  Soil contamination due to diesel fuel spillage already identified within the document with code 225.	Comply
5.3.2	There shall be evidence that all chemicals and their empty containers are disposed of responsibly. - Major compliance -	PT. Indo Sepadan Jaya Tanjung Selamat POM and Supply bases collects all hazardous waste from estate and mill into temporary hazardous waste storage. The temporary hazardous waste storage has permit according to: <ul style="list-style-type: none"> <li>• "Keputusan Bupati Labuhan Batu Nomor 503.660/324/BLH-LB/WAS/2014", dated 30 December 2014. Validity (until 29 December 2019). License for Tanjung Selamat Estate.</li> <li>• "Keputusan Bupati Labuhan Batu Nomor 503.660/199/BLH-LB/WAS/2015", dated 29 June 2015. Validity (until 28 June 2020). License for Tanjung Selamat POM.</li> <li>• "Keputusan Bupati Labuhan Batu Nomor. 503/660/323/BLH-LB/WAS/2014", dated 30 December 2014. Validity (until 29 December 2019). License for Pangkatan Estate.</li> </ul> Certificate holder also has provide the records of hazardous waste management such as:	Not Comply



		<p><b>Pangkalan Estate (PT. Rantau Sinar Karsa):</b></p> <p>Latest delivery of hazardous wastes to PT. Sumatera Deli Indah Lestari dated 9 December 2018, Minutes No: 510/LB3/KPT/2018.</p> <table border="1"> <thead> <tr> <th>#</th> <th>Waste Type</th> <th>Total</th> <th>Unit</th> <th>Manifest Doc. #</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Lubricant Used</td> <td>2</td> <td>Drum</td> <td>OL 0026039</td> </tr> <tr> <td>2</td> <td>Accumulator/Battery Used</td> <td>8</td> <td>Pcs</td> <td>OL 0026042</td> </tr> <tr> <td>3</td> <td>Vehicle Filter</td> <td>1</td> <td>Drum</td> <td>OL 0026043</td> </tr> <tr> <td>4</td> <td>Electronic Waste</td> <td>1</td> <td>Box</td> <td>OL 0026041</td> </tr> <tr> <td>5</td> <td>Medical Waste</td> <td>2</td> <td>Pail</td> <td>OL 0026040</td> </tr> <tr> <td>6</td> <td>Agrochemical Containers</td> <td>27</td> <td>Zak</td> <td>OL 0026045</td> </tr> <tr> <td>7</td> <td>Pesticide Containers</td> <td>13</td> <td>Drum</td> <td>OL 0026045</td> </tr> <tr> <td>8</td> <td>Paint Containers</td> <td>1</td> <td>Zak</td> <td>OL 0026044</td> </tr> </tbody> </table> <p>Contract Agreement of Hazardous Waste No: 002/IIS-SDLI-ISC-PPLI/III/2018, dated 2 March 2018 (valid until 1 March 2019). Currently, the amendment contract still review by the company.</p> <p>However, during field observation at fertilizer storage complex near worker housing complex Afdeling 1&amp;2 Pangkatan Estate, auditor team found that fertilizer inner bag waste and hazardous waste are not placed and disposed responsibly. As follow:</p> <ol style="list-style-type: none"> <li>1. Fertilizer inner bag stacked in open area.</li> <li>2. Oil filter disposed scattered in front yard of storage.</li> </ol> <p>So, that all chemicals and their empty containers are not disposed of responsibly by Certificate Holder. This issue raise as Major Non-Conformity #1756144-201903-M1.</p>	#	Waste Type	Total	Unit	Manifest Doc. #	1	Lubricant Used	2	Drum	OL 0026039	2	Accumulator/Battery Used	8	Pcs	OL 0026042	3	Vehicle Filter	1	Drum	OL 0026043	4	Electronic Waste	1	Box	OL 0026041	5	Medical Waste	2	Pail	OL 0026040	6	Agrochemical Containers	27	Zak	OL 0026045	7	Pesticide Containers	13	Drum	OL 0026045	8	Paint Containers	1	Zak	OL 0026044	
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5.3.3	<p>A documented waste management plan to avoid or reduce pollution and its implementation shall be available.</p> <p>- Minor compliance –</p>	<p>Waste and pollution sources have been identified and documented in Tanjung Selamat Estate, Mill and Pangkatan Estate. The identification of waste and pollution including used lubricant and filter, old battery, used laboratory chemical, clinical/medical waste, mill effluent, EFB, smoke, dust, fiber and shell, empty agrochemical container, boiler ash, scrap iron, used tires, waste water and domestic household refuse. Record of identification was documented in "Evaluasi Aspek Dampak Lingkungan (EMS-431-003-LT, Rev. 14, dated 22 January 2019)".</p> <p>Also, Tanjung Selamat POM was starting to develop Biogas Plant installation as part to reduce pollution and emission. During this surveillance visit, the development of Biogas Plant is still under construction.</p>	Comply
<p><b>Criterion 5.4</b> Efficiency of fossil fuel use and the use of renewable energy is optimized.</p>			
5.4.1	<p>A plan for improving efficiency of the use of fossil fuels and to optimize renewable energy shall be in place and monitored.</p> <p>- Minor compliance –</p>	<p>A plan for improving efficiency of the use of fossil fuels and to optimize renewable energy was starting implemented by Tanjung Selamat POM. During this surveillance visit, the development of Biogas Plant (as part to optimize renewable energy) is still under construction.</p>	Comply
<p><b>Criterion 5.5</b> Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>			
5.5.1	<p>Records of land clearing with zero burning shall be available, referring to the ASEAN Policy on Zero Burning (2003) or other recognised techniques based on the existing regulations.</p> <p>- Major compliance -</p>	<p>The company has zero burning policy documented in "Kebijakan Perusahaan, 1 December 2014" stated : "Melakukan Praktek Tanpa Bakar dalam kegiatan pembangunan perkebunan dan secara aktif mendukung inisiatif mencegah dan mengawasi kebakaran hutan dan asap".</p> <p>During field visit at replanting area in Pangkatan Estaet, it was observed that land preparation using mechanical and not founded open burning.</p>	Comply
5.5.2	<p>Where fire has been used for eradication of pest during replanting, the records of the analysis of the use of fire and permit from the authorised agency shall be available.</p> <p>- Minor compliance -</p>	<p>No fire was used during land preparation or replanting.</p>	Comply

**Criterion 5.6**

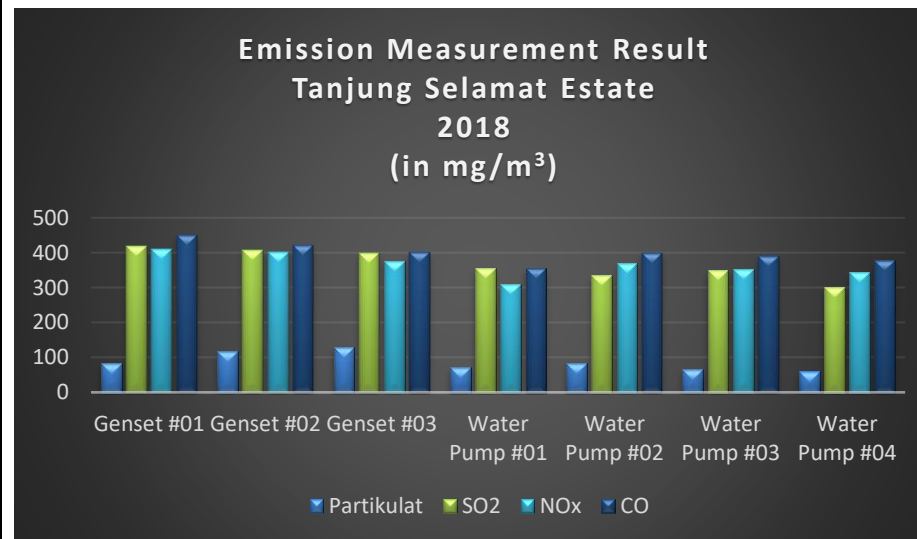
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.

5.6.1 Document(s) assessing pollution and emission sources, including gaseous, particles, soot emissions and effluent, shall be available. (see Criterion 4.4)  
- Major compliance -

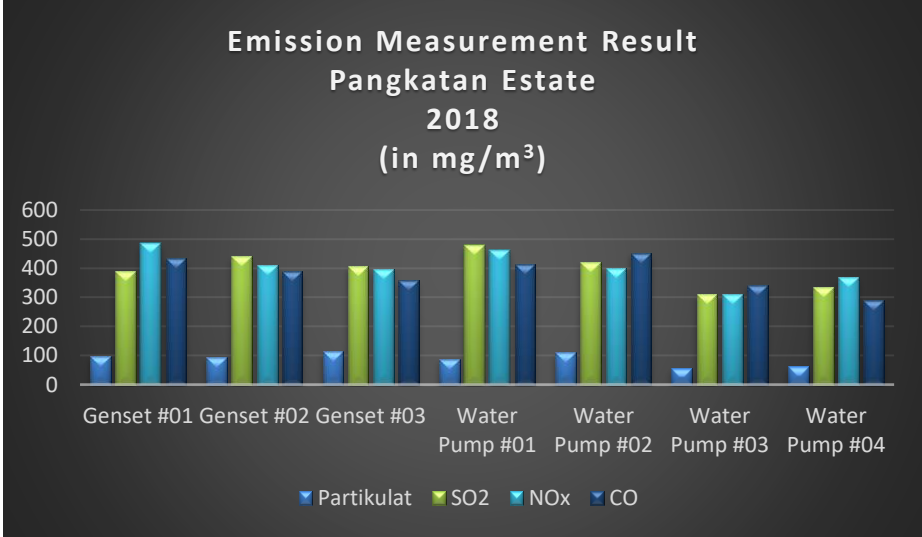
The source of pollution, type of pollution and its control was documented in List of environmental aspect and impact evaluation by the certificate holder.

**Tanjung Selamat Estate:**

Emission result based on analysis report by Sucofindo dated 31 October 2018. Emission in Estate unit is Generator machine and water pump machine.



**Pangkalan Estate:**

		<p>Sucofindo dated 1 November 2018.</p>  <p>Waste and pollution sources have been identified and documented on ISO 14001 document "Evaluasi Aspek – Dampak Lingkungan (EMS-431-003-LT, Rev. 14, Dated 22 January 2019". Including on Replanting Activities.</p> <p>Soil contamination caused by diesel fuel spillage already identified within the document with code 225.</p>	
<p>5.6.2</p>	<p>Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plan to reduce or minimize them implemented.</p> <p>- Major compliance -</p>	<p>The Certificate Holder has implemented and monitored a plan to reduce pollutant and emission. Emission, particulate, and noise from boiler and generator are tested and monitored every six month. Records of all monitoring are kept and documented.</p> <p>However, during Field Observation at Housing Complex Afdeling 1&amp;2 Pangkatan Estate, found the Replanting contractor store the diesel fuel (20,000 L) in open area near fertilizer</p>	<p>Not Comply</p>

		storage without permanent floor properly or secondary containment. It is evident that diesel fuel spill out and contaminate the soil. Also, found filter used are disposed around the area (irresponsibly). Non-Conformance #1756144-201903-M1.	
5.6.3	A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available.  - Minor compliance –	The Certificate Holder has calculated the GHG emission from estate and mill operation. The result presented in Appendix I.	Comply

<b>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and mills</b>			
<b>Criterion 6.1</b>			
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	<p>A social impact assessment (SIA) including records of meetings shall be documented.</p> <p>- Major compliance -</p>	<p>PT Indo Sepadan Jaya</p> <p>The preparation of the SEL report is based on the Terms of Reference for SEL (KA-SEL) which was approved by the Central AMDAL Commission of the Ministry of Agriculture No. 998/AMDAL/V/1993, May 4, 1993, and the results of field surveys at the study site. Social Impact Assessment was conducted as documented in "Study Evaluasi Lingkungan" which covering social impact assessment. Ministry Agriculture has approved this SEL based on decree No. RC.220/385/B/II/94.</p> <p>PT Rantau Sinar Karsa</p> <p>The preparation of the SEL report is based on the Terms of Reference for SEL (KA-ANDAL) which was approved by the Central AMDAL Commission of the Ministry of Agriculture No. 49/AMDAL/V/1993, May 4, 1993, and the results of field surveys at the study site. Social Impact Assessment was conducted as documented in "Study Evaluasi Lingkungan" (SEL) which covering social impact assessment. Ministry Agriculture has approved this SEL based on decree No. RC.220/383/B/II/94 dated 26 February 1994.</p> <p>The social impact monitoring of the company has been reported every 6 months for the last period is the Semester II / 2017 Period</p> <p>During SEL, the company conducted stakeholders meeting with surrounding local communities which affected the project, e.g. Public consultation on 12th March 2014 involved representative from 3 villages (Kampung Padang Village, Sennah Village and Perlavian Village) and attended 66 participants.</p>	Comply

<p>6.1.2</p>	<p>There shall be evidence that the assessment has been conducted with the participation of affected parties.</p> <p>- Major compliance -</p>	<p>The company has mechanisms to update the Social Impact Improvement Plan, including input from local communities, the company improving relationships with both internal and external stakeholders that allow the company to identify and focus on the key social issues.</p> <p>During Social Impact Assessment, the company conducted stakeholders meeting with surrounding local communities, which affected the project, e.g. Public consultation on 12th March 2014 involved representative from 3 villages (Kampung Padang Village, Sennah Village and Perlabian Village) and attended 66 participants.</p>	
<p>6.1.3</p>	<p>Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, through consultation with the affected parties, shall be available, documented and timetabled, including responsibilities for implementation.</p> <p>- Major compliance -</p>	<p>The company also showed the Social Impact Management Plan, as stated in the UKL/UPL period SM II/2018 pada chapter "Sosial Ekonomi Masyarakat". Base on interview and document verified, that in UKL / UPL document which is a social impact-monitoring program at PT ISJ and PT RSK.</p> <p>Monitoring of Social Impact and Management Report of PT Rantau Sinar Karsa (PT. RSK) and PT Indo Sepadan Jaya 2018-2019. Contains several negative impacts / social impacts identified and managed:</p> <ol style="list-style-type: none"> <li>1) Impact of road damage due to plantation activities. Management: <ul style="list-style-type: none"> <li>- Maintenance of roads/bridges is still considered lacking, management plan by providing assistance in the form of procurement.</li> <li>- Repairing production roads and connecting roads between villages and sub-districts office (Kantor Kecamatan).</li> </ul> </li> <li>2) The impact of absorbing local labor is still lacking. Management plan by give information by creating an information board about the recruitment of workers.</li> <li>3) Lack of decent and healthy clean water sources in the surrounding villages as well as in the housing of employees of PT ISJ and PT RSK.</li> </ol>	<p>Comply</p>

		<p>Management plan by Addition of quantities and improvement of proper and healthy water sources.</p> <p>Management and monitoring of aspects of social impact is carried out by directly seeing the affected communities, for the management/monitoring of the 2018 period carried out in November 2018 to the surrounding communities affected.</p>	
6.1.4	<p>The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.</p> <p>- Minor compliance –</p>	<p>Monitoring of social impact management has been reviewed in 4-5 February 2019 and recorded in "Laporan Monitoring Review Efektifitas Upaya Kelola Sosial Kebun Tanjung Selamat dan Kebun Pangkatan 2018-2019". This review process also involves affected communities through the dissemination of public opinion around plantations on November 2018 to about 20 of several villages located around the plantation.</p> <p>Dari review tersebut maka di buatkn rencana pengelolaan dampak social periode 2019, sebagai berikut:</p> <ul style="list-style-type: none"> <li>- Impact of damage to roads / bridges in surrounding villages caused by plantation activities (transporting FFB, fertilizing, transporting CPO etc.). Mangement control plan: routine maintenance of roads and bridges 2 times a year, using heavy equipment and road hardening.</li> <li>- Sorting FFB, which is still considered burdensome by the community. Mangement control plan: dissemination of cooking TBS criteria, creating a signboard about TBS criteria.</li> <li>- Not all employees of PT ISJ and PT RSK know the rules regarding employment, health and safety. Mangement control plan: direct socialization of labor regulations and Collective Labor Agreements between Sumatra Cooperation Agency of Sumatra Plantation Companies and SPSI in Sumatra.</li> <li>- Absorption of local labor is still small. Mangement control plan: make an information board about the recruitment of workers to all villages around the plantation.</li> </ul>	Comply



6.1.5	<p>Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).</p> <p>- Minor compliance –</p>	<p>Started in 2017, the new company entered into cooperation with the surrounding communities under the "Partnership" scheme based on: Partnership agreement between PT Indo Sepadan Jaya and Koperasi Anugrerah Jaya Mandiri Sejahtera, no. 03/CSV-KTS/III/2017 dated 2/03/2017; farmer group "swadaya" with an area of 157,1365 Ha (79KK) and Cooperation Agreement with Koperasi Mandiri Tani Sejahtera no. 01/CSV-KTS/VIII/2017, dated 24/08/2017 covering an area of 965 Ha; cooperate in the guidance of "Petani Swadaya" including in the receipt and purchase of Fresh Fruit Bunches (FFB). However, in the review of SIA by the Company has not seen the identification of social aspects of cooperation with the newly established "Kemitraan". The SIA review will be verifie at the next audit.</p> <p>Social impact is related to the existence of Palsma "Koperasi Mandiri Tani Sejahtera", including:</p> <ul style="list-style-type: none"> <li>- Replanting activity, impact: petanimerasa not ready to do a replanting. Management control plan: Socialization of the IDAPERTABUN program (Plantation fund rejuvenation fees in collaboration with Bumi Putera insurance)</li> <li>- There is concern about the price of FFB, where the community members expect that the price of "petani swadaya FFB" be equated with plasma farmers. Management control plan: the company always socializes related the FFB pricing system to independent smallholders or plasma farmers as a result of discussions on FFB pricing (set by the local government in the signboard in the village and also in the area around the factory. The company is alway informed about the development of FFB prices every Every 2 weeks.</li> </ul>	Comply
<b>Criterion 6.2</b>			
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	<p>Communication and consultation procedures shall be documented.</p> <p>- Major compliance -</p>	<p>Company has developed a communication procedure under "Mekanisme Penanganan Permintaan Informasi Stakeholder "(No. SOP; AA-GL-5008.1-R1) dated 22nd August 2011, which explains the company responses against all information request sent by stakeholders including response time of 14 working days after information request accepted.</p>	Comply

<p>6.2.2</p>	<p>The company shall have official(s) who is responsible for consultation and communications with parties.</p> <p>- Minor compliance -</p>	<p>The company has nominated person to responsible in consultation and communication with local communities and others stakeholders, Mr. Susanto Yap as Coordinator of D&amp;L and Humas.</p> <p>Chapter 1.4.5 state that: "There are also departments that support operational activities, including: D&amp;L Department And Humas namely: Mr. Hariyadi for land acquisition and licensing issues, Department of HR Ops. Namely Mr. Ricki related to labor issues and EHS Department Mr. Moh Sahrial on environmental issues as well as on health and safety of the work and the CSR Department (PIC Social: ie Mr. Aris Muharahman and manager unit for social and civic responsibilities) SPO Officer is responsible for the implementation and planning of information necessary and should be communicated (TSE, Mill and PKTE: namly Mr. Oskar Pardosi) to related parties as well as carrying out related documents.</p>	<p>Comply</p>
<p>6.2.3</p>	<p>The company shall have a list of stakeholders, records of communications, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders.</p> <p>- Minor compliance -</p>	<p>The company has updated list of stakeholder on 02nd February 2018, list of stakeholders consist of Bupati of Labuhan Batu, Badan Lingkungan Hidup, Dinas Sosial &amp; Tenaga Kerja Labuhan Batu Regency, Camat Pangkatan, Head of Village Kampong Padang and Head of Village Tanjung Selamat.</p> <p>Record of communication and consultation with stakeholders is documented in "Buku Agenda Surat Masuk", up to February 2019 where noted 9 letters coming from stakeholders, e.g. Letter from the Office of Environment Labuhanbatu Regency on 01/21/2019; about the Environmental Agency's Visit Plan for Kab. Labuhanbatu, has been responded to on 21/01/2019</p> <p>In January to December 2017 there are 23 incoming communication and consultation was recorded. Person in charge, action taken, and the target have been recorded in every communication.</p> <p>See also criterion 1.1.2.</p>	<p>Comply</p>

**Criterion 6.3**  
 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.

<p>6.3.1</p>	<p>The mechanism, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested, as long as that information is supported with adequate initial evidence.</p> <p>- Major compliance -</p>	<p>Company has established a mechanism to handle complaint from external party, as written in "Mekanisme Penanganan Keluhan" – complaint handling mechanism (Doc. No.SOP AA-GL- 5005-RO 01) while complaint from internal regulated under "Mekanisme Penyampaian Keluhan dan Penyelesaian Keluhan Karyawan" – Employee' complaint and resolution mechanism (Doc. No.SOP-AA-HR-3008-RO 05). These mechanisms has been communicated to external parties and disseminated to PT Indo Sempadan Jaya employees. Based on interview with Tanjung selamat village head, Gender committee leader and worker union leader; they understood the procedure and mechanism to communicating complaint and/or grievance to company.</p> <p>The procedure is how to handling complaint and grievances, the company keeps confidential complainer and whistleblower. Complaint and grievances is recorded in log Book and in "Formulir Pencatatan Keluh Kesah dan Ketidakpuasan".</p>	<p>Comply</p>
<p>6.3.2</p>	<p>There shall be records of process and outcome of dispute resolution.</p> <p>- Major compliance -</p>	<p>Company is recording each complaint and response provided in the Logbook, where from complaint from external is documented in "Buku agenda Surat Masuk" and complaint from internal is documented in "Keluhan karyawan per afdeling", on period 2017 there were noted 9 complaints from internal at Afdeling IV, e.g. :</p> <p>Tanjung Selamat Estate:</p> <ul style="list-style-type: none"> <li>- Dated 2 February 2019, from Kristina (Fertilizer Foreman) afdeling 3, concerning: Broken bathroom floor leaked tap room funds, followed up on 8 February 2019.</li> <li>- On March 6, 2019, complaints from Edison (harvesters) Afdeling 4, related to broken window doors, broken bedroom floors and leaky zinc roofs, were followed up on March 11, 2019.</li> <li>- On March 7, 2019, complaints from Agus (Harvesters) afdeling 3, about: the front door was damaged, followed up on March 15, 2019.</li> </ul> <p>Pangkatan Estate:</p>	<p>Comply</p>

		<ul style="list-style-type: none"> <li>- January 12, 2018 complaints from Marjuki employees of Division 3 harvest, related: the kitchen floor and living room broke, followed up on July 14 2018.</li> <li>- Complaints from Mr. Eling of Division 3 Harvest employees on November 22, 2018, related to the broken living room floor, was followed up and corrected on November 24, 2018.</li> <li>- Complaints from the Poltak of the third division on March 2, 2019, related: broken kitchen and bathroom floors, repaired on March 10, 2019</li> </ul>	
<p><b>Criterion 6.4</b></p>			
<p>Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>			
<p>6.4.1</p>	<p>A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be available, referring to decision of the Constitution Court.</p> <p>- Major compliance –</p>	<p>Mechanism to identify and calculate fair compensation or loss of legal or customary rights to land set out in the standard operating procedure (SOP) No. AA-GL-5003-1-R1, dated 5th December 2009 and has undergone first revisions on 22nd August 2011. The mechanism described is similar to conflict resolution procedures involving community representatives and others stakeholders.</p> <p>In the working area of PT Indo Sepadan Jaya and PT Rantau Sinar Perkasa is a Land of Free Country, so there is no process of compensation to other parties including to the community. (See 2.3.2).</p>	<p>Comply</p>
<p>6.4.2</p>	<p>A procedure for calculating and distributing fair compensation shall be established, implemented, monitored and evaluated in a participatory way. Corrective actions are taken as a result of this evaluation.</p> <p>- Minor compliance –</p>	<p>Mechanism to identify and calculate fair compensation or loss of legal or customary rights to land set out in the standard operating procedure (SOP) No. AA-GL-5003-1-R1, dated 5th December 2009 and has undergone first revisions on 22nd August 2011.</p> <p>There is no negotiation/compensation payment currently. The company has settled all land compensation since at the beginning of land preparation process. The procedure was described preparation for a meeting with representatives of the public community attention to the various elements of community leaders, informal leaders, women, youth, farmers, etc.</p>	<p>Comply</p>

		The company also gives opportunity for each group to choose a representative in the meeting. Participatory mapping and agreement involving various stakeholders in compensation to the local communities.	
6.4.3	<p>Compensation claims, process and outcome of any negotiated agreements shall be documented, with evidence of the participation of affected parties.</p> <p>- Major compliance –</p>	<p>As an output of dispute settlement process, all of those are documented into agreement between both of parties by involving other related parties or even a copy of court decision for its dispute settlement in case if solved in a court or by law.</p> <p>Based on interviews with local communities that in the period of 2017 until this audit there is no compensation or land compensation activities.</p>	Comply
<p><b>Criterion 6.5</b>            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 for employees based on the existing manpower regulations shall be available.</p> <p>- Major compliance -</p>	<p>Company has had state about the wages for workers base on :</p> <ul style="list-style-type: none"> <li>- SK Gubernur no. 188.44/17/KPTS/2017, dated 22 January 2018, regarding: "Penetapan Upah Minimum Kabupaten Labuhan Batu Tahun 2018", amount Rp 2,737,000,-</li> <li>- SK Gubernur no. 188.44/1574/KPTS/2018, dated 31 December 2018; regarding: "Penetapan Upah Minimum Sektoral Kabupaten Labuhan Batu Tahun 2019" amount of Rp 3,010,000,-.</li> </ul> <p>The wage payment for period of January-February 2019 will be conducted in March 2019, based on a letter from HRD dated 12 February 2019, the calculation of remuneration ("Rapel") is from the January 2018 period following the the governor's decision above amount of Rp 3,010,000 .</p> <p>The Company has already set wage standard based on wages set by the government based on Governor Decree Decree no. 188.44/17/KPTS/2017, dated 22 January 2018, regarding: "Penetapan Upah Minimum Kabupaten Labuhan Batu Tahun 2018", amount Rp 2,737,000,- and recorded on Memorandum no. 066/HR-R01/MEMO/04/2018, dated 12 January 2018; regarding: "Kenaikan Upah Pekerja Golongan", including:</p> <ol style="list-style-type: none"> <li>1) PHL: Rp 109,480 per day</li> <li>2) SKU-H: Increase of Rp 190,630 per month</li> </ol>	Comply

		<p>3) SKU-B: Increase of Rp 190,630 per month (increments adjusted to wage table 2018 and also based on employee performance appraisal in the applicable year. Based on interview with the Department of KTU namely Mr. Wardohar Rajagukguk (Tanjung Selamat Estate) and Fadlan Nur Muharram (Pangkalan Estate), that the wage period of 2018 will be done "Rapel" in March 2019. During audit take sample of "PaySlip" in January 2019, eg:</p> <ol style="list-style-type: none"> <li>1. Namely Mr. Saf###al (PHL). Title: Upkeep Afdeling 2, Tanjung Selamat Estate Period January 2019, Working day: 19 days Basic Salary: Rp. 2,408,560; Premi non panen (Non-harvest Premium): Rp. 515,242, BPJS TK: Rp. 54,740; BPJS Kesehatan: Rp. 27,500; Net salary: Rp. 2,813,562.</li> <li>2. Namely Mr. Su###ih (PHL). Title: Upkeep Afdeling 3, Tanjung Selamat Estate Period January 2019, Working day: 5 days Basic Salary: Rp. 547,400; Non-harvest Premium: Rp. 25,000, BPJS TK: Rp. 54,740; BPJS Kesehatan: Rp. 27,500; Net salary: Rp. 517,660.</li> <li>3. Namely Mr. Su###ih (PHL). Title: Upkeep Afdeling 3, Tanjung Selamat Estate Period January 2019, Working day: 5 days Basic Salary: Rp. 547,400; Non-harvest Premium: Rp. 25,000, BPJS TK: Rp. 54,740; BPJS Kesehatan: Rp. 27,500; Net salary: Rp. 517,660.</li> <li>4. Namely Mr. E###sa (PHL). Title: Upkeep Afdeling 2, Pangkatan Estate Period January 2019, Working day: 20 days Basic Salary: Rp. 2,189,600; Non-harvest Premium: Rp. 25,500, BPJS TK: Rp. 54,740; BPJS Kesehatan: Rp. 27,370; Net salary: Rp. 2,132,990.</li> <li>5. Namely Mr. Ri###a (PHL). Title: Upkeep Afdeling 2, Pangkatan Estate Period January 2019, Working day: 18 days Basic Salary: Rp. 1,970,640; Non-harvest Premium: Rp. 19,500, BPJS TK: Rp. 54,740; BPJS Kesehatan: Rp. 27,370; Net salary: Rp. 1,908,030.</li> <li>6. Namely Mr. B### (PHL). Title: Processing Tanjung Selamat POM Period February 2019, Working day: 23 days</li> </ol>	
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		<p>Basic Salary: Rp. 2,518,040; Processing Premium: Rp. 1,392,229, BPJS TK: Rp. 54,740; BPJS Kesehatan: Rp. 27,370; Net salary: Rp. 3,800,789.</p> <p>7. Namely Mr. W#### N. (PHL). Title: Processing Tanjung Selamat POM Period February 2019, Working day: 23 days</p> <p>Basic Salary: Rp. 2,518,040; Processing Premium: Rp. 1,352,677, BPJS TK: Rp. 54,740; BPJS Kesehatan: Rp. 27,370; Net salary: Rp. 3,761,237.</p> <p>Based on the above pay slip, the company has applied wages that are in accordance with the Labuhan Batu District Minimum Wage for 2018 (Governor's Decree No. 188.44/17/KPTS/2017, dated January 22 2018).</p>	
6.5.2	<p>Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to the workers.</p> <p>- Major compliance -</p>	<p>There is a work agreement - "Kontrak Kerja" which signed by workers and company's representatives, the contract each worker is available in premises, the contract covering working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, period of notice, etc. Based on interview with workers, they understood the contract.</p> <p>The company and workers have arranged mutual working agreements – "Perjanjian Kerja Bersama/PKB" as described in PKB document (created in 2015) which is expected to be updated every 2 years, the PKB is period 2015-2017 and has been register to the Disnakertrans Labuhanbatu Regency, no. KEP. 88/PHIJSK-PKKAD/PKB/VI/2015, dated 18 June 2015.</p> <p>Rights and obligation between two parties seems to be implemented accordingly. Some items were regulated in the PKB (2015 version), such as working hours, holiday entitlement, wage, over time, sickness, leave, maternity leave, work accident, etc. PKB only applies to SKU employees.</p> <p>The latest agreement - PKB dated 21 April 2015, the validity period until 20 April 2017.</p> <p>Chronology of the PKB Process for PPS BKS Year 2018-2020 (presented by PT Indo Sepadan Jaya (General Staff), as follows:</p> <p>1) In August 2018 a New PKB Draft was agreed between 2018-2020 between PP-SPSI and the BKS-PPS Team representing the BKS-PPS member companies.</p>	Comply

		<p>2) September 13, 2018; BKPPS submits registration to the Ministry of Manpower (this applies to cross-province PKBs) by letter no. 59/BKS-PPS/2018.</p> <p>3) October 26; based on letter no. B.319/PHIJSK/X/2018 reply to a letter from the BKS-PPS stating that they refused to register the PKV on the grounds that the Collective Labor Agreement must be registered by the directors of their respective companies where the PKB must be signed by the PUK Workers Union (worker representative) in each company.</p> <p>4) On December 5, 2018, the BKS-PPS party again wrote to the Dirjen of PHI and Jamsos regarding the refusal to register the PKB, but until now the BKS-PPS or PP SPSI has not obtained the response from the Dirjen of PHI and Jamsos.</p> <p>5) Then according to the sound of article XXIV PKB Year 2015-2017 that PKB is still in used.</p> <p>At this time the company and worker representative (Labor Union/SPM: Serikat Pekerja Mandiri and also Bipartit) has agreed to review and renew work collective work agreement/PKB period 2018- 2020, as recorded in the Minutes on August 2018 and during this audit still in progress to register to Disnakertran Labuahanbatu Regency.</p> <p>Taken Sample for agreement with daily workers:</p> <p>Tanjung Selamat Estate:</p> <ul style="list-style-type: none"> <li>- Daily Working Agreement "Perjanjian Kerja Harian Lepas" no. 176/PKHL/KTS/10/2017, dated 15/10/2017: on behalf of Bilah Martah Kusuma, position: Cleaning service in Office, valid for 3 months.</li> <li>- Daily Working Agreement "Perjanjian Kerja Harian Lepas" no. 040/PKHL/KTS/02/2019 dated 11 February 2019 on behalf of Junior Pangaribuan (cleaning Service) valid for up to 3 months.</li> <li>- Daily Working Agreement "Perjanjian Kerja Harian Lepas no. 037/PKHL/KTS/02/2019, dated February 11, 2019 on behalf of Leonardo Siregar (Harvester) valid for up to 3 months.</li> <li>- Daily Working Agreement "Perjanjian Kerja Harian Lepas no. 038/PKHL/KTS/02/2019, dated February 11, 2019 on behalf of Berkat Syukur Gea (Harvester) valid for up to 3 months.</li> </ul>	
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		<p>Pangkatan Estate:</p> <ul style="list-style-type: none"> <li>- Daily working agreement "Perjanjian Kerja Harian Lepas" no. 103/EST/KPT/SPK-HL/I/I/2019, dated 3 January 2019 on behalf of Amos Lase (Hrvester) valid for 6 months.</li> <li>- Surat Perjanjian Borongan, no. 083/E1KPT/05/18, tanggal 21 May 2018 atas nama Linda (Desa Aek Pangatas), jenis pekerjaan: tanam kelapa sawit di Pangkatan Estate PT RSK dengan harga Rp 2,154 /pokok.</li> </ul>	
6.5.3	<p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where such public facilities are unavailable or inaccessible.</p> <p>- Minor compliance –</p>	<p>Worker welfare facilities have been provided such as housing, educational facilities (SD and PAUD), polyclinics, religious facilities (mosques, churches and temples), and sports facilities (soccer field, badminton, table tennis and courts, volleyball). The list of public facility such as:</p> <p>List of Public Facilities</p> <ol style="list-style-type: none"> <li>1 Children Organizing Centre "Balai penitipan anak" (TPA) at Pondok Seng</li> <li>2 Children Organizing Centre "Balai penitipan anak" (TPA) at Pondok Coklat</li> <li>3 Paud / TK Bina Darma GM Ida TK Bina Darma KPM SSL</li> <li>4 Muara Tiga Gunung Melayu I Private Elementary School</li> <li>5 Pondok Seng Mosque</li> <li>6 Masjid Pondok Coklat</li> <li>7 Pondok Seng Housing Water Pumps</li> <li>8 Water Pumps for Housing in Pondok Coklat</li> <li>9 Pondok Seng Soccer Field</li> <li>10 Field Pondok Seng volleyball</li> <li>11 Badminton court and table tennis</li> <li>12 School's Bus</li> <li>13 Polyclinics</li> <li>14 Ambulance cars</li> </ol> <p>Recapitulation of employee and Staff housing area</p>	Comply

		<p>Type of Houses Unit    Large (M2)</p> <p>Type B House    1        190</p> <p>Type C House    5        471</p> <p>Type D House    6        576</p> <p>Type E1 House    99       8625</p> <p>The company has also facilitated its employees for water needs by building pump wells in each emplacement (in housing "Pondok Seng" and "Pondok Coklat") and electricity with distribution from PLN (and the payment is subsidized by the company, for each house Rp. 25,000 per month).</p> <p>Based on interviews with employees, that employees have felt helped by the subsidies granted for the payment of electricity each month.</p>	
6.5.4	<p>There shall be demonstrable efforts to improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance –</p>	<p>Worker receives rice by organization that was distributed twice a month. This was mentioned in the "Collective Work Agreement" (PKB) between employees and the organization.</p> <p>In addition, organization has provided special area in place for local market. Local market provides food for worker. The market is nearby the company site and company also provide minimarket, namely "Waserda Bina Mandiri"</p>	Comply
<p><b>Criterion 6.6</b></p> <p>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.</p>			
6.6.1	<p>A record of the company's policy in understandable language recognising freedom of association, shall be available.</p> <p>- Major compliance –</p>	<p>Freedom of association policy, dated 26th November 2012, written in Bahasa Indonesia, this policy has been informed to all employees and being placed into public area easily accessed.</p> <p>Based on interview with labor union (SPM), the company has provided facilities and support programs of SPM.</p>	
6.6.2	<p>Records of meetings with labor unions or workers representatives shall be available.</p>	<p>PT Indo Sepadan Jaya (Tanjung Selamat and Pangkatan Estate) has established a Labor Union in accordance with the Decision Letter of PD FSPPP - SPSI of North Sumatra No. Kep-149/ORG/DPC FSPTI-K.SPSI/LS/V/2016, dated 9 May 2016 regarding "Pengukuhan</p>	Comply

	<p>- Minor compliance –</p>	<p>Pengurus Unit Kerja Serikat Pekerja Pertanian dan Perkebunan – Serikat Pekerja Seluruh Indonesia (PUK SP.PP-SPSI) PT Indo Sepadan Jaya Kebun Tanjung Selamat Kec. Kampung Rakyat, Kabupaten Labuhabatu Selatan Masa Bakti 2016-2019”, and has been registered with the Manpower Office of Labuahanbatu Regency. 26/DTK-VIII/ 2001 dated August 30, 2001.</p> <p>Labor Unions at Tanjung Selamat Mill, is based on “Perwakilan Cabang”-PC FSP.PP-SPSI Decree no. 59/ORG/PC FSP.PP-LBR/X/ 2015; regarding “Pengesahan Penetapan Penataan Kedua Komposisi Pengurus Unit Kerja Serikat Pekerja Pertanian dan Perkebunan PT Indo Sepadan Jaya PMKS Tanjung Selamat periode 2015-2017” is chaired by Mr. Faisal Ahmad Nasution.</p> <p>Worker union in PT Rantau Sinar Karsa has formed according to “Surat Keputusan PC FSP.PP-SPSI Wilayah Kabupaten Labura No. Kep 88/ORG/PC FSPPP-LBR/IX/2017, dated 27 September 2017 regarding “Penetapan Penataan Komposisi dan Pengganti Antar Waktu Fungsionaris PUK SP.PP-SPSI PT Rantau Sinar Karsa Kec. Pangkatan, Kab. Labuhan Batu periode 2014-2019”. Workr union has been registered in Dinas Tenaga Kerja Kabupaten Labuhan Batu No. 26/DTK-VIII/2001 since dated 30 August 2001.</p> <p>Record of meeting between company and labour union is conducted regularly, e.g.:</p> <ol style="list-style-type: none"> <li>1. February 7, 2019, meeting to discuss about Increase in Wages and adjustment of Contributions (Increase in Work Wages in 2019).</li> <li>2. On January 31, 2019, a meeting to discuss about premium increase and motorcycle assistance in accordance with PKB Article XV/2/b.</li> <li>3. On December 7, 2018, the meeting discussed salary increases for the 2019 period and 2018 Christmas Day benefits.</li> <li>4. etc.</li> </ol> <p>During audit attendance list of meeting and minutes of meeting were available.</p>	
<p><b>Criterion 6.7</b>  Children are not employed or exploited.</p>			
<p>6.7.1</p>	<p>There shall be documented evidence that minimum age requirements are met.</p> <p>- Major compliance –</p>	<p>Sustainability palm oil Policy, point 3, dated on 1st May 2009 concerning the minimum age limit of recruitment are 18 years old. Based on a list of labour period January 2016 in Estate and Mill, there was no employee under the age of 18 years, and also based on document</p>	<p>Comply</p>

		<p>review of list of employees, field visit and interview with stakeholders, there is no employee is hired less than 18 year as regulated by government and company's policy.</p> <p>Review of "Daftar Karyawan" confirmed that the youngest employee is:</p> <ol style="list-style-type: none"> <li>1. Namely Mr. Harapan Napitupulu employee of Pangkatan Estate, born on 11 July 1994 and joint with PT RSK on 01 October 2017 (23 years and 3 month old).</li> <li>2. Namely Mrs. Masiria employee of Pangkatan Estae, born on 02 March 1992 and joint with PT RSK on 1 March 2013 (20 years and 11 months old).</li> <li>3. Namely Mr. Muh. Kholik Idris employee of Tanjung Selamat Estate born on 08 October 1996 and joint with PT ISJ on 01 November 2014 (18 years and 1 month old) in Pangkatan Estate,</li> <li>4. Namely Mr. Algi Maswari employee of Tanjung Selamat Estate, born on 24 April 1998 and joint with PT ISJ on 1 July 2018 (20 years and 2 months old).</li> </ol>	
<p><b>Criterion 6.8</b>  Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p>			
6.8.1	<p>A company's policy on equal opportunity and treatment for work shall be available and documented.</p> <p>- Major compliance –</p>	<p>Equal Opportunity policy is stated in "Kebijakan Perusahaan", dated 01st December 2014 "Company Treats employees fairly, whether in terms of acceptance, judgment, conditions and work environment, and representation irrespective of race, tribe, caste, national origin, religion/faith, disability, gender, sexual orientation, union membership, political affiliation and/or age.</p> <p>This policy has been informed to all employees and being placed into noticed board in public area and easlily accessed.</p> <p>Company also has SOP about the new employment recruitment. According on SOP CR.01.01 about "Penerimaan Karyawan Baru" (Requiritment and Selection of Employee), the company will accept new employee based on their capabilities and qualifications. This policy has been communicated to worker. The policy describe the organization recognize and respect to the rights of local, migrant or urban worker.</p>	Comply

6.8.2	<p>Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated.</p> <p>- Major compliance –</p>	<p>Worker register for mill and estates mentioned that all workers came from different backgrounds (race, religion, gender, etc). Ethnical iversity of worker and during interview with workers, no discrimination was identified based on religion, ethnic, gender. No evidence of discrimination found during the audit.</p> <p>Company provided working tools to the workers, relevant to the nature of the work performed.</p>	Comply																																				
6.8.3	<p>Records of evidence that equal opportunity and treatment for work shall be available.</p> <p>– Minor compliance -</p>	<p>All discrimination is prohibit for all area in estate and mill. PKB also mentioned ban of discrimination for all workers in the organization.</p> <p>Procedure for worker recruitment was available and mentioned there was no discrimination treatment during recruitment. Based on interviews with the Estate and Mill Manager, that there is no recruitment of new employees in the period January - December 2018 in both the estate and mill.</p> <p>Interviews of male and female workers confirmed that the company anti-discrimination policy was strictly enforced. They were not aware of any cases of discrimination, e.g. document review of salary payment (Payroll) and interview with workers did not find any evidence of discrimination</p> <p>The organization has shown the document of list employes which could have shown a comparing the number of employees based on the rate as of February 2019, i.e:</p> <p><u>Tanjung Selamat Estate:</u></p> <table border="1" data-bbox="855 1043 1317 1382"> <thead> <tr> <th>Religion</th> <th>Number of Workers</th> <th>Percent</th> </tr> </thead> <tbody> <tr> <td>Buddhism</td> <td></td> <td>0%</td> </tr> <tr> <td>Catholics</td> <td>40</td> <td>8%</td> </tr> <tr> <td>Christianity</td> <td>182</td> <td>34%</td> </tr> <tr> <td>Hinduism</td> <td></td> <td>0%</td> </tr> <tr> <td>Muslim</td> <td>306</td> <td>58%</td> </tr> <tr> <td>Others</td> <td></td> <td>0%</td> </tr> </tbody> </table> <table border="1" data-bbox="1348 1043 1765 1305"> <thead> <tr> <th>Status</th> <th>Number of Workers</th> <th>Percent</th> </tr> </thead> <tbody> <tr> <td>SKUH</td> <td>185</td> <td>35%</td> </tr> <tr> <td>SKUB</td> <td>27</td> <td>3%</td> </tr> <tr> <td>BHL</td> <td>316</td> <td>60%</td> </tr> <tr> <td><b>Total</b></td> <td><b>528</b></td> <td><b>100%</b></td> </tr> </tbody> </table>	Religion	Number of Workers	Percent	Buddhism		0%	Catholics	40	8%	Christianity	182	34%	Hinduism		0%	Muslim	306	58%	Others		0%	Status	Number of Workers	Percent	SKUH	185	35%	SKUB	27	3%	BHL	316	60%	<b>Total</b>	<b>528</b>	<b>100%</b>	Comply
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<b>Total</b>	<b>528</b>	<b>100%</b>																																					

Total			Status		
	Number of Workers	Percent		Number of Workers	Percent
Total			Total		
	528	100%	Laki-laki	404	77%
			Perempuan	124	23%
Total			Total		
	528	100%		528	100%

Race	Number of Workers	Percent
Aceh	1	0%
Melayu	6	1%
Jawa	238	31%
Karo	5	1%
Nias	68	9%
Simalungun	4	1%
Tapanuli	206	27%
<b>Total</b>	<b>528</b>	<b>100%</b>

Pangkatan Estate:

Religion	Number of Workers	Percent
Buddhism		0%
Catholics	10	3%
Christianity	191	58%
Hinduism		0%
Muslim	129	39%

Status	Number of Workers	Percent
SKUH	190	57,58%
SKUB	30	9,09%
BHL	110	33,33%
<b>Total</b>	<b>330</b>	<b>100,00%</b>

	<table border="1"> <tr> <td>Others</td> <td></td> <td>0%</td> </tr> <tr> <td><b>Total</b></td> <td><b>330</b></td> <td><b>100%</b></td> </tr> </table>	Others		0%	<b>Total</b>	<b>330</b>	<b>100%</b>																																						
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		<p>Appointment of PHL employees into SKUH (Permanenet employees), for example:</p> <ol style="list-style-type: none"> <li>1. Based on Memorandum from HR Ops. Palantation-I dated 7 January 2019 no. 044/HR-RO1/MEMO/01/19 concerning Appointment of SKUH Employees at Tanjung Selamat Estate starting from January 1, 2019. On behalf of Mr. Marhalim Lubis.</li> <li>2. Based on the Memorandum from HR Ops. Palantation-I dated 7 January 2019 no. 045/HR-RO1/MEMO/01/19 concerning Appointment of SKUH Employees (permamnent employee) at Tanjung Selamat Estate starting from January 1, 2019. On behalf of Mrs. Emma Imelda Sefriyanti.</li> <li>3. Based on the Memorandum from HR Ops. Palantation-I dated 25 June 2018 no. 107/HR-RO1/MEMO/06/18 concerning Appointment of SKUH Employees at Pangkatan Estate starting from 1 July 2018. On behalf of Mr. Fazar Nduru.</li> <li>4. Based on the Memorandum from HR Ops. Palantation-I dated 25 June 2018 no. 106/HR-RO1/MEMO/06/18 regarding Appointment of SKUH Employees at Pangkatan Estate starting from 1 July 2018. On behalf of Mr. Poltak Pasaribu.</li> </ol>																							



		<p>5. Based on Memorandum from HR Ops. Palantation-I dated 25 June 2018 no. 186/HR-RO1/MEMO/06/18 concerning Appointment of SKUH Employees at Tanjung Selamat Mill starting from 1 July 2018. On behalf of Mr. Dicky Dwi Saprizal (Kr. Workshop).</p> <p>6. Based on Memorandum from HR Ops. Palantation-I dated 25 June 2018 no. 187/HR-RO1/MEMO/06/18 concerning Appointment of SKUH Employees at Tanjung Selamat Mill starting from 1 July 2018. On behalf of Mr. Frenky Sael Priadi Saragih (Security).</p> <p>7. Based on the Memorandum from HR Ops. Palantation-I dated 25 June 2018 no. 188/HR-RO1/MEMO/06/18 concerning Appointment of SKUH Employees at Tanjung Selamat Mill starting from 1 July 2018. On behalf of Mr. Parances Sinaga (Electricity).</p>	
<p><b>Criterion 6.9</b>          There is no harassment or abuse in the work place, and reproductive rights are protected.</p>			
6.9.1	<p>A policy to prevent sexual and all other forms of harassment and violence, shall be documented, implemented and communicated to all levels of the workforce.</p> <p>- Major compliance –</p>	<p>The company has implemented policy on prevention of sexual harassment and violence against women, the policy is prominently displayed on notice boards at the Mills and the Estates muster areas. Interviews of female staff, workers and union representatives confirmed that the company implemented the sexual harassment policy. (which is the latest circular letter to complement previous circulars).</p> <p>The policy has disseminated to all employees on 8 February 2019, in Tanjung Selamat Estate, attended by 146 members; and on 12 October 2019 in Tanjung Selamat Mill, attended by 38 participants; on 17 January 2019 in Pangkatan Estate, attended by 130 members.</p>	Comply
6.9.2	<p>A policy to protect the reproductive rights, shall be documented, implemented and communicated to all levels of the workforce.</p> <p>- Major compliance –</p>	<p>As it is found in company policy that's signed by Managing Director (Mr. Kelvin Tio) on November 26th 2012 and on one part of the policies stated that: "To prevent any sexual or physical abuses happen to women as well as to protect their reproductive rights".</p> <p>There is a gender committee actively meets and discussing general agenda and other issue related to handling sexual harassment, dissemination of sexual harassment prevention.</p> <p>Based on interview with Gender Committee, company has implemented the protection of women reproductive rights, in form of maternal leave, period leave, and regular pregnancy check for female sprayers and strictly prohibit pregnant and/or breastfeeding female worker applying pesticides. The last pregnancy check on April 2017.</p>	Comply

		<p>Monthly committee meeting gender committee, on December 8 February 2019; Related discussion: The importance of maintaining the health of workers and families ", attended by 43 participants.</p>	
<p>6.9.3</p>	<p>A specific grievance mechanism which respects anonymity of complainants where requested, and as long as they are supported with adequate information, shall be documented, implemented, and communicated to all workforce.</p> <p>- Minor compliance –</p>	<p>Standard Operating Procedure, No. SOP: XX-HR-308.5-RO; Revision: 0, December 11th 2009: Employees complaints: submission and settlement</p> <p>Mechanism for complaints management where it needs to protect its confidentiality for complaint submitter was found in company policy’s draft as in one of points of this policies stated that:</p> <p>“To provide appropriate information for those who inquiry it and to protect its confidentiality for whistle blower cases in accordance to law regarding environmental and social issue, food safety, health and safety work, so that it enables them to more participate to the decision making processes for improving company’s performance.</p> <p>Policies that have been made by companies related to the protection of women's rights such as;</p> <p>a. The company has provided menstrual leave for female employee in accordance with the recommendation from paramedic in clinic, and this is in line with “Perjanjian Kerja Bersama” and applicable regulations.</p> <p>b. The company has granted the right for maternity leave the women who gave birth in accordance with the applicable rules and “Perjanjian Kerja Bersama”.</p> <p>c. The company has consistently perform pregnancy tests to women workers who worked as a fertilizer and spraying every 1 month.</p> <p>d. The company has a policy of not hiring female labor during pregnancy or breast-feeding for the kind of work that endanger such as fertilizer or spraying by temporarily moving the work force to other types of work.</p> <p>e. The company has consistently performed regular health checks for sprayers every six months.</p>	<p>Comply</p>

		<p>The company has conducted training and socialization prevention of sexual harassment in the workplace to the Committee members for example gender socialization on 8 February 2019, on "Sosialisasi Pelecehan Seksual dan Kebijakan Hak Reproduksi", was attended by 37 participants.</p> <p>Work Program of Gender Committee Year 2018, e.g:</p> <ol style="list-style-type: none"> <li>1. Receiving complaints from employees including women's rights including when carrying out work (intimidation against female workers)</li> <li>2. Collaborate with the local Puskesmas to carry out routine childhood immunizations to mothers who have toddlers</li> <li>3. Carry out health education on the importance of family health with environmental hygiene</li> <li>4. Promote Friday Clean for plants in residential areas (emplasmen).</li> </ol> <p>Realization of Gender committee programe on 2018. and 2019, such as:</p> <ul style="list-style-type: none"> <li>• On February 28, 2019; socialization to female workers related to the protection of women and children workers and sexual harassment at Tanjung Selamat Estate was attended by as many as 21 women workers.</li> <li>• January 2019; socialization of menstruation leave (H2), maternity leave and breastfeeding mothers, to women workers at Tanjung Selamat Estate attended by 39 female workers.</li> <li>• Etc.</li> </ul>	
<p><b>Criterion 6.10</b> Growers and millers deal fairly and transparently with smallholders and other local businesses.</p>			
6.10.1	<p>Current and past prices paid for Fresh Fruit Bunches (FFB), shall be publicly available. - Minor compliance -</p>	<p>The company has displayed the FFB price in Mill's notice board in front of the weighbridge station, all FFB suppliers can see it and able to access the FFB price by phone.</p>	Comply

		<p>The company cooperates with the surrounding community in terms of purchasing FFB and recorded in "Pernyataan dan Jaminan" - Statement and Guarantee as a supplier of FFB. The document stated that:</p> <ol style="list-style-type: none"> <li>1. FFB that supplied to Tanjung Selamat POM came from land that has been owned/controlled/cultivated in accordance with the legislation, especially in the field of land and plantation.</li> <li>2. FFB supplied does not originate from unauthorized areas, such as:             <ol style="list-style-type: none"> <li>a. Protected Forest Area</li> <li>b. Industrial Forest Area</li> <li>c. Production Forest Area</li> <li>d. Conservation area</li> </ol> </li> </ol> <p>Record seen: "Statement and Guarantee" on behalf of UD Sahabat (Fier Mergi Nasution) as FFB supplier from Asam Jawa Village for ± 3,420 Ha planting area year 1990.</p> <p>"Statement and Guarantee" on behalf of UD Ula - Tersia (Muchtra Pinem) as FFB supplier from Asam Jawa Village for ± 7,438 Ha planting area year 2010.</p>	
6.10.2	<p>Pricing mechanisms for Fresh Fruit Bunches (FFB) and inputs/services shall be explained and documented (where these are under the control of the mill or plantation).</p> <p>- Major compliance -</p>	<p>FFB Pricing for third party is determined by market mechanism and set every day and recorded in the pricing of FFB Tanjung Selamat Palm Oil Mill. FFB price establishment was documented by company under "Mekanisme Penerimaan TBS Luar (Agen/Pengepul)". Formula of FFB price from third parties is as follow :</p> $((\text{CPO Price/Tax } 1.1\%) - \text{Transport cost}) \times \text{OER} = X$ $(\text{PK price} - \text{Transport cost}) \times \text{KER} = Y$ $X + Y - \text{Processing cost} - \text{other cost} = \text{FFB Price}$ <p>For Example FFB Price for 17 April 2019:</p> <p>CPO: <math>(6,420 - 200) \times 18.12\% = 1,127 (X)</math></p>	Comply

		<p>PK: <math>(4,150 - 160) \times 4.8\% = 192</math> (Y)</p> <p>Total: 1,319</p> <p>Processing cost: 49</p> <p>Other cost: 20</p> <p>FFB Bruto Price: 1,270</p> <p>FFB Price: <math>(11,127 + 192) - 49 - 20 = 1,250</math> IDR</p> <p>Price changes will be informed one day before the changes, and it applicable for large size FFB (more than 8 kg). Mechanism for FFB price has been known, understood and explained to FFB suppliers. Based on interview with a number of FFB supplier, they can demonstrate their understanding.</p>	
6.10.3	<p>Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> <p>- Minor compliance -</p>	<p>The agreement/contract documents between the company and the contractor is sighted such as for replanting. The contract was acknowledged by both parties and well understood. The contract contained all relevant information such as payment method, work requirements, force majeure, contract period, cancellation of contract, etc.</p> <p>Currently the company carried out replanting activity in cooperated with contractor. Based on document review and interview with sample contractor, agreement between company and local contractors confirmed that contract is made fairly, legal and transparent, e.g. Contract no. 01/SPJ/LEG-RSK/VII/16, with PT Bahtera Mulia Lestari, for Replanting work.</p> <p>Other contract between PT Indo Sepadan Jaya and CV Monica Engineering, contract No. 461/P1PTS/10/18 for Biogas Plant. It was confirmed that the contract is made fairly, legal and transparent signed by company and contractor.</p>	Comply
6.10.4	<p>Agreed payments shall be made in a timely manner.</p> <p>- Minor compliance -</p>	<p>Evidence of payment is reviewed and interview with local contractor confirmed that payment for contractor timely manner. A review to several payment records January - July 2018 demonstrated that the payment has been made via bank transfer. It was appropriate with</p>	Comply

		<p>the related MOU/Agreement. The payment was also been made periodically according to the contract agreement.</p> <p>Sample seen: Rekapitulasi Pembayaran, FFB supplier UD Sahabat period 14 March 2019, quantity 13,704 kg, amount IDR 183****. G/L account xxx.xxx.xx08, transfer to Bank Mandiri branch Fier Mergi, 107-000-****. The total payment to the contractor/Supplier on 15 March 2019, payment by transfer on Bank Mandiri.</p>	
<p><b>Criterion 6.11</b></p> <p>Growers and millers contribute to local sustainable development where appropriate.</p>			
6.11.1	<p>Records of contributions to local development based on the results of consultation with local communities shall be available.</p> <p>- Minor compliance -</p>	<p>The company has CSR program updated annually, the local contribution in CSR report. In 2018-2019, eg:</p> <ol style="list-style-type: none"> <li>1. Social program: <ul style="list-style-type: none"> <li>▪ Funding to the "dhuafa": Rp 22,500,000, -</li> <li>▪ Religious activities: Ramadan safari: Rp 10,000,000,</li> </ul> </li> <li>2. Health Program: <ul style="list-style-type: none"> <li>▪ General treatment by medical personnel (mobile clinic), public health check: Rp. 21,000,000</li> <li>▪ Social Activity Health of mass circumcision in Talen District worth Rp. 12,000,000</li> </ul> </li> <li>3. Infrastructure Program <ul style="list-style-type: none"> <li>▪ Construction of drill wells and water tanks at Desa Pangkatan: Rp 15,000,000, -</li> <li>▪ Village production road construction in Desa Senah: Rp 20,000,000, -</li> <li>▪ Providing assistance Renovation of places of worship (mosque and church): Rp 20,000,000</li> </ul> </li> </ol>	Comply

		<p>CSR realization for the period 2018-1919:</p> <ol style="list-style-type: none"> <li>1. January 23, 2018; Construction of Village Meeting Hall in Aek Nauli Village and Padang Village, Pangkatan District at cost of IDR 70,000,000.</li> <li>2. June 23, 2018; Safari of Ramadan for Communities around PT ISJ Tanjung Selamat Estate, Tanjung Selamat Village, Perlabian and Padang Villages.</li> <li>3. On January - February 2018; Pig farming in Padang Village.</li> <li>4. On July 2018; assistance activities meubelieur for SDN Setiawan and Yayasan Pondok Pesantren Ridha Allah.</li> <li>5. On March 2018; assistance for GKPI Church (Catholic intersecion) renovation and HKBP Church in Selamat Village.</li> <li>6. Meubelier assistance program to Elementary School 115858-Satu Atap of Tanjung Harapan in Pangkatan Subdistrict.</li> <li>7. Date 26 February 2019; Earthenware tools and materials in Pulau Intan Village and Tanjung Harapan Village.</li> <li>8. On Februariay 2019; Assistance in making and renovating MCK in 2-Satu Atap Junior High Schools at Tanjung Harapan Village, Pangkat Subdistrict.</li> </ol>	
6.11.2	<p>Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve scheme smallholder productivity.</p> <p>- Minor compliance -</p>	No Smallholder Scheme available.	N/A
<p><b>Criterion 6.12</b>          No forms of forced or trafficked labor are used.</p>			

6.12.1	There shall be evidence that no forms of forced or trafficked labor are used. - Major compliance -	Mill and all estates: Base on interview on public consultation (to Union Labor and Bipartit) There is no form of trafficked labour was noted during assessment.	Comply
6.12.2	It shall be demonstrated that no contract substitution has occurred. - Minor compliance -	Mill and all estates: Based on document review with workers and labour union, confirmed that no contract substitution was noted.	Comply
6.12.3	Where migrant/foreign/honorary workers are employed, a special worker policy and procedures and the evidence of implementation shall be available. - Major compliance -	Mill and all estates: The agreement for temporary workers is available and signed by them, there is no migrant worker is hired by the company.	Comply
<p><b>Criterion 6.13</b>  Growers and millers respect human rights.</p>			
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations. - Major compliance -	<p>Company has a Company Policy, acknowledged by Managing Director on 01/12/2014 stating that company respects human rights by: "treat all employees in fair manner, in terms of recruitment, appraisal and representation without discrimination against tribe, caste, nationality, religion, disability, gender, sexual orientation, worker union, political affiliation and/or age".</p> <p>The company has conducted a socialization and communication these policy to all employes, e.g: On 23 August 2018, attended by 36 workers; On 13 September 2018, was attended by 47 workers; On 22 September 2018, was attended by 23 workers; On 25 September 2018, was attended by 58 workers; Attendance list and documentation are available.</p> <p>Based on interview with worker, Labour union and gender committee stating that there was no indication of human right violation.</p>	Comply
<p><b>Principle 7: Responsible development of new plantings</b></p>			



<p><b>Criterion 7.1</b>  A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</p>			
7.1.1	<p>An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented.</p> <p>- Major compliance –</p>	<p>The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.</p>	Comply
7.1.2	<p>Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts.</p> <p>- Minor compliance -</p>	<p>The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.</p>	Comply
7.1.3	<p>Where the development includes an outgrower scheme (<i>skema kemitraan</i>), the impacts of the scheme and the implications of the way it is managed shall be given particular attention.</p> <p>- Minor compliance -</p>	<p>The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.</p>	Comply
<p><b>Criterion 7.2</b>  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.</p>			
7.2.1	<p>Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations.</p> <p>- Major compliance –</p>	<p>The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.</p>	Comply

7.2.2	<p>Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available.</p> <p>- Minor compliance -</p>	<p>The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.</p>	Comply
<p><b>Criterion 7.3</b>            New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</p>			
7.3.1	<p>There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).</p> <p>- Major compliance –</p>	<p>The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.</p>	Comply
7.3.2	<p>Reports of comprehensive HCV assessment, which involves stakeholder consultation and includes record of land-use change since November 2005, shall be available. This HCV assessment shall be conducted prior to any conversion or new planting.</p> <p>- Major compliance –</p>	<p>The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.</p>	Comply
7.3.3	<p>Records of land preparation and clearing dates shall be available.</p> <p>- Minor compliance –</p>	<p>The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.</p>	Comply

7.3.4	<p>An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower’s relevant operational procedures. (see Criterion 5.2)</p> <p>- Major compliance –</p>	<p>The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.</p>	Comply
7.3.5	<p>Evidence of consultation with the affected community shall be available in order to identify the area required by such community to fulfill its basic needs, by considering the positive and negative changes to the livelihood as a result of plantation operations. Such matters shall be included in the HCV analysis and management plan (see Criteria 5.2).</p> <p>- Minor compliance –</p>	<p>The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.</p>	Comply
<p><b>Criterion 7.4</b>            Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.</p>			
7.4.1	<p>Indicative maps showing marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided.</p> <p>- Major compliance –</p>	<p>The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.</p>	Comply
7.4.2	<p>Where limited planting on fragile and marginal soils, including peat, is proposed, a documented plan shall be developed and implemented to protect them without incurring adverse impacts.</p> <p>- Major compliance –</p>	<p>The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.</p>	Comply

<b>Criterion 7.5</b>			
No new plantings are established on local people’s land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.			
7.5.1	Evidence shall be available that affected local peoples understand they have the right to say ‘yes’ or ‘no’ to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the grower/miller is signed and ratified by these local peoples (see Criteria 2.2, 2.3, 6.2, 6.4 and 7.6)  - Major compliance –	The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.	Comply
<b>Criterion 7.6</b>			
Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.			
7.6.1	Records of identification and assessment of legal, customary and user rights shall be available.  - Major compliance –	The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.	Comply
7.6.2	A procedure for identifying people entitled to compensation shall be available.  - Major compliance –	The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.	Comply
7.6.3	Records of calculation system and distribution of fair compensation shall be available.  - Major compliance –	The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.	Comply

7.6.4	Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development. - Minor compliance –	The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.	Comply
7.6.5	The process and outcome of any compensation claims shall be documented and made available to the affected communities and their representatives. - Minor compliance –	The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.	Comply
7.6.6	Evidence shall be available that the affected communities and rights holders have access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands. - Minor compliance –	The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.	Comply
<b>Criterion 7.7</b>			
No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN Guidelines or other regional best practice.			
7.7.1	Records of zero burning implementation on land clearing, referring to the ASEAN Policy on zero burning (2003) and recognised techniques based on the existing regulations shall be available. - Major compliance –	The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.	Comply

7.7.2	<p>In exceptional cases where fire has to be used for preparing land for planting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Minor compliance –</p>	<p>The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.</p>	Comply
<p><b>Criterion 7.8</b>            New plantation developments are designed to minimize net greenhouse gas emissions.</p>			
7.8.1	<p>The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated.</p> <p>- Major compliance –</p>	<p>The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.</p>	Comply
7.8.2	<p>Records of a plan to minimize net GHG emissions shall be available.</p> <p>- Minor compliance –</p>	<p>The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.</p>	Comply
<p><b>Principle 8: Commitment to continuous improvement in key areas of activity</b></p>			
<p><b>Criterion 8.1</b>            Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.</p>			
8.1.1	<p>The action plan for monitoring shall be available, based on a consideration of the social and environmental impacts and routine evaluation of the plantation and mill operations. As a minimum, these shall include, but are not necessarily be limited to:</p>	<p>A continuous improvement plan has been prepared and internal audit conducted to identify compliance to the RSPO P&amp;C. Internal audit has been conducted to monitor implementation of RSPO P&amp;C, based on consideration of social and environment impact, good agriculture practice for estate, best manufacturing practice for mill, OHS aspect, etc. The latest Sustainability Internal audit conducted on 25 – 26 April 2018 (Tanjung Selamat Estate) and 29 – 30 November 2018 (Pangkalan Estate).</p>	Comply

	<ul style="list-style-type: none"> <li>• Reduction in use of certain chemicals (Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);</li> <li>• Optimising the yield of FFB production (Criterion 4.2)</li> </ul> <p>- Major compliance –</p>		
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**Appendix B: Approved Time Bound Plan**

Name of Mill	Mill Address	Name of Supply Base Plantation	Estate Address	Time bound for certification	Status
Buatan I Mill	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	Buatan Estate	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau		Certified on 16 September 2010 Re-Certified on 16 September 2015
		Buatan (Plasma)	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau		
Buatan II Mill	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	Buatan Estate	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau		Certified on 16 September 2010 Re-Certified on 16 September 2015
		Buatan (Plasma)	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau		
Ukui I Mill	Ukui Village, Ukui District, Pelalawan Regency, Riau	Ukui Estate	Ukui Village, Ukui District, Pelalawan Regency, Riau		Certified on 1 March 2011 Re-Certified on 1 March 2016
		Ukui (Plasma)	Ukui & Lubuk Batu Jaya District, Pelalawan & Inhu Regency, Riau		
Ukui II Mill	Ukui Village, Ukui District, Pelalawan Regency, Riau	Soga Estate	Ukui Village, Ukui District, Pelalawan Regency, Riau		Certified on 1 March 2011 Re-Certified on 1 March 2016
		Ukui (Plasma)	Ukui & Lubuk Batu Jaya District, Pelalawan & Inhu Regency, Riau		
Tungkal Ulu Mill	Pulau Pauh / Penyabungan / Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	Tungkal Ulu Estate	Pulau Pauh / Penyabungan / Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi		Certified on 15 August 2012 Re-Certification on August 2017
		Tungkal Ulu (Plasma)	Renah Mendalo, Merlung, Muara Papalik District, Tanjung Jabung Barat Regency, Jambi		
Muara Bulian Mill	Singoan / Bukit Sari / Bulian Jaya Village, Muara Bulian / Pelayung District, Batang Hari Regency,	Muara Bulian Estate	Singoan / Bukit Sari / Bulian Jaya Village, Muara Bulian / Pelayung District, Batang Hari Regency, Jambi		Certified on 28 August 2012 Re-Certification on August 2017



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Name of Mill	Mill Address	Name of Supply Base Plantation	Estate Address	Time bound for certification	Status
	Jambi	Muara Bulian (Plasma)	Maro Sebo Ilir District, Batanghari Regency, Jambi		Certified on 12 July 2013 Re-Certification on August 2017
Topaz Mill	Petapahan Village, Tapung District, Kampar Regency, Riau	Topaz & Seed Garden Estate	Petapahan Village, Tapung District, Kampar Regency, Riau		Certified on 30 March 2015
Taman Raja Mill	Lubuk Bernai / Kampung Baru / Pelabuhan Dagang / Pematang Pauh Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	Taman Raja & Badang Estate	Lubuk Bernai / Kampung Baru / Pelabuhan Dagang / Pematang Pauh Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi		Certified on 20 February 2015
Segati Mill	Langkan / Penarikan / Tambak / Sotol Village, Langgam District, Pelalawan Regency, Riau	Segati Estate	Langkan / Penarikan / Tambak / Sotol Village, Langgam District, Pelalawan Regency, Riau	Main Audit in 2014	NPP & RaCP is still in Progress Re-Audit 2020
		Penarikan & Gondai Estate	Pangkalan Sarik / Baru Village, Langgam / Siak Hulu District, Pelalawan / Kampar Regency, Riau	Main Audit in 2014	NPP & RaCP is still in Progress Re-Audit 2020
Tanah Datar Mill	Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatera	Tanah Datar Estate	Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatera		Certified on 18 May 2015
		Bahilang Estate	Bahilang Village, Tebing Tinggi District, Serdang Bedagai Regency, North Sumatera		
Aek Nabara Mill	S1-S3 / Sukadame Village, Bilah Hulu / Kota Pinang District, Labuhan Batu Regency, North Sumatera	Aek Nabara Estate	S1-S3 / Sukadame Village, Bilah Hulu / Kota Pinang District, Labuhan Batu Regency, North Sumatera		Certified on 6 March 2015
Teluk Panjie Mill	Teluk Panjie Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatera	Teluk Panjie Estate (3,885 Ha)	Teluk Panjie Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatera		Certified on 21 April 2015
		Teluk Panjie Estate (801 Ha)		2020	HGU is still in Process
Peranap Mill	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency,	Peranap Estate	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau		Certified on 7 January 2015

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Name of Mill	Mill Address	Name of Supply Base Plantation	Estate Address	Time bound for certification	Status
	Riau	Peranap (Plasma)	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau		Certified on 18 August 2016
Bungo Tebo Mill	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	Bungo Tebo Estate	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi		Certified on 3 December 2015
		Bungo Tebo (Plasma)	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi		Certified on 7 February 2017
Tanjung Selamat Mill	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Tanjung Selamat	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra		Certified on 26 May 2015
		Pangkatan	Sennah Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra		Certified on 26 May 2015
Gunung Melayu I	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatra	Pulau Maria Estate	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatra		Certified on 7 September 2015
Gunung Melayu II	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra	Sentral & Batu Anam Estate	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra		Certified on 8 July 2015
Negri Lama II	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Negri Lama	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra		<ul style="list-style-type: none"> <li>- Certified on 23 December 2016 as Independent Mill</li> <li>- Audit in 2016 as Mill and Supply Base</li> <li>HGU Complete Audit at ASA 3 (2018)</li> </ul>
		Aek Kuo (2,088 Ha)	Aek Korsik Village, Aek Natas District, Labuhan Batu Regency, North Sumatra		
		Aek Kuo (501 Ha)			
Negri Lama I	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	*3 <sup>rd</sup> party which is excluded from scope of certification	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra		<ul style="list-style-type: none"> <li>- Certified on 8 April 2015</li> <li>- Audit in 2016 as Independent Mill</li> </ul>

**Appendix C: GHG Reporting Executive Summary**

The GHG emissions that were produced in **2018** for **Tanjung Selamat POM** and supply base was calculated using the PalmGHG Calculator version 3.0.1. The assessment team had verified the data input in the PalmGHG Calculator against operations records. PalmGHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

- i. Estates area planted data
- ii. Fuel consumed
- iii. Mill datas include CPO produced, PKO Produced and FFB Processed
- iv. Fertilizer consumed data for both estates and smallholders.

The summary of the Net GHG emitted in **2018** for **Tanjung Selamat POM** and supply base are as following:

Emission per product	tCO <sub>2</sub> e/tProduct
CPO	16.69
PK	16.69

Extraction	%
OER	19.03
KER	4.81

Production	t/yr
FFB Process	225,938.59
CPO Produced	42,988.84
PKO Produced	10,869.07

Land Use	Ha
OP Planted Area	7,498
OP Planted on peat	7,498
Conservation (forested)	0
Conservation (non-forested)	117.48
<b>Total</b>	<b>7,615.48</b>

**Summary of Field Emission and Sink**

	Own Crop*		Group		3 <sup>rd</sup> Party		Total	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB
<b>Emission</b>								
Land Conversion	0	0	0	0	0	0	0	0
CO <sub>2</sub> Emission from fertilizer	2,012.78	0.03	340.98	0.01	0	0	2,353.76	0.04
NO <sub>2</sub> Emmission	31,510.6	0.45	27,375.16	0.93	0	0	58,885.76	1.38
Fuel Consumption	136.2	0	325.71	0.01	0	0	461.91	0.01
Peat Oxidation	210,646.8	3.01	198,744	6.77	0	0	409,390.8	9.78
<b>Sink</b>								
Crop Sequestration	0	0	0	0	0	0	0	0

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Conservation Sequestration	0	0	0	0	0	0	0	0
<b>Total</b>	<b>244,306.38</b>	<b>3.49</b>	<b>226,785.85</b>	<b>7.72</b>	<b>438,972.35</b>	<b>0</b>	<b>471,092.23</b>	<b>11.21</b>

*\*Note: Includes both estates and smallholders; \*\* dataset for third party supplier is unavailable; therefore, emission calculation from third party is using estimated 0.27 tCO<sub>2</sub>e/tFFB.*

**Summary of Mill Emission and Credit**

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emission</b>		
POME	15,554.47	0.07
Fuel Consumption	189.51	0
Grid Electricity Utilisation	27.06	0
<b>Credit</b>		
Export of Grid Electricity	- 19.38	0
Sales of PKS	- 26,950	- 0.12
Sales of EFB	0	0
<b>Total</b>	<b>- 11,198.34</b>	<b>- 0.05</b>

**Summary of Kernel Crusher Emission and Credit (if applicable)**

Emissions	tCO <sub>2</sub> e
PK from own mill	Mill has no kernel crusher operation
PK from other source	Mill has no kernel crusher operation
Fuel Consumptions	Mill has no kernel crusher operation
<b>Total Crusher emissions</b>	Mill has no kernel crusher operation

\*This mill has no kernel crusher operation.

<b>Palm Oil Mill Effluent (POME) Treatment:</b>	
Divert to Compost (%)	0
Divert to anaerobic diversion (%)	100

<b>POME Diverted to Anaerobic Digestion:</b>	
Divert to anaerobic pond (%)	100
Divert to methane captured (flaring) (%)	0
Divert to methane captured (energy generation) (%)	0

**Appendix D: General Chain of Custody Requirements for the Supply Chain**

<b>5.1 Applicability of the general chain of custody requirements for the supply chain</b>			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b> (Yes / No or N/A) For any N/A raised, justification is required.
5.1.1	The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.	The General Chain of Custody requirements of the RSPO Supply Chain Standard is applicable for PT Indo Sepadan Jaya – Tanjung Selamat Palm Oil Mill. Tanjung Selamat Mill physically process RSPO Certified FFB into Certified Sustainable Palm Oil (CSPO) and Palm Kernel (CSPK). Tanjung Selamat Mill also process non-certified FFB into non-certified CPO and PK, therefore the applicable RSPO SCC model is Module E - CPO Mills: Mass Balance.  No change in the supply chain module since last assessment.	Yes
5.1.2	Traders and distributors require a licence obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.	PT Indo Sepadan Jaya – Tanjung Selamat Palm Oil Mill is not a trader or distributors. This unit was physically process Fresh Fruit Bunch (FFB) into CPO and PK. This clause is not applicable for the certification unit.	N/A
5.1.3	Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.	PT Indo Sepadan Jaya is a subsidiary of PT Inti Indosawit Subur, which is a member of RSPO with membership number 1-0022-06-000-00, since 6 February 2006.  PT Indo Sepadan Jaya – Tanjung Selamat Palm Oil Mill has been registered in RSPO IT Paltform with ID number RSPO_PO1000002607.	Yes
5.1.4	Processing aids do not need to be included within an organization’s scope of certification.	PT Indo Sepadan Jaya – Tanjung Selamat Palm Oil Mill does not include any processing aid into organization’s scope of certification.	

<b>5.2 Supply chain model</b>			
5.2.1	The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	The site is a palm oil mill that uses RSPO supply chain model Mass Balance, therefore the site can process FFB from certified and non-certified sources. Management of PT Indo Sepadan Jaya – Tanjung Selamat POM aware that they can only claim their product (CPO and PK) as Mass Balance.	Yes
5.2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	PT Indo Sepadan Jaya – Tanjung Selamat POM uses Mass Balance as their RSPO Supply Chain Certification model, therefore the site can only claim its product as Mass Balance.	
<b>5.3. Documented Procedures</b>			
5.3.1	The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following: <ul style="list-style-type: none"> <li>• Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</li> </ul>	PT Indo Sepadan Jaya – Tanjung Selamat POM can demonstrates: <ol style="list-style-type: none"> <li>1. Standard Operating Procedures – Traceability (AA-MPM-OP-1400.17.R6) dated 1 Sept 2017. The procedures cover traceability of CPO and PK, since FFB receiving from Tanjung Selamat and Pangkatan Estate, processing up to shipping of CPO and PK as well as daily production report. The procedure also regulates the internal audit by Sustainability Internal Audit Manager. Traceability records are to be kept for 10 years.</li> <li>2. Standard Operating Procedure – Book Keeping (AA-MPM-OP-1400.18-R4). The procedure explains method to check only certified product received. The book keeping mass balance stated every 3 months: January-March, April-June, July-September, and October-December each year. Head of Environment and Sustainability will inform to Certification Body in the case of projected overproduction.</li> <li>3. SOP of Palm Oil Mill operation: <ol style="list-style-type: none"> <li>a. SOP AA-MPM-OP-1400.02.R2, dated 1 September 2011, Stasiun Penerimaan (FFB Receiving Station)</li> <li>b. SOP AA-MPM-OP-1400.03.R1, dated 1 February 2009, Stasiun Rebusan (Sterilizer)</li> <li>c. SOP AA-MPM-OP-1400.04.R1, dated 1 February 2009, Stasiun Pemisahan Berondolan (Loose Fruit Separation)</li> </ol> </li> </ol>	

		<ul style="list-style-type: none"> <li>d. SOP AA-MPM-OP-1400.05-R1, dated 1 February 2009, Stasiun Pengadukan dan Pengempaan (Pressing Station)</li> <li>e. SOP AA-MPM-OP-1400.06-R1, dated 1 February 2009, Stasiun Pemurnian (Clarification)</li> <li>f. SOP AA-MPM-OP-1400.07-R1, dated 1 February 2009, Stasiun Pemisahan Nut dan Fiber (Nut and Fiber separation)</li> <li>g. SOP AA-MPM-OP-1400.08-R1, dated 1 February 2009, Stasiun Kernel (Kernel Station)</li> <li>h. SOP AA-MPM-OP-1400.09-R1, dated 1 February 2009, Stasiun Boiler</li> <li>i. SOP AA-MPM-OP-1400.10-R1, dated 1 February 2009, Stasiun Engine Room</li> <li>j. SOP AA-MPM-OP-1400.11-R1, dated 1 February 2009, Stasiun Water Treatment</li> <li>k. SOP AA-MPM-OP-1400.12-R1, dated 1 February 2009, Laboratorium</li> <li>l. SOP AA-MPM-OP-1400.13-R1, dated 1 February 2009, Stasiun Pengelolaan Limbah (Palm Oil Mill Effluent Treatment)</li> <li>m. SOP AA-MPM-OP-1400.14-R2, dated 1 September 2011, Stasiun Penimbunan dan Pengiriman CPO dan Kernel (CPO and PK Storage and Despatch).</li> <li>n. SOP AA-MPM-OP-1400.15-R1, dated 1 February 2009, Perawatan (Preventive Maintenance and Repair)</li> </ul>	
	<ul style="list-style-type: none"> <li>• Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).</li> </ul>	<p>PT Indo Sepadan Jaya – Tanjung Selamat POM is able to demonstrate complete and up-to-date records and report demonstrating compliance with the supply chain’s general requirement and modular requirement, including training records (see Clause 5.8 – Training).</p>	
	<ul style="list-style-type: none"> <li>• Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organization’s procedures for the implementation of this standard.</li> </ul>	<p>As per Procedure of Traceability (AA-MPM-OP-1400.17-R6), the responsible person in charge to the supply chain system is Mill Manager. During audit, the mill manager was able to demonstrate sufficient knowledge and understanding on RSPO supply chain implementation for palm oil mill.</p>	

5.3.2	<p>The site shall have a written procedure to conduct annual internal audit to determine whether the organization;</p> <p>i) conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p> <p>ii) effectively implements and maintains the standard requirements within its organization</p>	<p>As per Procedure of Traceability (AA-MPM-OP-1400.17-R6) chapter 6.7, Sustainability Internal Audit Manager conducted internal audit 2 times in a year, to ensure all operational and documentation activities are comply to the requirement in RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p>	
		<p>The site has effectively implements and maintains the standard requirement by performing internal audit. Latest Internal audit carried out on 14 March 2019 by Oscar Pardosi, against RSPO SCCS 2017 – RSPO General Chain of Custody requirements and Module E - CPO Mills: Mass Balance.</p>	
<b>5.4. Purchasing and goods in</b>			
5.4.1	<p>The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier in document form:</p> <ul style="list-style-type: none"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment/delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply Chain certificate number of the seller;</li> <li>• A unique identification number</li> </ul>	<p>PT Indo Sepadan Jaya-Tanjung Selamat POM has demonstrated SOP of Traceability (AA-MPM-OP-1400.7.R6), chapter 5.1 indicates the Weighbridge Clerk has responsibility to input data and print weighbridge card based on "Surat Pengantar TBS", covering information e.g. estate name and block number, mill name, date of delivery, product description and quantity, RSPO certificate number, transporter identity and unique identification number.</p> <p>PT Indo Sepadan Jaya-Tanjung Selamat POM has demonstrated SOP of Traceability (AA-MPM-OP-1400.7.R6) receive FFB from certified and non-certified source. Certified source consist of own estate, Tanjung Selamat Estate and sister company estate, Pangkatan Estate (PT Rantau Sinar Karsa). Non-certified FFB sourced from third party supplier, e.g.: Roma, Wan Juma Sari Dewi (WJD), UD Ula Tersia, UD Sahabat, CV Vhirly Jaya (VJ), William Tanizar, Tan Ing Sing (TSG), Soo Boon Pin , Wan Juma Sari Dewi-KS (WJD-KS), Kopkun Anug Jaya Mandiri SJH and Kop Mandiri Tani Sejahtera (MTS).</p>	



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		<p>Document "Surat Pengantar TBS" (FFB Delivery Note) and Kartu Timbangan (Weighbridge Card) described identity and location of FFB source and other item required e.g.</p> <p>Certified FFB:</p> <ul style="list-style-type: none"> <li>- Surat Pengantar TBS #00106647 dated 26 March 2019 from PT Indo Sepadan Jaya – Tanjung Selamat Estate, Afdeling IV, Block D12a, D12b and D12c, total 726 bunch, transporter BM 9146 TA/DT 87, Driver: Suprayetno, delivered to Tanjung Selamat Mill.</li> <li>- Weighbridge Card #PTSA119102219 dated 26/03/2019, commodity: certified FFB; source: Tanjung Selamat Estate Afd 4; to Tanjung Selamat Palm Oil Mill; net weight: 6,340 kg; amount: 726 bunches; Block: D12a, D12 c and D12d; RSPO Cert: RSPO620704; Transporter: Internal; SP No: 00106647; Vehicle: BM 9146 TA; Driver: Suprayetno; Batch number: 13-DE100-16462018-24013226.</li> <li>- Surat Pengantar TBS #999 dated 26/03/2019 from PT RSK – Pangkatan Estate, Afdeling IV, Block C15f, total 997 bunches, transporter BK 9835 YL, driver: Sapar, delivered to Tanjung Selamat Palm Oil Mill.</li> <li>- Weighbridge Card #PTSA419101001 dated 26/03/2019, commodity: certified FFB; source: Pangkatan Estate; to Tanjung Selamat Palm Oil Mill; net weight: 6,620 kg; Afdeling: 4; amount: 997 bunch; Block: C15f; RSPO Cert: RSPO620704; Transporter: Internal; Vehicle: BK 9835 YL; Driver: Sapar; Batch number: 13-DE100-16462018-213223.</li> </ul> <p>Non-certified FFB:</p> <ul style="list-style-type: none"> <li>- Surat Pengantar TBS dated 26/03/2019 from UD Sahabat to PT Indo Sepadan Jaya-Tanjung Selamat POM; amount: 780 bunch, estimate weight: 19,800 kg, Vehicle No. BK8270 YS, Driver: Domu.</li> <li>- Weighbridge Card #PTSA519102226 dated 26/03/2019, commodity: outside FFB; source: UD Sahabat; ID: ST00032; to PT Indo Sepadan Jaya-Tanjung Selamat Palm Oil Mill; net weight: 13,229 kg; amount: 780 bunch; Transporter: general; Vehicle: BK8270 YS, Driver: Domu.</li> </ul>	
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	<ul style="list-style-type: none"> <li>• Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation).</li> </ul>	<p>Information is complete and presented in couple document, e.g. Surat Pengantar TBS and Weighbridge Card. Report of FFB receiving are documented in Laporan Harian Pabrik (Mill Daily Report), Laporan Unit Kebun (Monthly Mill Report) and Mill Summary Report.</p>	
	<ul style="list-style-type: none"> <li>• The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group shipments. Refer to section 5.7.1 of this document for further guidance.</li> </ul>	<p>PT Indo Sepadan Jaya-Tanjung Selamat POM has ensured that FFB received are RSPO certified based on the source of FFB. The Mill only received certified FFB from own estate (Tanjung Selamat Estate) and sister company (PT RSK-Pangkalan Estate) which have been certified as supply bases of Tanjung Selamat POM. Other than that are non-certified FFB.</p>	
	<ul style="list-style-type: none"> <li>• A check of the validity of the Supply Chain Certification of suppliers is required for all sites that</li> </ul>	<p>The site does not need to check the certificate validity of the FFB source, because it is fall under PT Indo Sepadan Jaya-Tanjung Selamat POM.</p>	

	are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website ( <a href="http://www.rspo.org">www.rspo.org</a> ) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements.		
	<ul style="list-style-type: none"> <li>The validity of licence for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements / announcements.</li> </ul>	The site has never purchased any certified FFB from traders or distributors.	
5.4.2	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.	<p>In the case on non-conforming raw material entering the process, PT Indo Sepadan Jaya-Tanjung Selamat POM has the mechanism to handle non-conforming material and/or document. PT Indo Sepadan Jaya-Tanjung Selamat POM demonstrated the simulation on recall of non-conforming material.</p> <p>Until this 3<sup>rd</sup> annual surveillance assessment, there has been no case of non-conforming material entering the process.</p>	
<b>5.5. Outsourcing activities</b>			
5.5.1	<p>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independement mil cannot outsource processing activities like refining or crushing.</p> <p>This requirement is not applicable to outsourced storage facilities where the management of the oil palm</p>	<p>The transport for RSPO certified sustainable CPO and PK delivery were carried out by transporter. CPO delivery was carried out by CV Sejahtera Abadi Medan and PK delivery was carried out by CV Sekawan Jaya. This contractor was appointed, contracted and instructed by Marketing Asian Agri Medan. Mostly CPO certified is delivered to PT Sari Dumai Sejati (Bulking Station). PT Sari Dumai Sejati is a sister company of PT Indo Sepadan Jaya and has been certified RSPO SCCS by Control Union, Certificate No. CU-RSPO SCC-821960 dated 30 August 2017 valid until 29 August 2022. While PK certified is delivered to KCP PT Hari Sawit Jaya (sister company of PT Indo Sepadan Jaya) and has been certified RSPO SCCS by SGS, Certificate No.....</p> <p>PT Indo Sepadan Jaya control the CPO and PK transporter by "Surat Perintah Kerja (SPK)" and "Daftar Periksa Kesiapan Kerja Pengiriman".</p>	

	<p>product(s) and instructions for tank movements are controlled by the certified organization (not the tank farm manager).</p>	<p>SPK covered information as explain in indicator 5.5.2 b. while "Daftar Periksa Kerja" is the tool to control the transporter:</p> <ul style="list-style-type: none"> <li>- Before shipping (completeness of vehicle including legality and safety, tank condition, faucet out, main hole tank, hinge/key lock faucet out);</li> <li>- After shipping (completeness of vehicle including legality and safety, tank condition, faucet out, main hole tank, hinge/key lock faucet out, seal number and seal condition);</li> </ul> <p>The quantity of CPO monitored by Weighbridge Card and SPK (with 0.20% tolerance). During field audit and document verification can be demonstrated that the transporter is under control of Marketing Asian Agri Medan and PT Indo Sepadan Jaya.</p>	
<p>5.5.2</p>	<p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <p>a. The site has legal ownership of all input material to be included in outsourced processes;</p>	<p>The legal ownership of all CPO and PK are owned by PT Indo Sepadan Jaya during transport.</p>	
	<p>b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</p>	<p>The transport for RSPO certified sustainable CPO and PK delivery were carried out by transporter. CPO delivery was carried out by CV Sejahtera Abadi Medan and PK delivery was carried out by CV Sekawan Jaya. This contractor was appointed, contracted and instructed by Marketing Asian Agri Medan.</p> <p>PT Indo Sepadan Jaya has an agreement or contract covering the outsourced process with each contractor through "Surat Perintah Kerja" for example SPK to CV Sejahtera Abadi Medan dated 22 February 2019; which covered information on:</p> <ul style="list-style-type: none"> <li>- Name of transporter: CV Sejahtera Abadi</li> <li>- Name of goods: Crude Palm Oil in Bulk</li> <li>- Quantity: 250,000 kg</li> <li>- Tolerance: 0.20% per party</li> <li>- Location: PT Indo Sepadan Jaya – Tanjung Selamat POM</li> </ul>	

		<ul style="list-style-type: none"> <li>- Destination: PT SDS (CET)</li> <li>- Transport Cost/Kg: Rp. ***</li> <li>- Delivery Time: Soon</li> <li>- Requirement: FFA max 5%, Moisture &amp; Impurities 0.5%</li> <li>- DO No. 08301/DC23/02/18</li> <li>- KP No. 08301/DC23/02/18</li> </ul> <p>The transporter also signed the Statement Letter which indicate that they willing to comply with RSPO SCCS standard and ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary., e.g. Statement Letter No. 002/SA/III/2019-Eks dated 28 March 2019 from CV Sejahtera Abadi.</p>	
	<p>c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p>	<p>PT Indo Sepadan Jaya – Tanjung Selamat POM has a Procedure of Traceability (AA-MPM-OP-1400.17-R6) dated 1 September 2017. The procedure covers the mechanism of CPO and PK delivery (Chapter B). The CPO and PK transporting also regulated in Work Instruction PMB/IK-SKP/11 as internal control for transporter to ensure compliance with company standard/requirement. The procedure has been communicated to all relevant contractor based on Statement Letter from transporter, e.g. Statement Letter No. 002/SA/III/2019-Eks dated 28 March 2019 from CV Sejahtera Abadi.</p> <p>PT Indo Sepadan Jaya – Tanjung Selamat POM control the outsourced transportation by "Surat Perintah Kerja" and "Daftar Periksa Kesiapan Kerja Pengiriman". SPK covered information as explain in indicator 5.5.2.b. whilst "Daftar Periksa Kesiapan Pengiriman CPO/PK" is the tool to control the transporter:</p> <ul style="list-style-type: none"> <li>- Before shipping (completeness of vehicle including legality and safety, tank condition, faucet out, main hole tank, hinge/key lock faucet out);</li> <li>- After shipping (completeness of vehicle including legality and safety, tank condition, faucet out, main hole tank, hinge/key lock faucet out, seal number and seal condition).</li> </ul>	

		The quantity of CPKO monitored by Weighbridge Card and SPK (with 0.20% tolerance).	
	d. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance.	PT Indo Sepadan Jaya – Tanjung Selamat POM uses RSPO Supply Chain model Mass Balance, physical visit to transporter is not necessary since PT Indo Sepadan Jaya – Tanjung Selamat POM has demonstrated the control of the transporter.	
5.5.3	The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	The site kept the contract of CPO and PK transporter which include name and contact detail of the contractors/transporter.	
5.5.4	The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products.	PT Indo Sepadan Jaya – Tanjung Selamat POM aware to inform its CB regarding the name and contact detail of any new contractor prior to next assessment.	
<b>5.6. Sales and goods out</b>			
5.6.1	<p>The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form.</p> <ul style="list-style-type: none"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment/ delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> </ul>	<p>PT Indo Sepadan Jaya – Tanjung Selamat POM has demonstrated SOP of Traceability (AA-MPM-OP-1400.7.R6), chapter 5.2 indicates the Marketing Manager issued Delivery Order (DO) with information: name and address of production unit, name and address of buyer, contract number, type of product transportation (land/sea), distance, type of product (CPO or PK, certified or non-certified), quantity of product, delivery date, product qualification specification (CPO or PK: FFA, water content, dirt), Supply chain model (Mass Balance).</p> <p>At the Mill, weighbridge operator printed out CPO or PK weighbridge card, based on DO from marketing which indicates: type of commodity, CPO or PK certified or not-certified; source and destination address; Supply Chain model: (Mass Balance); Certificate number of the Mill; date of delivery, Product quality specification (moisture, FFA, dirt); Contract number/DO number; Quantity, Transport detail (driver name, vehicle number); Buyer address. During this surveillance period, Tanjung</p>	

	<ul style="list-style-type: none"> <li>Any related transport documentation;</li> <li>Supply chain certificate number of the seller;</li> <li>A unique identification number</li> </ul>	<p>Selamat POM mostly sold certified product in form of Palm Kernel (PK) to PT Hari Sawit Jaya Kernel Crushing Plant located near to PT Indo Sepadan Jaya. 100 % PK deliver to KCP PT Hari Sawit Jaya. There were also several sales of RSPO certified CPO identified during this annual surveillance period.</p> <p>Sampled Delivery Order/DO:</p> <ul style="list-style-type: none"> <li>Delivery Order #08301/DC24/02/18 dated 03/08/2018; Seller is PT Indo Sepadan Jaya – Tanjung Selamat POM; Deliver to PT Sari Dumai Sejati – Lubuk Gaung Storage Tank; Commodity is RSPO certified CPO; Supply Chain Model is Mass Balance; Quantity is 250,000 kg; Supply Chain Certificate is RSPO 620704; FFA 5% maximum, Moisture &amp; Impurities Max 0.5%.</li> <li>Delivery Order #05001/DN24/13/18 dated 02/05/2018; Seller is PT Indo Sepadan Jaya – Tanjung Selamat POM; Buyer is PT Hari Sawit Jaya – Negeri lama II KCP; Commodity is RSPO certified PK; Supply Chain Model is Mass Balance; Quantity is 150,000 kg; Supply Chain Certificate is RSPO 620704; water content 8% maximum, dirt 8% maximum.</li> </ul> <p>Sample of CSPO Delivery:</p> <ul style="list-style-type: none"> <li>Weighbridge Card #PTSC118100852 dated 04/08/2018; Seller is PT Indo Sepadan Jaya – Tanjung Selamat POM; Deliver to PT Sari Dumai Sejati – Lubuk Gaung Storage Tank; Delivery date is 04/08/2018; Commodity is CPO Certified RSPO; Supply Chain Model is Mass Balance; Quantity is 28,560 kg; based on DO #08301/DC24/02/18; Transporter is CV Sejahtera Abadi Medan, BK 8960 BP, Driver Dedin Sitorus; Supply Chain Certificate number RSPO 620704; Seal Number: 4376942-4376948;</li> </ul> <p>Sample of CSPK Delivery:</p> <ul style="list-style-type: none"> <li>Weighbridge Card #PTSC218100125 dated 02/05/2018; Seller is PT Indo Sepadan Jaya – Tanjung Selamat POM; Deliver to buyer PT Hari Sawit Jaya – Negeri lama II KCP; Delivery date is 02/05/2018; Commodity is PK Certified RSPO; Supply Chain Model is Mass Balance; Quantity is 26,170 kg; based on DO #05001/DN24/13/18; Transporter is CV Sekawan Jaya, Vehicle No. BK 6197 VN,</li> </ul>	
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		Driver Eri Handoko; Supply Chain Certificate number RSPO 620704; Seal Number: 4236628-4236645;	
	<ul style="list-style-type: none"> <li>Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation).</li> </ul>	Information are complete and presented in couple document, e.g. Delivery Order and Weighbridge Card. Report of CPO and PK deliveries are documented in Laporan Harian Pabrik (Mill Daily Report), Mill Operation Report and Book Keeping Mass Balance Report.	
	<ul style="list-style-type: none"> <li>For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.</li> </ul>	<p>PT Indo Sepadan Jaya – Tanjung Selamat POM has made Shipping Announcement in RSPO IT Platform to announce sales of RSPO certified CPO or PK per group of shipments (DO).</p> <p>For example:</p> <ul style="list-style-type: none"> <li>- Shipping Announcement, with transaction ID No. TR-d70dcd2f-18be for 500 MT CSPO Mass Balance; from PT Indo Sepadan Jaya – Tanjung Selamat Palm Oil Mill (RSPO_PO1000002607) as Seller to Buyer Wilmar Trading Pte Ltd (RSPO_PO1000002430). B/L number MTMA TMA1803341 &amp; MTMA TMA1803342 (Ship: MT MTM MANILA V33), Shipping date . Confirmation has been made by Buyer on 03 October 2018.</li> <li>- Shipping Announcement, with transaction ID No. TR-3decd30f-2c3e for 107.94 MT CSPK Mass Balance; PT Indo Sepadan Jaya – Tanjung Selamat Palm Oil Mill (RSPO_PO1000002607) as Seller to Buyer PT Hari Sawit Jaya – Negeri Lama II KCP (RSPO_PO1000003005). Shipping/BL date 13 May 2018. Confirmation has been made by Buyer on 17 May 2018.</li> <li>- Shipping Announcement, with transaction ID No. TR-1eb8f52c-bee7 for 127.43 MT CSPO Mass Balance; from PT Indo Sepadan Jaya – Tanjung Selamat Palm Oil Mill (RSPO_PO1000006430) as Seller to Buyer PT Sari Dumai Sejati (RSPO_PO1000002430). B/L number LBG-PQM-542 (Ship Name: MT. CORONA V.04/18), Shipping date 24 April 2018. Confirmation has been made by Buyer on 02 May 2018.</li> </ul>	



5.7. Registration of transactions			
5.7.1	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> <li>are mills, traders, crushers and refineries and;</li> <li>take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, Refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable.</li> </ul>	<p>PT Indo Sepadan Jaya – Tanjung Selamat POM is a palm oil mill which takes legal ownership and physically handled RSPO certified sustainable oil palm product, therefore the site has been registered in RSPO IT Platform with ID number RSPO_PO1000002607.</p>	
5.7.2	<p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none"> <li>Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.</li> </ul>	<p>PT Indo Sepadan Jaya – Tanjung Selamat POM has made Shipping Announcement for certified CPO and PK sold.</p> <p>For example:</p> <ul style="list-style-type: none"> <li>Shipping Announcement, with transaction ID No. TR-d70dcd2f-18be for 500 MT CSPO Mass Balance; from PT Indo Sepadan Jaya – Tanjung Selamat Palm Oil Mill (RSPO_PO1000002607) as Seller to Buyer Wilmar Trading Pte Ltd (RSPO_PO1000002430). B/L number MTMA TMA1803341 &amp; MTMA TMA1803342 (Ship: MT MTM MANILA V33), Shipping date . Confirmation has been made by Buyer on 03 October 2018.</li> <li>Shipping Announcement, with transaction ID No. TR-3dec30f-2c3e for 107.94 MT CSPK Mass Balance; PT Indo Sepadan Jaya – Tanjung Selamat Palm Oil Mill (RSPO_PO1000002607) as Seller to Buyer PT Hari Sawit Jaya – Negeri Lama II KCP (RSPO_PO1000003005). Shipping/BL date 13 May 2018. Confirmation has been made by Buyer on 17 May 2018.</li> <li>Shipping Announcement, with transaction ID No. TR-1eb8f52c-bee7 for 127.43 MT CSPO Mass Balance; from PT Indo Sepadan Jaya – Tanjung Selamat Palm Oil Mill (RSPO_PO1000006430) as Seller to Buyer PT Sari Dumai Sejati (RSPO_PO1000002430). B/L number LBG-PQM-542 (Ship Name: MT. CORONA V.04/18), Shipping date 24 April 2018. Confirmation has been made by Buyer on 02 May 2018.</li> </ul>	

	<ul style="list-style-type: none"> <li>Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.</li> </ul>	<p>Until this 4<sup>th</sup> annual surveillance audit, PT Indo Sepadan Jaya – Tanjung Selamat POM has not sold any CPO or PK to supply chain actor beyond the refinery.</p>	
	<ul style="list-style-type: none"> <li>Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> </ul>	<p>PT Indo Sepadan Jaya – Tanjung Selamat POM has done “Remove” in the RSPO IT Platform for CSPO sold as other scheme (ISCC), e.g.</p> <ul style="list-style-type: none"> <li>- Stock Transaction ID: ST-TR-5df12c13-e2a5 for 1,799.02 MT of CSPO, Reason for Removal: Sold as ISCC, Removal date 14/03/2019, Removed by Siau Lin Go.</li> <li>- Stock Transaction ID: ST-TR-ce436f9d-44a6 for 4,919.93 MT of CSPO, Reason for Removal: Sold as ISCC, Removal date 14/03/2019, Removed by Siau Lin Go.</li> <li>- Stock Transaction ID: ST-TR-305b3984-44f3 for 5,202.16 MT of CSPO, Reason for Removal: Sold as ISCC, Removal date 14/03/2019, Removed by Siau Lin Go.</li> </ul>	
	<ul style="list-style-type: none"> <li>Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li> </ul>	<p>PT Indo Sepadan Jaya – Tanjung Selamat POM is a palm oil mill which does not need to confirm any purchase of FFB.</p>	
<b>5.8. Training</b>			
5.8.1	<p>The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff.</p>	<p>PT Indo Sepadan Jaya – Tanjung Selamat POM has prepared a training program to staff, who is involved in RSPO Supply Chain Certification Standard implementation. As per training program, “Program Pelatihan Environmental &amp; Sustainability Tahun 2019 PT Indo Sepadan Jaya – Tanjung Selamat POM” the RSPO supply chain and traceability refreshment training was planned on 20 August 2019. Competency and training records of all staff involved in RSPO Supply Chain were able to be demonstrated.</p>	
5.8.2	<p>Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain</p>	<p>Latest training on “Supply Chain, Mass Balance and Traceability” performed on 23 October 2018 attended by production supervisor, weighbridge operators, dispatch</p>	

	certification standard requirements. Training shall be specific and relevant to the task(s) performed.	operators and administrative controller. Training module attendance list were sighted.	
<b>5.9. Record Keeping</b>			
5.9.1	The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements.	Based on review of PT ISJ – Tanjung Selamat POM document and record, the Mill is able to demonstrate complete, up-to-date and accessible records and reports covering all aspects of RSPO Supply Chain Certification Standard requirements.  Records and report verified are as follows: <ul style="list-style-type: none"> <li>• Laporan Harian Pabrik (Mill Daily Report); dated 31/12/2018 and 25/03/2019.</li> <li>• Book Keeping – Mass Balance – CPO and PK period of January – March 2018, April – June 2018, July – September 2018, October – December 2018, January – February 2019;</li> <li>• Kartu Timbangan (Weighbridge Card) FFB;</li> <li>• Kartu Timbangan (Weighbridge Card) CPO;</li> <li>• Kartu Timbangan (Weighbridge Card) PK;</li> </ul>	
5.9.2	Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.	The procedure of Traceability (AA-MPM-OP-1400.7.R6), requires that all records and reports related to traceability and book keeping are retained for a period of 10 years.	
5.9.3	The organization shall be able to provide the estimate volume of palm oil/palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	PT Indo Sepadan Jaya – Tanjung Selamat POM is able to provide estimate volume of CPO and PK in a year period as in “Distribusi Produksi Bulanan Anggaran Tahun 2019” consists estimate of FFB receiving from Tanjung Selamat Estate, Pangkatan estate and Third Party supplier, Extraction rates, Processing capacity, working hour, utilisation, etc.  The Mill also keep an up to date record of the FFB volume received, CPO and PK produced over a period of twelve (12) month, as in “Book Keeping Mass Balance Report”.	
<b>5.10. Conversion factors</b>			

5.10.1	<p>Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (<a href="http://www.rspo.org">www.rspo.org</a>); RSPO Rules for Physical Transition of Oleochemicals and its Derivaties. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries.</p>	<p>Conversion rate is applied to provide reliable estimation of CPO and PK produced. For year 2019, the budget for conversion from FFB into CPO are:</p> <ul style="list-style-type: none"> <li>a. For FFB from Tanjung Selamat Estate: 20.00%</li> <li>b. For FFB from Pangkatan Estate: 19.85%</li> <li>c. For FFB from third-party: 17.60%</li> </ul> <p>For year 2019, the budget for conversion from FFB into PK are:</p> <ul style="list-style-type: none"> <li>a. For FFB from Tanjung Selamat Estate: 4.95%</li> <li>b. For FFB from Pangkatan Estate: 4.95%</li> <li>c. For FFB from Third-party: 4.95%</li> </ul> <p>For actual 2018, actual conversion ratios from FFB into CPO are:</p> <ul style="list-style-type: none"> <li>a. For FFB from Tanjung Selamat Estate: 19.52%</li> <li>b. For FFB from Pangkatan Estate: 21.70%</li> <li>c. For FFB from third-party: 18.13%</li> </ul> <p>For actual 2018, actual conversion ratios from FFB into PK are:</p> <ul style="list-style-type: none"> <li>a. For FFB from Tanjung Selamat Estate: 4.79%</li> <li>b. For FFB from Pangkatan Estate: 4.83%</li> <li>c. For FFB from third-party: 4.82%</li> </ul>	
5.10.2	<p>Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.</p>	<p>The actual conversion ratio is monitored on daily basis through sounding result and documented in daily report. Tanjung Selamat POM is able to demonstrate the work instruction for analysis of oil content.</p> <p>Based on Laporan Harian Produksi dated 27/03/2018, the sounding result and production report shows that actual conversion ratios from FFB into CPO are:</p> <ul style="list-style-type: none"> <li>a. For FFB from Tanjung Selamat Estate: 20.60%</li> <li>b. For FFB from Pangkatan Estate: 21.49%</li> <li>c. For FFB from third-party: 17.70%</li> </ul> <p>And actual conversion ratios from FFB into PK are:</p> <ul style="list-style-type: none"> <li>a. For FFB from Tanjung Selamat Estate: 4.96%</li> <li>b. For FFB from Pangkatan Estate: 4.99%</li> <li>c. For FFB from third-party: 5.00%</li> </ul>	
<p><b>5.11. Claims</b></p>			

5.11.1	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	PT Indo Sepadan Jaya – Tanjung Selamat POM has made claims regarding the support of RSPO certified oil palm products in compliance with the RSPO Rules on Market Communications and Claims. However the RSPO trademark was not being used on products.	
<b>5.12. Complaints</b>			
5.12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	Based on document review, there has been no complaint from stakeholder related with certified CPO or PK from PT Indo Sepadan Jaya – Tanjung Selamat POM. In the case of any complaint, the mill provided procedure AA-GL-5.08-R1 related to information request from any stakeholders to resolving stakeholder complaints.	
<b>5.13. Management Review</b>			
5.13.1	The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken.	PT Indo Sepadan Jaya – Tanjung Selamat POM has Standard Operating Procedures for Internal Audit and Management Review (AA-SOP-ES-6001-R1). The management review planned once a year at minimum, considering the critical area.  The Standard Operating Procedures of Traceability (AA-MPM-OP-1400.17.R6) dated 1 Sept 2017 has also regulates the internal audit by Sustainability Internal Audit Manager, that planned 2 times in a year at minimum.	
5.13.2	The input to management review shall include information on: <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul>	The latest Internal audit carried out on 14 March 2019 by Oscar Pardosi ft Welly Joel, against RSPO SCCS 2017 – RSPO General Chain of Custody requirements and Module E: Mass Balance.  The organization shows issues discussed during management review and attendance list, dated 16 March 2019. The management review inputs include information on: <ul style="list-style-type: none"> <li>- The result of audits: based on result from external audit on March 2018 by BSI;</li> <li>- customer feedback – no customer complaint;</li> <li>- process performance and product conformity – no issue on FFB received, no issue on CPO and PK delivery, no RSPO certified CPO and PK delivery exceeds the quota;</li> <li>- status of corrective and preventive action – followed up through consistent management review;</li> <li>- changes that could affect the management system – no changes;</li> <li>- and recommendation for improvement – no changes.</li> </ul>	

		Management review was attended by key personnel involved in implementation of RSPO Supply Chain certification Standard. Minute of management review meeting and attendance register were available.	
5.13.3	<p>The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes.</li> <li>• Resource needs.</li> </ul>	<p>PT Indo Sepadan Jaya – Tanjung Selamat POM has conducted management review dated 16 March 2019.</p> <p>The management review output indicates decision and actions related to:</p> <ul style="list-style-type: none"> <li>- Improvement of the effectiveness of the management system and its processes: Conduct dissemination related new SOP of Traceability</li> <li>- Resource needs: manpower, machine, method and material to be prepared.</li> </ul> <p>The organization will optimize the existing resources to achieve all indicators of performance defined. According to the minutes of management review meeting, it was noted that output of review has not required additional resources.</p>	

**Appendix E**

**Appendix E: CPO Mill Supply Chain Assessment Report (Module *E* - CPO Mills: *Mass Balance* )**

Requirements	Compliance
<b>E.1 Definition</b>	
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.	PT Indo Sepadan Jaya – Tanjung Selamat POM holds current RSPO P&C Certificate No. RSPO 620704. In the current certificate, PT ISJ – Tanjung Selamat POM uses Mass Balance supply chain system. The mill only claimed the FFB proportion from certified supply bases which comprise of company-own estate and sister company estate. The other supply base, were come from third party suppliers as non-certified FFB source.
<b>E.2 Explanation</b>	
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.	The projection for certified FFB and production of certified CPO and PK in Tanjung Selamat POM has been recorded in BSI’s public summary report and registered in RSPO IT Platform.
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 Indo Sepadan Jaya – Tanjung Selamat POM has met registration and reporting requirement as it has been registered in RSPO IT Platform (PalmTrace) with ID number RSPO_PO1000002607.
<b>E.3 Documented procedures</b>	

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<p>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:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p>	<p>PT Indo Sepadan Jaya – Tanjung Selamat POM can demonstrates:</p> <ol style="list-style-type: none"> <li>1. Standard Operating Procedures – Traceability (AA-MPM-OP-1400.17.R6) dated 1 Sept 2017. The procedures cover traceability of CPO and PK, since FFB receiving from Tanjung Selamat and Pangkatan Estate, processing up to shipping of CPO and PK as well as daily production report. The procedure also regulates the internal audit by Sustainability Internal Audit Manager. Traceability records are to be kept for 10 years.</li> <li>2. Standard Operating Procedure – Book Keeping (AA-MPM-OP-1400.18-R4). The procedure explains method to check only certified product received. The book keeping mass balance stated every 3 months: January-March, April-June, July-September, and October-December each year. Head of Environment and Sustainability will inform to Certification Body in the case of projected overproduction.</li> <li>3. SOP of Palm Oil Mill operation:             <ol style="list-style-type: none"> <li>a. SOP AA-MPM-OP-1400.02.R2, dated 1 September 2011, Stasiun Penerimaan (FFB Receiving Station)</li> <li>b. SOP AA-MPM-OP-1400.03.R1, dated 1 February 2009, Stasiun Rebusan (Sterilizer)</li> <li>c. SOP AA-MPM-OP-1400.04.R1, dated 1 February 2009, Stasiun Pemisahan Berondolan (Loose Fruit Separation)</li> <li>d. SOP AA-MPM-OP-1400.05-R1, dated 1 February 2009, Stasiun Pengadukan dan Pengempaan (Pressing Station)</li> <li>e. SOP AA-MPM-OP-1400.06-R1, dated 1 February 2009, Stasiun Pemurnian (Clarification)</li> <li>f. SOP AA-MPM-OP-1400.07-R1, dated 1 February 2009, Stasiun Pemisahan Nut dan Fiber (Nut and Fiber separation)</li> <li>g. SOP AA-MPM-OP-1400.08-R1, dated 1 February 2009, Stasiun Kernel (Kernel Station)</li> <li>h. SOP AA-MPM-OP-1400.09-R1, dated 1 February 2009, Stasiun Boiler</li> <li>i. SOP AA-MPM-OP-1400.10-R1, dated 1 February 2009, Stasiun Engine Room</li> <li>j. SOP AA-MPM-OP-1400.11-R1, dated 1 February 2009, Stasiun Water Treatment</li> <li>k. SOP AA-MPM-OP-1400.12-R1, dated 1 February 2009, Laboratorium</li> <li>l. SOP AA-MPM-OP-1400.13-R1, dated 1 February 2009, Stasiun Pengelolaan Limbah (Palm Oil Mill Effluent Treatment)</li> <li>m. SOP AA-MPM-OP-1400.14-R2, dated 1 September 2011, Stasiun Penimbunan dan Pengiriman CPO dan Kernel (CPO and PK Storage and Despatch)</li> </ol> </li> </ol>
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	n. SOP AA-MPM-OP-1400.15-R1, dated 1 February 2009, Perawatan (Preventive Maintenance and Repair).
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.	As per Procedure of Traceability (AA-MPM-OP-1400.17-R6), the responsible person in charge to the supply chain system is Mill Manager. During audit, the mill manager, Mr. Marthin Luther Limbeng, was able to demonstrate sufficient knowledge and understanding on RSPO supply chain implementation for palm oil mill.
E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	The Mill has had documented procedures for receiving and processing of Certified and Non-certified FFBs in form of SOP AA-MPM-OP-1400.17-R6 "Traceability" and SOP for FFB Receiving Station (AA-MPM-OP-1400.02-R2). The Mill uses RSPO Supply Chain model Mass Balance, therefore does not required to separated receiving and processing of certified and non-certified FFB.
<b>E.4 Purchasing and goods in</b>	
E.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received.	<p>Responsible Person is able to demonstrate mechanism to verify and documented the volumes of Certified and Non-certified FFBs received, which contains:</p> <ul style="list-style-type: none"> <li>• Name of Estate, Division and Block (Sources of certified FFB)</li> <li>• Date of harvesting</li> <li>• Certificate Number</li> </ul> <p>Document verified, i.e.:</p> <p>Certified FFB:</p> <ul style="list-style-type: none"> <li>- Surat Pengantar TBS #00106647 dated 26 March 2019 from PT Indo Sepadan Jaya – Tanjung Selamat Estate, Afdeling IV, Block D12a, D12b and D12c, total 726 bunch, transporter BM 9146 TA/DT 87, Driver: Suprayetno, delivered to Tanjung Selamat Mill.</li> <li>- Weighbridge Card #PTSA119102219 dated 26/03/2019, commodity: certified FFB; source: Tanjung Selamat Estate Afd 4; to Tanjung Selamat Palm Oil Mill; net weight: 6,340 kg; amount: 726 bunches; Block: D12a, D12 c and D12d; RSPO Cert: RSPO620704;</li> </ul>

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	<p>Transporter: Internal; SP No: 00106647; Vehicle: BM 9146 TA; Driver: Suprayetno; Batch number: 13-DE100-16462018-24013226.</p> <ul style="list-style-type: none"> <li>- Surat Pengantar TBS #999 dated 26/03/2019 from PT RSK – Pangkatan Estate, Afdeling IV, Block C15f, total 997 bunches, transporter BK 9835 YL, driver: Sapar, delivered to Tanjung Selamat Palm Oil Mill.</li> <li>- Weighbridge Card #PTSA419101001 dated 26/03/2019, commodity: certified FFB; source: Pangkatan Estate; to Tanjung Selamat Palm Oil Mill; net weight: 6,620 kg; Afdeling: 4; amount: 997 bunch; Block: C15f; RSPO Cert: RSPO620704; Transporter: Internal; Vehicle: BK 9835 YL; Driver: Sapar; Batch number: 13-DE100-16462018-213223.</li> </ul> <p>Non-certified FFB:</p> <ul style="list-style-type: none"> <li>- Surat Pengantar TBS dated 26/03/2019 from UD Sahabat to PT Indo Sepadan Jaya-Tanjung Selamat POM; amount: 780 bunch, estimate weight: 19,800 kg, Vehicle No. BK8270 YS, Driver: Domu.</li> <li>- Weighbridge Card #PTSA519102226 dated 26/03/2019, commodity: outside FFB; source: UD Sahabat; ID: ST00032; to PT Indo Sepadan Jaya-Tanjung Selamat Palm Oil Mill; net weight: 13,229 kg; amount: 780 bunch; Transporter: general; Vehicle: BK8270 YS, Driver: Domu.</li> <li>- Surat Pengantar TBS dated 26/03/2019 from UD Ula Tersia to PT Indo Sepadan Jaya-Tanjung Selamat Palm Oil Mill; amount: 1,410 bunch, estimate weight bruto: 39,040 kg, Vehicle No. BK 8864 YM, driver Ali S.</li> <li>- Weighbridge Card #PTSA519102224 dated 26/03/2019, commodity: outside FFB; source: UD Ula Tersia - TS; ID: ST00026; to PT Indo Sepadan Jaya-Tanjung Selamat Palm Oil Mill; net weight: 25,075 kg; amount: 1,410 bunch; Transporter: general; Vehicle: BK 8864 YS, Driver: Ali S.</li> <li>- Surat Pengantar TBS No. 000385 dated 26/03/2019 from Koperasi Produsen Mandiri Tani Sejahtera (MTS) to PT Indo Sepadan Jaya-Tanjung Selamat Palm Oil Mill; amount: 336 bunches, estimate weight bruto: 8,870 kg, Vehicle No. BK 8166 YM, driver Lilik.</li> <li>- Weighbridge Card #PTSA519102198 dated 26/03/2019, commodity: outside FFB; source: Koperasi Produsen Mandiri Tani Sejahtera (MTS); ID: ST00053; to PT Indo Sepadan Jaya-</li> </ul>
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	Tanjung Selamat Palm Oil Mill; net weight: 4,860 kg; amount: 336 bunch; Transporter: general; Vehicle: BK 8166 YM, Driver: Lilik.
E.4.2 The site shall inform the CB immediately if there is a projected overproduction.	Standard Operating Procedure – Book Keeping (AA-MPM-OP-1400.18-R4). The procedure explains method to check only certified product received. The book keeping mass balance stated every 3 months: January-March, April-June, July-September, and October-December each year. Head of Environment and Sustainability will inform to Certification Body in the case of projected overproduction. Until this 4 <sup>th</sup> annual surveillance audit, there is no overproduction happened.
<b>E.5 Record keeping</b>	
<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 basis.</p> <p>(b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>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>	<p>PT Indo Sepadan Jaya – Tanjung Selamat POM has record and balances all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on three-monthly basis, as shown in Book Keeping Mass Balance Report. Three monthly report was generated from weighbridge card, summarized daily in mill daily report, summarized monthly in Mill Operation Summary, then summarized in Book Keeping Mass Balance Report.</p> <p>Records and report verified are as follows:</p> <ul style="list-style-type: none"> <li>• Laporan Harian Pabrik (Mill Daily Report); dated 31/12/2018 and 27/03/2019.</li> <li>• Book Keeping – Mass Balance – CPO and PK period of January – March 2018, April – June 2018, July – September 2018, October – December 2018, January – February 2019;</li> <li>• Kartu Timbangan (Weighbridge Card) FFB;</li> <li>• Kartu Timbangan (Weighbridge Card) CPO;</li> <li>• Kartu Timbangan (Weighbridge Card) PK;</li> </ul> <p>Conversion rate is only applied to provide reliable estimation of CPO and PK produced for annual budget. PT Indo Sepadan Jaya – Tanjung Selamat POM does not use material accounting system.</p> <p>PT Indo Sepadan Jaya – Tanjung Selamat POM only deliver certified CPO and PK sales from a positive stock. The volume of certified CPO and PK are deducted on three-monthly basis. Audit team verified there was no short-selling and/or negative stock at the end of three-monthly period.</p>

<p>E.5.2 In cases where a mill outsources activities to an independent 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</p>	<p>PT Indo Sepadan Jaya – Tanjung Selamat POM does not outsourced palm kernel crush activity, the mill sold the palm kernel.</p> <p>N/A</p>
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**Supply Chain Declaration**

<b>A. Monthly Records of Certified and Uncertified FFB Received since the last audit</b>				
<b>No.</b>	<b>Month - Year</b>	<b>Volume of FFB from certified supply bases (MT)</b>	<b>Volume of FFB from uncertified supply bases (MT)</b>	<b>Total FFB/Month (mt)</b>
1	March 2018	6,842.30	8,355.60	15,197.90
2	April 2018	7,510.68	9,352.93	16,863.61
3	May 2018	8,668.39	9,626.23	18,294.62
4	June 2018	8,133.57	8,225.35	16,358.92
5	July 2018	9,885.95	12,708.50	22,594.45
6	August 2018	9,832.09	13,455.64	23,287.73
7	September 2018	8,487.65	12,528.11	21,015.76
8	October 2018	9,132.17	15,006.67	24,138.84
9	November 2018	7,923.64	12,537.03	20,460.67
10	December 2018	6,570.94	9,814.26	16,385.20
11	January 2019	7,190.68	10,780.99	17,971.67
12	February 2019	5,804.09	8,507.63	14,311.72
<b>Total</b>		<b>99,582.13</b>	<b>95,982.15</b>	<b>130,898.94</b>
<b>Note:</b>				

<b>B. Monthly Records of Certified CPO &amp; PK since the last audit</b>			
<b>No.</b>	<b>Month - Year</b>	<b>Certified CPO (MT)</b>	<b>Certified PK (MT)</b>
1	March 2018	1,202.62	352.19
2	April 2018	1,319.38	367.78
3	May 2018	1,588.53	432.46
4	June 2018	1,515.79	376.09
5	July 2018	1,851.50	483.54
6	August 2018	1,870.52	495.12
7	September 2018	1,595.85	413.87
8	October 2018	1,766.21	443.46
9	November 2018	1,504.48	381.08
10	December 2018	1,232.30	340.78
11	January 2019	1,341.77	381.92
12	February 2019	1,042.70	289.71
<b>Total</b>		<b>20,231.65</b>	<b>4,758.00</b>

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**Note:** *Certificate period 26 May 2018 – 25 May 2019. Data collected based on-site visit.*

<b>C. Records of Certified CPO &amp; PK Sold under PalmTrace to Buyers since the last audit (if any)</b>				
<b>No.</b>	<b>Buyers Name</b>	<b>Palmtrace Trading No</b>	<b>Certified CPO Sold (MT)</b>	<b>Certified PK Sold (MT)</b>
1	PT Sari Dumai Sejati	TR-94535396-c9ee	-	32.52
2	PT Hari Sawit Jaya – Negeri Lama II KCP	TR-d4a305df-723c	-	284.41
3	PT Hari Sawit Jaya – Negeri Lama II KCP	TRe6b172e3-1f27	-	405.63
4	PT Hari Sawit Jaya – Negeri Lama II KCP	TR-1dbbc925-8f09	-	392.23
5	PT Hari Sawit Jaya – Negeri Lama II KCP	TRAc5dd97ea4cb	-	382.13
6	PT Hari Sawit Jaya – Negeri Lama II KCP	TR-6f6ecb28-d1eb	-	25.95
7	Wilmar Trading Pte Ltd	TR-d70dcd2f-18be	500	-
8	PT Sari Dumai Sejati	TR-28a06b8d-2f16	43.66	-
9	PT Hari Sawit Jaya – Negeri Lama II KCP	TR-e5257ef1-ecb5	-	402.95
10	PT Hari Sawit Jaya – Negeri Lama II KCP	TR-7483dca3-257c	-	416.83
11	PT Hari Sawit Jaya – Negeri Lama II KCP	TR-16803650-1fc9	-	380.31
12	PT Hari Sawit Jaya – Negeri Lama II KCP	TRd93725ca-39bf	-	167.52
13	PT Sari Dumai Sejati	TRa69132c4-bd3d	55.41	-
14	PT Hari Sawit Jaya – Negeri Lama II KCP	TR-20087f54-5b60	-	63.76
15	PT Hari Sawit Jaya – Negeri Lama II KCP	TR-3decd30f-2c3e	-	107.94
16	PT Hari Sawit Jaya – Negeri Lama II KCP	TR-ffc2aed1-83d2	-	301.38
17	PT Hari Sawit Jaya – Negeri Lama II KCP	TR-9712a4a7-76dc	-	227.49
18	PT Sari Dumai Sejati	TR-9d3e8cdeca0f	10.53	-
19	PT Sari Dumai Sejati	TR-1eb8f52cbee7	127.43	-
20	PT Hari Sawit Jaya – Negeri Lama II KCP	TR-9b9ea986-65dc	-	138.15
21	PT Hari Sawit Jaya – Negeri Lama II KCP	TR-9b1e7e5c-9590	-	1,021.89
<b>Total</b>			<b>737.03</b>	<b>4,751.09</b>

**Note:** *Data collected based on RSPO transaction ID*

<b>D. Records of CPO &amp; PK Sold under other schemes to Buyers since the last audit (if any)</b>				
<b>No.</b>	<b>Buyers Name</b>	<b>Scheme Name</b>	<b>CPO Sold (MT)</b>	<b>PK Sold (MT)</b>
1	Classified	ISCC	16,423.31	-

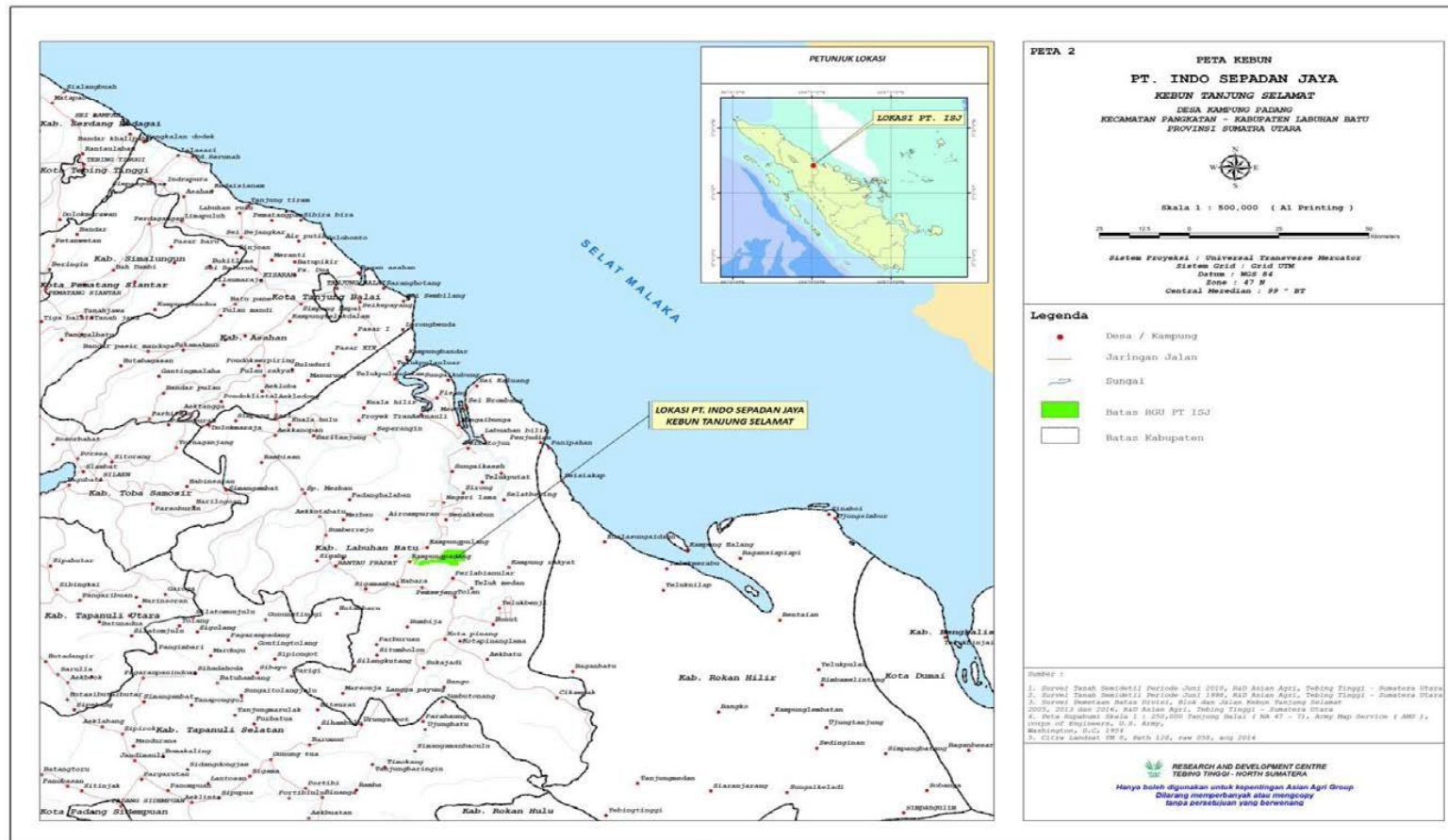
**Note:** *Data collected based on RSPO Palm Trace*

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<b>E. Records of CPO &amp; PK Sold as conventional to Buyers since the last audit (if any)</b>			
<b>No.</b>	<b>Buyers Name</b>	<b>CPO Sold (MT)</b>	<b>PK Sold (MT)</b>
Nil	Nil	Nil	Nil
<b>Note:</b>			

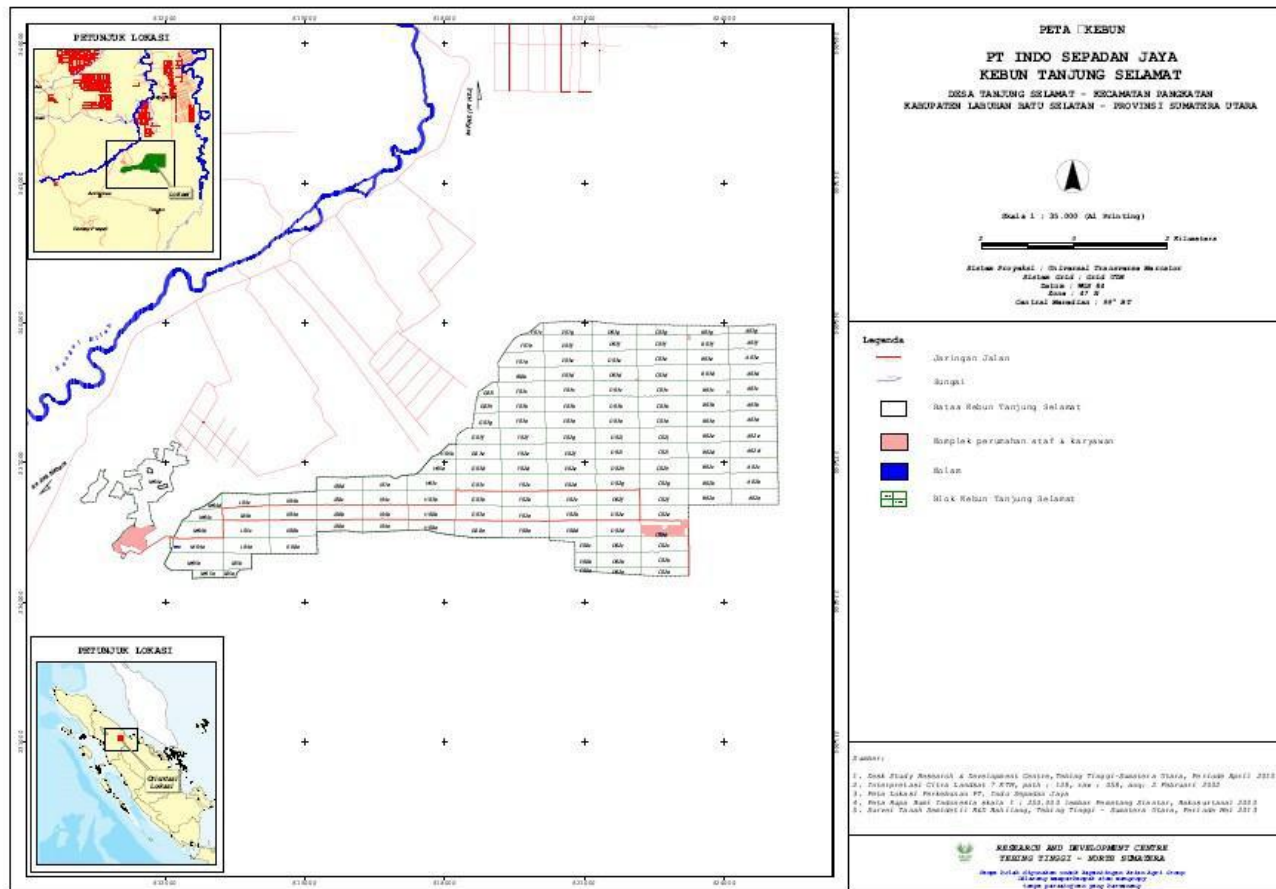
<b>F. Records of Certified CPO Sold under RSPO Credits to Buyers since the last audit (if any)</b>			
<b>No.</b>	<b>Buyers Name</b>	<b>PalmTrace Trading No</b>	<b>RSPO Credits of Certified CPO Sold (MT)</b>
Nil	Nil	Nil	Nil
<b>Note:</b>			

**Appendix F: Location Map of Certification Unit and Supply bases**





**Appendix G: Estate Field Map**



## **Appendix H: List of Smallholder Sampled**

There is no Smallholder Scheme within this certification scope

**Appendix I: List of Abbreviations**

a.i	Active Ingredient
BOD	Biochemical Oxygen Demand
CB	Certification Bodies
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CSPO	Certified Sustainable Palm Oil
CSPKO	Certified Sustainable Palm Kernel Oil
EFB	Empty Fruit Bunch
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
FPIC	Free, Prior, Informed and Consent
GAP	Good Agricultural Practice
GHG	Greenhouse Gas
GMP	Good Manufacturing Practice
GPS	Global Positioning System
HCV	High Conservation Value
IPM	Integrated Pest Management
IP	Identity Preserved
IS - CSPO	Independent Smallholder Certified Sustainable Palm Oil
IS – CSPKO	Independent Smallholder Certified Sustainable Palm Kernel Oil
IS – CSPKE	Independent Smallholder Certified Sustainable Palm Kernel Expeller
ISCC	International Sustainable Carbon Certification
LD50	Lethal Dose for 50 sample
MB	Mass Balance
MSDS	Material Safety Data Sheet
MT	Metric Tonnes
OER	Oil Extraction Rate
OSH	Occupational Safety and Health
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
P&C	Principles & Criteria
RTE	Rare, Threatened or Endangered species
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure