

RSPO – RECERTIFICATION ASSESSMENT

PT. INTI INDOSAWIT SUBUR BUATAN II PALM OIL MILL AND ITS SUPPLY BASE

Office:

Jl MH Thamrin No 31 Jakarta 10230

Location:

Delik & Pangkalan Kerinci, Bunut Langgam Sub-District, Pelalawan District, Riau Province, Indonesia

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Section 1. Scope of the Certification Assessment

1.1. Company Details			
RSPO Membership Number	1-0022-06-000-00	05 th February 2006	
Company Name	PT. Inti Indosawit Subur – Buatan II POM		
Address	Head Office: Jl MH Thamrin No 31 Jakarta 10330 Location: Delik & Pangkalan Kerinci, Bunut Langgam Sub-District, Pelalawan District, Riau Province, Indonesia.		
Subsidiary of (if applicable)	PT Inti Indosawit Subur		
Contact Name	Ms. Asrini Subrata		
Website	www.asianagri.com	E-mail	Asrini_subrata@asianagri.com
Telephone	+62-21 2301119	Facsimile	+62-21 2301120

1.2. Certification Information			
Certificate Number	SPO 638947	Date	16 th September 2010
Scope of Certification	Production of CPO and PK of PT. Inti Indosawit Subur – Buatan II Palm Oil Mill and its supply base. Mill capacity of Buatan II POM is 60 tonnes FFB/hour .		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
ID05/65250	ISO 14001:2004	SGS	10 June 2017
EU-ISCC-Cert-DE100-20151996	ISCC EU	SGS	2 Feb 2016
ISCC-PLUS-Cert-10015084	ISCC Plus	SGS	2 Feb 2016

1.3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Longitude	Latitude
Buatan II POM	Delik & Pangkalan Kerinci Village, Bunut Langgam Subdistrict, Pelalawan District, Riau Province, Indonesia.	101°52'08" E	00°27'24" N
Buatan Estate	Delik & Pangkalan Kerinci Village, Bunut Langgam Subdistrict, Pelalawan District, Riau Province, Indonesia.	101°49'06" E – 101°53'05" E	00°25'46" N – 00°30'37" N
KUD. Mulus Rahayu	Delima Jaya Village, Kerinci Kanan District, Siak Regency, Province Riau, Indonesia.	101°49'27.4" E	00°30'37.6" N
KUD. Bhirawa Bhakti	Buana Bhakti Village, Kerinci Kanan District, Siak Regency, Riau Province, Indonesia	101°47'24.7" E	00°31'20.1" N
KUD. Tani Rukun	Simpang Perak Jaya Village, Kerinci Kanan District, Siak Regency, Riau Province, Indonesia	101°54'03.2" E	00°27'03.2" N
KUD. Kebun sawit Harapan	Gabung Makmur Village, Kerinci Kanan District, Siak Regency, Riau Province, Indonesia.	101°54'36.7" E	00°29'10.9" N

KUD. Buatan Jaya	Jatimulya Village, Kerinci Kanan District, Siak Regency, Riau Province, Indonesia.	101°53'53.0" E	00°31'06.8" N
KUD. Mitra Usaha	Buatan Baru Village, Kerinci Kanan District, Siak Regency, Riau Province, Indonesia	101°52'56.1" E	00°32'02.1" N
KUD. Makarti Jaya	Buana Makmur Village, Dayun District, Siak Regency, Riau Province, Indonesia.	101°51'56.6" E	00°37'13.7" N
KUD. Bina Mulia	Suka Mulia Village, Dayun District, Siak Regency, Riau Province, Indonesia.	101°55'25.6" E	00°35'08.0" N
KUD. Delima Sakti	Kerinci Kanan, Pangkalan Kerinci, Dayun District, Siak & Pelalawan Regency, Riau Province, Indonesia.	101°57'29.0" E	00°27'08.0" N

1.4. Description of Supply Base						
Estate	Mature (ha)	Immature (ha)	Total Planted (ha)	Infrastructure & others (ha)	Total Hectarage	% of Planted
I. Supply Base from own estate						
Buatan Estate (Afdeling IV, V and VI)	3,506	0	3,506	134	3,640	96.32
II. Supply Base from Scheme Smallholders						
KUD. Mulus Rahayu	702	0	702	0	702	100
KUD. Bhirawa Bhakti	984	0	984	0	984	100
KUD. Tani Rukun	1,014	0	1,014	0	1,014	100
KUD. Kebun sawit Harapan	800	0	800	0	800	100
KUD. Buatan Jaya	860	0	860	0	860	100
KUD. Mitra Usaha	1,200	0	1,200	0	1,200	100
KUD. Makarti Jaya	800	0	800	0	800	100
KUD. Bina Mulia	872	0	872	0	872	100
KUD. Delima Sakti	1,490	0	1,490	0	1,490	100
Sub total Cooperative	8,722	0	8,722	0	8,722	
TOTAL	12,228	0	12,228	134	12,362	

1.5. Plantings & Cycle									
Estate	Age (Years)						Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Total	Estimated 2014	Actual 2014	Forecast 2015
I. Supply Base from own estate									
Buatan Estate (Afdelin IV, V and VI)	0	0	0	2,297	1,209	3,506	101,877	81,416	75,506
II. Supply Base from Scheme Smallholders									
KUD. Mulus Rahayu	0	0	0	30	672	702	15,519	12,393	6,749
KUD. Bhirawa Bhakti	0	0	0	444	540	984	24,092	20,980	21,346
KUD. Tani Rukun	0	0	0	1,014	0	1,014	21,854	20,813	20,690
KUD. Kebun Sawit Harapan	0	0	0	800	0	800	19,340	18,203	17,243
KUD. Buatan Jaya	0	0	0	860	0	860	21,544	19,724	18,548
KUD. Mitra Usaha	0	0	0	1,200	0	1,200	27,405	24,729	26,215
KUD. Makarti Jaya	0	0	0	800	0	800	17,543	15,710	17,253
KUD. Bina Mulia	0	0	0	872	0	872	19,414	17,739	18,779
KUD. Delima Sakti	0	0	1,373	117	0	1,490	27,990	23,120	24,605
Sub total Cooperative	0	0	1,373	6,137	1,212	8,722	194,701	173,411	171,428
TOTAL CERTIFIED FFB	0	0	1,373	8,434	2,421	12,228	296,578	254,827	246,934
III. Supply Base from Independent Third Parties/Middle Man *)									100,000
TOTAL SUPPLY FFB									346,934

*) Supply base from independent third parties/middle man is non certified FFB (Excluded from certificate scope)

1.6. Certified Tonnage									
Mill	Estimated			Actual			Projection		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Buatan II POM	296,557	60,912	15,572	254,378	52,325	12,258	246,934	50,594	12,347

Note:

- Actual OER (20.53%) and KER (4.81%)
- Projection OER (20.48%) and KER (5.00%)

1.7. Actual Certified Palm production			
MILL	Capacity	CPO (tonnes)	PK (tonnes)
Buatan II POM	60 tonnes FFB/hour	52,325	12,258

1.8. Actual Sales of certified Palm Product			
MILL	Certified CPO Sold	Certified PK Sold	Remarks
Buatan II POM	3,036.29	0	Sales of certified palm products in eTrace

1.9. Certified FFB received monthly in previous year (Tonnes)				
Month	Buatan Estate	Scheme Smallholders (Plasma)	KKPA	Total FFB Certified Received
Januari 2015	6,946	12,441	1,447	20,834
Pebruari 2015	5,220	11,288	1,208	17,716
Maret 2015	6,246	10,390	1,457	18,093
April 2015	5,777	10,024	1,379	17,180
Mei 2015	6,198	11,236	1,525	18,959
Juni 2015	5,663	12,052	1,912	19,627
Juli 2015	5,678	11,697	2,325	19,700
Agustus 2015	8,831	16,567	3,143	28,541
September 2015	8,843	14,165	2,586	25,594
October 2015	8,059	13,780	2,220	24,059
November 2015	6,956	14,368	2,064	23,388
Desember 2015	6,998	11,834	1,854	20,686
TOTAL	81,415	149,842	23,120	254,377

Section 2. Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: RSPO-ACC-19)
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Assessment Methodology, Programme, Site Visits

The on-site recertification assessment was conducted from 3rd August – 07th August 2015. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

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

Public Stakeholder Notification was made on 21 June 2015, 30 days prior to the recertification assessment. No written feedback received at the end of the 30 days period. Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone and email to arrange meetings at a location convenient to them to discuss Buatan I Certification Unit's environmental and social performance.

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

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

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

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

This report was internally reviewed by Mr. Sabar Kembaren (He is one of the BSI Qualified RSPO Lead Auditor

and Internal Reviewer); and reviewed externally by independent peer reviewer prior to certification decision by BSI.

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

Name (Mill / Supply Base)	Year 1	Year 2	Year 3	Year 4	Year 5
Buatan II POM	X	X	X	X	X
Buatan Estate	X	X	X	X	X
KUD. Mulus Rahayu	X			X	
KUD. Bhirawa Bhakti		X		X	
KUD. Tani Rukun			X		
KUD. Kebun sawit Harapan		X			X
KUD. Buatan Jaya			X		
KUD. Mitra Usaha			X		X
KUD. Makarti Jaya	X			X	
KUD. Bina Mulia		X			X
KUD. Delima Sakti	X	X			

Tentative Date of Next Visit: 01/07/2016

Total No. of Mandays: 11 Mandays

BSI Assessment Team comprises of:

Aryo Gustomo (Team Leader)

Aryo Gustomo – He holds degree in Agriculture science and graduated from Bogor Agriculture University. He is a specialist in oil palm plantation with Agronomy background. He had more than 5 (five) years working experienced related to oil palm industries i.e. as a Plant breeder/agronomist in the one of Malaysian oil palm seed producer, and as a field assistant in oil palm Plantation Company in Indonesia. Several relevant Training he has completed include ISO 9001 and 14001 Lead Auditor, RSPO P&C Lead auditor endorsed courses as well as RSPO SCCS and RSPO RED, Sustainability Report Assurance and Standard training, ISCC Auditor course, ISPO auditor training, and training on HCV identification and management. Currently he works for BSI Group based in Jakarta office. He is one of the BSI qualified RSPO lead auditor. He had been involved in several RSPO certification audits including New Planting Procedure assessment as a lead auditor/auditor with geographical audit experiences cover Indonesia, Malaysia, Thailand, Papua New Guinea, and Liberia. During this assessment, he mainly focused on the aspect of Legal, mill and estate best practices, environment, Supply Chain for CPO Mills, and Smallholder audits. He is fluently speaking in English and Bahasa Indonesia.

Haeruddin – Assessor (Team member)

He holds Bachelor Degree in Forest Management, graduated from Hasanuddin University on 1994. He has 16 years of work experience in forest concession, forestry industry and the latest is within Oil Palm Plantation in Indonesia. He experiences as auditor for several sustainability standard including FSC, UTZ, Organic Farming, 4C, ISPO and RSPO. He completed the ISO 9001 Lead Auditor Course; ISPO Lead Auditor endorsed Course, RSPO P&C and RSPO SCCS Lead Auditor endorsed Course, and also completed ISCC and RSPO RED course. He had been involved in RSPO auditing since November 2010 in more than various companies in Indonesia, Malaysia, Papua New Guinea, Solomon Islands, Thailand, and Gabon. During this assessment, he assessed on the aspects of legal, HCV, social and labour aspects, and Smallholder audits. He is fluently speaking in English and Bahasa Indonesia.

Pratama Sedayu- Team member

He graduated from University of Jenderal Soedirman on 2008, majoring in Social Economic of Agriculture. He involved in RSPO certification since 2009 as a team member subsequently as a Lead Auditor, covering assessment against RSPO P&C in Indonesia, Malaysia, Thailand, Papua New Guinea, and Liberia. He completed the ISO 9001,

ISO 14001, OHSAS 18001 Lead Auditor Course, HCV Identification and Management; ISPO Lead Auditor endorsed Course and RSPO P&C and RSPO SCCS Lead Auditor endorsed Courses. During this assessment, he assessed on the aspects of estate best practices, environment, OHS, and Smallholder audits. He is fluently speaking in English and Bahasa Indonesia.

Doni – Team member

He holds Master degree in Sociology and Community science, graduated from Bogor Agriculture University. He has experience in research and consultant of Social-Economy for Agriculture and Forestry between 2002 and 2006. He also has experience conducting several assesment in relation to Forestry performance indicator. Since 2011 he is actively involves in Certificatoin audit in Indonesia as Auditor/team member for Sustainable Natural Forest Management under Indonesia Forestry Department, ISPO certification under Indonesia Agriculture Department, and RSPO Certification. He completed the Auditor traning course for Sutainable Natural Forest Management (PHPL), ISPO, as well as in-house training for RSPO. During this assessment, he assessed on the aspects of social community engagement, stakeholder consultation, and Smallholder audits. He is fluently speaking in Bahasa Indonesia.

Accompanying person: None

Section 3. Assessment Findings

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

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

3.2. Progress against Time Bound Plan

PT. Inti Indosawit Subur comprises of 19 mills, 27 estates, 6 scheme smallholders of PIR-Trans and 5 scheme smallholders of KKPA in its entity. The time bound plan has been submitted to the certification body at the first initial assessment. This plan is considered challenging, practical, and realistic based on the fact that the company operates one of the largest scheme smallholders (Plasma-PIR TRANS and KKPA) in Sumatera. The company currently utilises the experience obtains during the main assessment to implement the RSPO P&C in other estates and mill. The time bound plan has been spread over 9 years mainly due to the fact that they have 11 scheme smallholders as part of their operations which covers about 60,000 ha. This is a positive approach from the company complying towards RSPO P&C.

The company presented a table showing how the certification audits are planned to fit into the period ending 2017. There are slight changes in the time bound plan for some Plasma and KKPA Schemes and the changes has been addressed in the time bound plan.

The company has been assessed through interview with management representative at the office and they are complying the partial certification for the following issues:

- There is no replacement of primary forest or any area containing HCV's since November 2005 for its entities.
- No evidence of non-compliance with the applicable law.
- No legal issues Compensation payments.
- No negative social relations.
- No Burning.
- No Labour disputes

3.3. Details of findings

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

During the surveillance assessment there were 2 major and 3 minor non conformities as well as 7 observations. The certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformities were reviewed by the BSI audit team and accepted. The implementation of the corrective action plans for Major non conformities, the auditor conducts further field verification to verify those major nonconformities and minor nonconformities will be followed up during the next surveillance assessment.

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1224659M1	Requirements Indicator 2.2.1 Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available	Major
	Evidence of Nonconformity There was a project from timber company to develop scheme smallholder plantation for local community. The Timber Company agreed to appoint PT Inti Indosawit Subur as company managing partner for development of oil palm smallholder area under KKPA schemes.	

	<p>Company has showed evidence of land ownership for KKPA scheme smallholders (KUD Delima Sakti) consists of 426 copies of certificate in term of "Sertipikat Hak Milik" for each smallholder member, issued by National Land Agency of Pelalawan District on 2008. This was found during documentation review at Company's KKPA division office. Review of records and documentation of KKPA scheme smallholder found at current the total number of smallholder member is 750 members with total planted area of 1,500 Ha. Thus there were 324 copies of certificate not available.</p> <p>Review of historical land tenure documentation and permits, there was correspondence showing progress of land ownership status where the latest was back on 2010; date of letter 19 March 2010 and 05 June 2010 from Head of KUD Delima Sakti to one of timber company in order for KUD Delima Sakti can proceed land ownership certificate "Sertipikat Hak Milik" to the National Land Agency for the rest of their smallholder member; however it was not responded. The latest letter from KUD Delima Sakti dated 13 September 2011 was sent again to the timber company and has got responded from the timber company on 16 November 2011. Auditor did not found any progress since 2011 for smallholder member who are not yet hold land ownership certificate.</p>	
	<p>Statement of Nonconformity Documents showing legal ownership "Sertipikat Hak Milik" for KKPA scheme smallholder member (KUD Delima Sakti) are not complete</p>	
	<p>Action: The company with KKPA KUD Delima Sakti has created time-plan to proceed the rest land title (SHM) for 324 members (instead 750 members) with time-plan up to December 2016. The first step, the company and KUD. Delima Sakti has conducted meeting on 13th October 2015 and agreed follow up meeting with others parties who are has authority in land titles (SHM), the progress dealing with land title of rest members will be follow-up in the next surveillance.</p> <p>Legal standing of operational KKPA KUD. Delima Sakti and Land title (SHM) progress with detail as follows:</p> <ol style="list-style-type: none"> 1. Recommendation from Head of district (Bupati) Kepala Daerah Tingkat II Kampar no. 593/TP/1671/1996, dated 28th February 1996 tentang "Rekomendasi Pencadangan Lahan Untuk kemitraan PT. IIS dengan KUD Delima Sakti di Desa Delik Kecamatan Bunut seluas 3.500 ha". 2. Akte Pendirian (<i>Established Deed</i>) KUD Delima Sakti no. 25/BH/KWK.4/5.1/III/2996, dated, 1st June 1996, renewal no. 25/PAD/BH/KDK, dated 25th June 2001. 3. Decision Letter from Head of district (Bupati) Tingkat II Kampar No. 525/TP/VII/1250/1996 dated 29th July 1996 tentang Pengembangan Perkebunan Pola Kemitraan PT. IIS dengan KUD Delima Sakti Desa Delik, Kec. Bunut, Kab. Kampar (Oil Palm Plantation Developing with Partnership Scheme between KKPA KUD. Delima Sakti and PT. Inti Indosawit Subur) 4. Decision Letter from Head of district (Bupati) Tingkat II Kampar no. 525/TP/97/3042 dated 25th January 1997 tentang Pencadangan lahan untuk perkebunan secara kemitraan antara KUD Delima sakti dengan PT. IIS. 5. Pertimbangan teknis (Technical Judgment) from Kantor Wilayah Departemen Kehutanan (Forestry Region Department) of Riau Province no. 5000/Kwl-6/1997, dated 1st February 1997. 6. Persetujuan pencadangan lahan (Approval Developing Land) from Governor of Riau no. 525/Ek/3304, dated 8th November 1997 for KKPA Delima Sakti (± 3,500 ha) with KKPA Scheme. 7. Nota Kesepakatan (MOU) between Plantation Timber company and PT. Inti Indosawit Subur, dated 01st August 1998 for managing KKPA KUD. Delima Sakti located in Desa Delik Village, Bunut Sub-district, Kampar District, Riau Province. 	

	<p>8. Surat Perjanjian Kerjasama kemitraan (Partnership Agreement) between PT. IIS with KKPA KUD. Delima Sakti dated 13th August 1998 for developing oil palm plantation for KKKPA KUD. Delima Sakti which located in Delik Village, Bunut Sub-district, Kampar District, Riau Province as regulated in "Surat Keputusan Gubernur Riau no. 525/Ek/3304, dated 8th November 1997. This agreement approved by both of parties and witnessed Kadis koperasi & PPK Dati II Kampar (Cooperative Department of Kampar District), Plantation Department of Kampar District, Region Secretary of Riau Province and Kampar Head of District.</p> <p>9. Dispensation Letter for developing oil palm plantation for KKPA KUD. Delima Sakti from Kepala Kantor Wilayah Kehutanan dan Perkebunan Provinsi Riau (Forestry and Plantation Department of Riau Province) no. 432.2/Kwl-6/1998, dated 20th October 1998 for areas ± 1,700 ha.</p> <p>10. Renewal Partnership Agreement between PT. Inti Indosawit Subur and KKPA KUD Delima Sakti no. 22/P.kemitraan/DS/KE/2005 – No. 06/KUD-DS/VII/2005, dated 30th July 2005 for developin oil palm plantation for KKPA KUD. Delima Sakti with appvoved by Pelalawan Head of District (Bupati Pelalawan).</p> <p>11. Izin Bupati (Renewal Approval Permit) from Bupati (Head of District) Pelalawan no. KPTS. 525.26/PEM/XI/166/2005, dated 30th November 2005 tentang Pemberian Izin Pembukaan Kelapa Sawit dan Penetapan Nama Nama Anggota KUD Delima Sakti peserta program pembangunan perkebunan kelapa sawit Pola Kemitraan di Desa Lalang Kabung, Kec. Pelalawan Kabupaten Pelalawan, Provinsi Riau dengan luasan 1,500 ha (750 KK).</p> <p>12. Perjanjian Kredit (Credit Agreement for developing KKPA) between PT. IIS and KKPA KUD. Delima Sakti as regulated in "Akte Notaris" no 37, dated 25th April 2007 by notary Nusyirwan Koto, SH, M,KM.</p> <p>13. Letter of KUD Delima Sakti no. 022/KUD-DS/IV/2010, dated 19th March 2010 and no. 023/KUD-DS/IV/2010, dated 5th June 2010 to Plantation Timber Company for releasing areas to proceed land title (SHM) in the National land Authority (BPN RI).</p> <p>This NC was closed out on 01st December 2015</p> <p>Closed?: Yes</p>	
<p>1224659M2</p>	<p>Requirements Indicator 4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.</p> <p>Evidence of Nonconformity Field inspection to Block number H03e, H03f, G03c, G01j of KKPA scheme smallholder areas found water table measurement was below to 80-90 cm of ground surface. This is not complied with company procedure for Water Management AA-APM.OP-1100.17-R1 latest revision date on 16/12/2014 and RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat, June 2012. Company procedure and RSPO manual required to maintain water table as of 50-70 cm below ground surface. Company has record of water level monitoring "Data Pemeriksaan water level" in KKPA scheme smallholder areas conducted every week. Record showed water level monitored between June 2015 and July 2015 was averagely below 70 cm from ground surface. Company management explained the cause of lowest water level due to dry season has started since few months back.</p> <p>In addition, auditor visited to Plasma scheme smallholder plot number 4756/KT215 (KUD Makarti Jaya) found water table measurement of peat land in collection drains was below 100 cm from ground surface.</p> <p>Furthermore, monitoring on subsidence of peat soils using subsidence poles was</p>	<p>Major</p>

	<p>not conducted regularly (every 6 month) according to company procedure. Record of Soil Subsidence in KKPA Scheme smallholder area showed latest monitoring of peat soil subsidence was on June 2014, there is no record for second semester 2014 and first semester 2015. There is also no evidence on monitoring of peat soil subsidence in Plasma scheme smallholder (KUD Makarti Jaya) areas has been conducted.</p> <p>Auditor concluded that water management in the peat land was not effectively implemented to maintain water table at average of 60 cm (between 50-70 cm) below ground surface as measured in water collection drains, and monitoring on peat soil subsidence according to company procedure.</p>	
	<p>Statement of Nonconformity Water table in peat land is not maintained at average of 60 cm (between 50-70 cm) below ground surface as measured in water collection drains. Further, monitoring on subsidence of peat soils was not conducted regularly as per procedure</p>	
	<p>Action: KKPA: The company has replaced water table monitoring pole where indicated water table 50 – 70 cm with green colour refer to the company procedure for Water Management AA-APM.OP-1100.17-R1 latest revision date on 16/12/2014 and RSPO Manual on Best Management Practices (BMPs). Based on filed visit was found that water table pole is marked 0 – 50 cm (yellow colour), 50 – 70 cm (Green colour) and more than 70 cm (red colour)</p> <p>The company has maintained collection drain and replaced drain block appropriately, to maintain water level to 50 – 70 cm, the company has taken action to build inlet drain to flow water in KKPA’s area in north area and build outlet drain in south area to restrain water based on identification of water flow (water flow map is available)</p> <p>The company has conducted monitoring of water table as documented in “Format Rekap Monitoring Level Air” weekly (Week I, II, III and IV) in August 2015. Monitoring data seen that water level in all areas of KKPA increasing significantly since the company maintain collection drain block and build inlet – outlet drain. During filed visit, it was found that water level in Block G03d (65 cm), G03e (68 cm), H03n (68 cm), H03f (68 cm).</p> <p>The company has 2 existing monitoring subsidence pole (block H03e and H03m) and installed 4 new monitoring subsidence pole in block H03j, G03h, G00a, and G03d. Monitoring of peat subsidence is documented in “Format rekap Pengukuran Level Subsiden Lahan”. The last monitoring in existing monitoring subsidence pole was conducted on 10 August 2015 in Block H03e is 5cm and Block H03m is 3 cm. The next monitoring will be conducted in December 2015 in existing and new monitoring peat subsidence pole.</p> <p>Scheme Smallholder (KUD Makarti Jaya) The Scheme Manager and Scheme Smallholders has identified peat land area and water flow, based on identification, the scheme smallholders has taken action to maintain drain block and planned 4 new drain block and water level in plot no. 195 (2 units), 196 (1unit) and 218 (1 unit). 2 existing water table in plot no. 196 and 215.</p> <p>The number of existing and planed water table only 6 units due to peat areas in KUD Makarti Jaya only 240 ha instead 800 ha total areas in KUD Makarti Jaya.</p> <p>Based on field visit, it was found that water level increasingly (before 110 cm</p>	

	<p>become 97 and 72 cm) , even though is not reaching 50 – 70 cm, the scheme smallholders has effort to maintain water level in 50 – 70 cm with maintained collection drain block and monitoring water level regularly.</p> <p>Scheme smallholders also has installed 4 peat subsidence pole in plot no. 192, 195, 196 and 215 and monitoring was started in 2015.</p> <p>This major NC was closed out on 01 September 2015</p>	
	<p>Closed?: Yes</p>	
	<p>Requirements Indicator 2.2.2 Legal boundaries shall be clearly demarcated and visibly maintained.</p> <p>Evidence of Nonconformity Field inspection to KKPA scheme smallholder borders of block H03i, H03a, G01f, and G01m found there was no boundary pegs visible and maintained. Plan for boundary pegs maintenance has not been prepared.</p> <p>Statement of Nonconformity Legal boundaries within KKPA scheme smallholder areas were not visibly maintained.</p> <p>Action: It will be verified in the next surveillance</p> <p>Closed?: No.</p>	<p>Minor</p>
	<p>Requirements Indicator 4.8.2 Records of training for each employee shall be maintained</p> <p>Evidence of Nonconformity Review on Training Record 2015 for Mill and Estate</p> <p>Statement of Nonconformity The company has a training record for each employee, however it was found incomplete training record for each employee in the Estate.</p> <p>Action: It will be verified in the next surveillance audit.</p> <p>Closed?: No.</p>	<p>Minor</p>
	<p>Requirements Indicator 5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons.</p> <p>Evidence of Nonconformity Review of "Laporan UKL-UPL" for KKPA scheme smallholder area found some parameter identified in the plan have not been implemented and reported, i.e.: - Medical check for local community from the impact of KKPA scheme development. - Dust sampler test every 6 month from impact of FFB transport within KKPA scheme area. - Water quality test every 6 month from surface water near store area.</p> <p>Statement of Nonconformity Some environmental plan of management and monitoring in KKPA scheme smallholder area were not implemented and reported.</p> <p>Action: It will be verified in the next surveillance audit</p> <p>Closed?: No.</p>	<p>Minor</p>

Observation	
OBS #	Description
1	Indicator 1.2.1 Regular Report for Environmental Management and Monitoring to be sent to Environmental Agency of Siak District as well as per requirements stated in "Dokumen Pengelolaan dan Pemantauan Lingkungan", approved 2009.
2	Indicator 2.1.3 Company should ensure a mechanism to check legal compliance through internal audit is effectively implemented, for instance checking on First Aid box in the mill were not fully complied with relevant regulation.
3	Indicator 2.2.1. Coordination should be taken with local government in District level on the clarity of administrative boundaries within estate and scheme smallholder area.
4	Indicator 2.2.2. Care should be taken on the consistently implementation of the plan for provision and maintenance of legal boundary within Plasma scheme smallholder plots.
5	Indicator 4.5.1. Scheme smallholder management should monitor closely the handling of Ganoderma, as identified in the "Formulir Sensus Hama dan Penyakit" – June 2015, to ensure the palm sanitation not more than 3 months after census; as per procedure for pest and disease AA-APM-OP-1100.10-R2.
6	Indicator 4.7.5. The emergency procedure (i.e. emergency shower and eye wash) for chemical handling at Mill lubricant and chemical storages should be improved. Estate health and safety management program could improve by putting the plan for licensed first aid officer, annual medical check-up as part of program. Safety officer should closely monitor the implementation of annual medical check-up plan for all workers at estate.
7	Indicator 6.8.3. Company should consistently implement Recruitment and Hiring employee procedure in all units

Positive Findings	
PF #	Description
1	Company has maintained management system and organisation structure to monitor the implementation of RSPO requirements in every level of operation. Internal audit conducted once a year by head office personnel for each single site (Mill, estate, and scheme smallholder).
2	Company has built good relationship with stakeholder in the location including local government, community, NGO, and worker union representative.

Issues Raised by Stakeholders
<p>Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss Buatan II Certification Unit's environmental and social performance, legal and any known dispute issues.</p> <p>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 stakeholders and later was verified with the management team. These have been incorporated into the assessment findings.</p> <p>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</p>

external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E.	
Issues #	Description
1	<p>Issues National Land Agency – Siak District</p> <ul style="list-style-type: none"> - The National boundary between Pelalawan District and Siak District has been legally approved according to Riau Governor Decree number 23 Year 2005, dated 10 October 2005. Some of company legal boundaries are under Pelalawan District while some of them are under Siak District in particularly most of Scheme smallholder areas are under Siak District areas. - There is no land dispute within company legal boundary. <p>Management Responses Company acknowledged the concern.</p> <p>Audit Team Findings Auditor has considered this comments into assessment and found there is no noncompliance against RSPO standard regarding this comment, particularly against Criterion 2.1, 2.2, and 2.3</p>
2	<p>Issues Forestry and Plantation Department – Siak District</p> <ul style="list-style-type: none"> - Progress Report of Plantation Development (“Laporan Perkembangan Usaha Perkebunan”) has not been received by Siak District government. However, it has been aware that company sending the report to the Pelalawan District government. - The National boundary between Pelalawan District and Siak District has been legally approved according to Riau Governor Decree number 23 Year 2005, dated 10 October 2005. Some of company legal boundaries is under Pelalawan District while some of them is under Siak District particularly most of Scheme smallholder areas are under Siak District areas. <p>Management Responses Company made aware that Progress Report of Plantation Development has only been sent to Pelalawan District government. The company is also aware the national boundary between Pelalawan and Siak Districts.</p> <p>Audit Team Findings Auditor has considered this comments into assessment and found there is no noncompliance against RSPO standard regarding this comment, particularly against Criterion 1.1 and 1.2</p>
3	<p>Issues: Department of Labour and Social – Siak District</p> <ul style="list-style-type: none"> - Company has routinely sent their progress report of Health & Safety to Pelalawan District government. Company admitted that most of company operational area is under Pelalawan District. - There is no issues have been received with regards to labour dispute. <p>Management Response: Company acknowledged the comment</p> <p>Auditor Team Findings: Auditor has considered this comment into assessment and found there is no noncompliance against RSPO standard</p>
4	<p>Issues: Department of Cooperative, Industry, and Trader – Siak District</p> <ul style="list-style-type: none"> - Smallholder Cooperative/Plasma under Company support is actively conducting Annual Member Meeting. Local government has been invited for several occasions. - All documentation of Annual Member Meeting of Cooperative was sent to the local government. All legal documents of Cooperative under Company support are completed. <p>Management Response: Company acknowledged the comment.</p> <p>Auditor Team Findings: Auditor has considered this comments into assessment and found there is no noncompliance against RSPO standard regarding this comment, particularly against Criterion 2.1, 2.2, 2.3.</p>
5	<p>Issues: Head of Lalangkabung Village, Sub-District of Pelalawan, District of Pelalawan. - Company contribution is improving community economic aspects.</p>

	<ul style="list-style-type: none"> - Company donation for village is satisfied enough, for example: donation of building materials for construction of Masjid (muslim prayer places). - There is no dispute between company and community. There is no contamination to environment caused by Mill and estate operation. - Company has made payment to the workers according to minimum wage regulation. - The relationship between company and villagers is well managed. All requests made by villagers have been responded satisfactory by company in timely manner. <p>Management Response: Company acknowledged the comment from Head of Lalangkabung Village. Company is always committed to improve relationship within communities</p> <p>Auditor Team Findings: Auditor has considered this comments into assessment and found there is no noncompliance against RSPO standard regarding this comment, particularly against Criterion 1.1, 1.2, 2.2, 6.5, 6.11, and Principle 5.</p>
6	<p>Issues: Representative of Smallholder Cooperative (KUD Buatan Jaya), Jatimulya Village, Kerinci Kanan Sub-District. Representative of Smallholder Cooperative (KUD Mitra Usaha), Buatan Baru Village, Sub-District of Kerinci Kanan. Representative of Smallholder Cooperative (KUD Tani Rukun), Simpang Perak Jaya Village, Sub-District of Kerinci Kanan. Representative of Smallholder Cooperative (KUD Bhirawa Bakhti) as well as Head of Smallholder Forum Association (Ketua Forum Petani PIR Kelapa Sawit - FKPPKS), Buana Bakhti Village, Sub-District of Kerinci Kanan</p> <ul style="list-style-type: none"> - Most of individual community within village are member of smallholder Cooperative under Company's plasma scheme. The plasma programme was started back on 1985 through Transmigration system from Java region moved to Riau Province. Every individual smallholder member got 2 Ha for planting oil palm. Company contribution is significantly improving community economy growth. - Company is pro-actively giving technical assistance to smallholder cooperatives to manage its plantation for example manuring, chemical spray handling, harvesting, pest & disease management. - Company has routinely giving RSPO awareness to scheme smallholder individual member, for example: protection of endangered species, no land fire, respect to human rights, and prohibition of sexual harassment. - The relationship between company and local community is fine, there was no land dispute neither land claim at the moment. - FFB price determined by company is following price determination at Provincial level of government. <p>Management Response: Company agreed with comment provided from smallholder representative</p> <p>Auditor Team Findings: Auditor has considered this comments into assessment and found there is no noncompliance against RSPO standard regarding this comment, particularly against Criterion 2.2, 6.10</p>
7	<p>Issues Local Contractor for EFB Transporter</p> <ul style="list-style-type: none"> - Complaint was sent to company with regards to latest payment for a job done on June 2015. At current the payment has not been settled. This is unusual condition for company because this never happened before. - Positive comment for company contribution for local development increasing business opportunity. - All PPEs for workers who work under contractor is provided by contractor owner. All contractors' workers are registered with Social Insurance (BPJS). <p>Management Responses Response to the late payment for a Job done on June was due to the payment process was on hold because it was coincidently with long holiday of Muslim Eid celebration on July 2015. However, the process is now has been submitted company head office and will be paid immediately. Company apologised about this and has been explained to the contractor.</p> <p>Audit Team Findings</p>

	Auditor has considered this comments into assessment and found there is no noncompliance against RSPO standard regarding this comment, particularly against Criterion 6.10 and 6.11
8	<p>Issues: Gender Committee</p> <ul style="list-style-type: none"> - Company gender committee was created on 2012. Socialisation of sexual harassment conducted every day during muster morning or workers. There is a mechanism for grievance if any incident of harassment. At current there is no incident happened. - Routine meeting has been planned every 6 month to discuss all activities and programme. <p>Management Responses Company acknowledged the comment and always giving support to the gender committee.</p> <p>Audit Team Findings Auditor has considered this comments into assessment and found there is no noncompliance against RSPO standard regarding this comment, particularly against Criterion 6.9</p>

3.4. Status of Nonconformities Previously Identified and Observations

Non-Conformity		
NCR #	Description	Category (Major/Minor)
	Nil	

Observation	
OBS #	Description
	Nil

3.5. Status of Non Conformities

Reference	Category	Issued	Closed
1224659M1	Major	07/08/2015	01/12/2015
1224659M2	Major	07/08/2015	01/09/2015
1224659N1	Minor	07/08/2015	"Open"
1224659N2	Minor	07/08/2015	"Open"
1224659N3	Minor	07/08/2015	"Open"

Assessment Conclusion and Recommendation

The auditors conclude that PT. Inti Indosawit Subur – Buatan II POM and its supply base are complying with the RSPO certification system 2007, RSPO Generic Standard 2013 and RSPO SCCS 2014.

Its recommend to extend the RSPO certificate for Buatan II POM and and its supply base

Acknowledgement of Assessment Findings by PT. Inti Indosawit Subur – Buatan II POM

Report Prepared by

Name: Mr. Welly Pardede

Name: Haeruddin

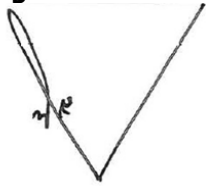
Company name: PT. Inti Indosawit Subur – Buatan II

Company name: PT. BSI Indonesia

Title: Head of Environment and Sustainability

Title: Lead Auditor

Signature:



Signature:



Appendix "A"
Summary of Finding

3.1 Details of audit results

Criterion / Indicator	Assessment Findings	Compliance
PRINCIPLE 1: COMMITMENT TO TRANSPARENCY		
Criterion 1.1: Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
1.1.1 There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. - Minor compliance -	Estate, KKPA and Mill: <ul style="list-style-type: none"> - The company has provided list of information can access by stakeholders. - List of information can access by stakeholders, such as legal documents, environment Documents (included waste management plan), social activity documents, etc. - The last updated for list informatin on 2nd March 2015. - The company has a mechanism for request information no.: AA-GL-5008.1-R1 dated on 22nd August 2011. - Person in Charge for providing and updating information is "Humas Department" and Plantation Manager. - Based on interview with stakeholder, they understood the company's procedur and mecahnism related request information. Scheme smallholders (Plasma): <ul style="list-style-type: none"> - The KUDs has provided list of information can access by stakeholders. - List of information can access by stakeholders, such as legal documents, environment Documents, social activity documents, etc. - The last updated for list informatin on 2nd March 2015. - The company has a mechanism for request information ""Mekanisme Komunikasi, Konsultasi dan keluhan": - Person in Charge for providing and updating information is "KUD leader. - Based on interview with stakeholder, they understood the KUD's procedur related request information. 	Yes

Criterion / Indicator		Assessment Findings	Compliance
1.1.2	<p>Records of requests for information and responses shall be maintained.</p> <p>- Major compliance -</p>	<p>Estate/KKPA and Mill: The company provides procedure for handling stakeholder information request "Penanganan Permintaan Informasi Stakeholder" Number: AA-GL-5008.1-R1 dated 22nd August 2011. The SOP covering person in charge manage request information (Head of Humas Department), responsible person handle request information (Head of Humas Department, Estate Manager, Group Manager and Regional Head), time frame (maximum within 14 days), etc.</p> <p>All response should be provided by community relation officer within 14 days after reception of requests. The retention time of all information request records is 3 years. Review of Log Book and relevant records confirmed all information request was made responded in timely manner, for instance: request from Pelalawan District government with regards to Industrial Monthly survey dated 2 March 2015, responded by company on 3 March 2015</p> <p>Scheme smallholders (Plasma): Scheme Mekanisme has mechanism to response request information from stakeholders as documented in : "Mekanisme Komunikasi, Konsultasi dan keluhan". The person in charge to response request information is KUD Leader.</p> <p>Request information and response is recorded in "Format permintaan /TanggapanPermintaan Informasi tahun 2015", consist of date request information received, requester, institution of requester, content of request information, PIC to response, and date of response</p> <p>There was no request information noted in KUD Makarti Jaya and KUD Mulus Rahayu in 2015.</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p>Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p>		
<p>1.2.1</p> <p>Publicly available documents shall include, but are not necessarily limited to:</p> <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). <p>- Major compliance -</p>	<p>The company has list of publicly documents “: “Daftar Dokumen yang dapat di Akses”, updated 01st December 2014 covering:</p> <p>Environmental documents: SEIA (AMDAL and UKL/UPL), Environmental Management and Monitoring (RKL/RPL), HCV, Conservation Plan, Environmental Management Program, Laporan karhutla (<i>Land fire report</i>), Laporan Air Tanah dan permukaan (<i>Ground and surface water report</i>), continous improvement plan, Laporan limbah B3 (<i>Hazardous waste report</i>), Laporan land aplikasi (<i>Land Application Report</i>), and Environmetal monitoring.</p> <p>Social documents: SEIA (AMDAL and UKL/UPL), Social Impact Assesment (SIA), Laporan Pelaksanaan P2K3 (Health and Safety Report), CSR documents, FFB pricing for smallholders, the company policies, social procedures, wajib lapor tenaga kerja (<i>Labour report</i>), MCU report for employees, rekaman proses ganti rugi lahan (<i>Land compensation record</i>), and public summary report.</p> <p>Legal documents: Izin prinsip (<i>Principle permit</i>), izin lokasi (<i>Location permit</i>), HGU (<i>Land Titles</i>), IMB (<i>Building permit</i>), Perizinan lingkungan (<i>Environmental permit</i>), perizinan mesin (<i>Machinery permit</i>), Laporan Perkembangan Usaha Perkebunan/LPUP (<i>Plantation progress report</i>), LKPM, Pajak dan retribusi (<i>Tax</i>), Perizinan Badan Usaha (<i>The company legal permit</i>), izin radio (<i>Radio telecommunication permit</i>)</p> <p>Scheme Smallholders: The KUD also has provided list publicly documents to their stakeholders such as: Akte Pendirian Koperasi (<i>Cooperative Operational permit</i>), SHM (<i>Land rights</i>), NPWP (<i>Tax Registration</i>), SIUP (<i>Trading operational permit</i>), SITU, Operasional Keuangan (<i>Financial operation</i>), HCV, SOP/GAP, AMDAL (<i>SEIA</i>) dan dokumen kegiatan sosial (<i>Social activity documents</i>)</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
		Regular Report for Environmental Management and Monitoring to be sent to Environmental Agency of Siak District as well as per requirements stated in "Dokumen Pengelolaan dan Pemantauan Lingkungan", approved 2009 (Observation was raised)	
Criterion 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.			
1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. - Minor compliance -	<p>Estate/KKPA and Mill: The company has established policy related code of ethic conduct in business and transaction as documented in "Kebijaka Perusahaan" dated 01st December 2014" "Berkomitmen berperilaku etis dalam berbisnis pada seluruh transaksi dan operasi bisnis, pelarangan seluruh bentuk korupsi, penyuapan dan penipuan dalam penggunaan dana dan sumber daya.</p> <p>The procedure has been communicated to the workforce and related parties and based on interview with the workers, it was found that the they understood of the policy.</p> <p>Scheme smallholders (Plasma): Scheme manager has prepared policy for Cooperative smallholder member dated 1 August 2013, revised on 2015 to comply with relevant regulation as well as ethical behavior, no corruption, no bribery, no deception in every operations activities and transaction. This policy found available for all smallholder members in 2 selected samples of cooperatives during field visit. This also has been confirmed during interview with selected smallholder members.</p>	Yes
PRINCIPLE 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS			
Criterion 2.1 There is compliance with all applicable local, national and ratified international laws and regulations.			

Criterion / Indicator		Assessment Findings	Compliance
2.1.1	<p>Evidence of compliance with relevant legal requirements shall be available.</p> <p>- Major compliance –</p>	<p>Estate and Mill: The company has legal permit, such as:</p> <ol style="list-style-type: none"> 1. Ijin Prinsip (Principle permit) No. KB. 320/859/mentan/XI/1983 dated 7th November 1983 from Agriculture minister (65.000 ha). 2. Ijin lokasi (Location Permit) no. KPTS.57/II/1987, dated 4th February 1987 for 32.000 ha. 3. Ijin Pelepasan kawasan from Forestry Ministry (Release forest permit) No. 664/Kpts-II/89, dated October 31, 1989. 4. Ijin pembukaan lahan (land clearing permit) no. 1536/II/KW-6/1988, dated 2 November 1988 from Forestry Ministry Region Riau Province. 5. Surat Keterangan Pendaftaran Tanah (Land register) from land authority of Pelalawan District no. 15/SKPT/X/2004, dated 30 September 2004. 6. Surat Pendaftaran Usaha perkebunan (SPUP) from Forestry and Plantation Ministry, No. 185/Mentanhut/VII/2000, dated 03 November 2000. 7. HGU (Land titles) No. 01, 1993, dated June 19, 1993. 5.781 Ha for Buatan Estate. 8. Renewal land title No. 145/HGU/BPN/2004, dated Nov. 03, 2004. Expired until 2058 from Head of BPN. 9. IMB (Building licences), there 6 permit, such as; No. 106/2009, 71/2009, 09/2009, 11/1992, 56/2009, 117/1997. 10. AMDAL (Enviromental and Social impact assessment), SEIA No. 013/ANDAL/BA/V/95, dated 03 May 1995, by Agriculture of Ministry. 11. Revised AMDAL Revised SEIA No. KPTS 975/X/2009, dated Oct. 28, 2009 by Governor of Riau Province. 12. Safety Committee approved by Dinas Tenaga Kerja dan Transmigrasi Kabupaten Pelalawan no.KPTS.566/DTKT-WAS/2015/28 tentang Pengesahan Struktur Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3) 13. MOU between PT. Inti Indosawit Subur and Delima sakti Cooperative no. 22/P.Kemitraan/DS/KE/2005 – 06/KUD-DS/VII/2005, dated 30 July 2005 14. UKL – UPL for KKPA 15. RKL- RPL regularly reported to the local authority, HCV report, 16. Social Impact Assessment by Bogor Agriculture University, 2009. 17. Management Annual reports, continuous improvement plans, employment (regulation and implementations), 	Yes

Criterion / Indicator	Assessment Findings	Compliance
	<p>Scheme smallholders (Plasma):</p> <ol style="list-style-type: none"> 1. KUD Makarti Jaya <ul style="list-style-type: none"> - SHM (Land rights) is available (see land rights file enclosed) - Badan Hukum No. 24/BH/KWK.4/5.1/II/1996, dated 4th March 1996. - RAT (Annual Membership Meeting) is conducted annually, the last RAT was conducted on 11th June 2015. - SIUP (Trading permit) no. 0041/04.12/PM/III/2010, dated 12th March 2010, valid until 24th December 2014. - SITU no. 018.530/KEC. III/2010, dated 09th March 2010, valid until 31st December 2014. 2. KUD Mulus Rahayu <ul style="list-style-type: none"> - SHM (Land rights) is available (see land rights file enclosed) - SIUP (Trading permit) no. 04.12/SIUP/X/2012/010, dated 29 October 2012, valid for 5 year. - SITU no. 523.33/SITU/X/2012/016 valid for 5 year <p>Scheme smallholder (Plasma) manager and Head of Cooperative has been work closely to proceed SIUP and SITU for renewal as Statement Letter from Kerinci kanan Head of Sub-district, Siak District no. 070/PEM-KRC/XII/2012/01, dated 17th December 2014 which stated that legal permit still in progress due to there is a change regulation for recommendation permit from local district authority to Head of sub-district.</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>3. KKPA : KUD Delima Sakti</p> <ul style="list-style-type: none"> - Badan Hukum (Cooperative entity permit) no. 25/BH/K.WK 4/5.1/III/1996, dated 06 March 1996. - Renewal Badan Hukum no. 25/PAD/BH/KDK, dated 25 June 2011. - Tanda daftar Perusahaan (TDP) no. 04162412000002, dated 16 April 2012, valid until 7 March 2017. - SITU (Operational Business permit) no. 137/KPPT?SITU/2011/398, dated 12 December 2011, valid until 11 December 2016. - NPWP (Tax number) : 01.894.557.4-222-000. - UKL/UPL (Environmental Management and Monitoring Effort) no. 660/BLH-AM/2012/181, dated 22 February 2012 by Kepala BLH (Environmental Department of Pelalawan District). - The land titles of KKPA documented in "Daftar sertifikat Hak Milik Delima sakti cooperative" 426 certificate has been issued by the land authority and 324 certificate on going process 	

Criterion / Indicator		Assessment Findings	Compliance
2.1.2	<p>A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>- Minor compliance –</p>	<p>There is a list of legal requirements in term of “Evaluasi Kepatuhan Hukum PT Inti Indosawit Subur untuk Pabrik/Kebun Buatan”, updated 19 June 2015. Review of document showed all legal requirements had been identified and evaluated, for instance:</p> <ul style="list-style-type: none"> - Occupational Health and Safety Act number 1/1970 - Plantation Act number 18/2004. - Environmental Impact Assessment Act number 5/2012 - Land title Act number 5/1960 <p>Procedure for compliance to regulation is in place in term of SOP AA-GL-5001.1-R0 “Pemenuhan Peraturan Perundang-Undangan dan Perubahannya”, approved on 5 November 2009. Company has also prepared this documentation for its scheme smallholder, and were kept in Cooperative offices.</p> <p>Scheme Smallholders: The KUD has documented list legal requirements in “Evaluasi Kepatuhan Hukum”. List of legal requirement is updated regularly, the last updated on 5th February 2015, e.g. updated legal requirement related minimum wages as regulated by Riau Governor no. 15/01/2015 and related cooperative logo as regulated by “Menteri Koperasi dan Usaha Kecil Menengah RI” no. 01/per/M.KUKM/II/2015.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
2.1.3	<p>A mechanism for ensuring compliance shall be implemented.</p> <p>- Minor compliance –</p>	<p>Estate and Mill: Internal checking on legal compliance conducted once a year through Internal Audit Sustainability for RSPO-ISCC-SMK3-ISPO schemes. Latest internal audit for Mill and Estate was on 01-05 June 2015..</p> <p>Scheme Smallholders: The last update of evaluation of legal compliance is documented in "Evaluasi Kepatuhan Hukum Koperasi Unit Desa", e.g. in KUD Subur Makmur" updated December 2014.</p> <p>Company should ensure a mechanism to check legal compliance through internal audit is effectively implemented, for instance checking on First Aid box in the mill were not fully complied with relevant regulation (Observation was raised)</p>	Yes
2.1.4	<p>A system for tracking any changes in the law shall be implemented.</p> <p>- Minor compliance –</p>	<p>Estate, KKPA and Mill: Legal requirement-evaluation and fulfilment mechanism regulated under "SOP Pemenuhan Peraturan Perundang-undangan dan Perubahannya" (No. SOP; AA-GL-5001.1-RO) dated 5th December 2009. The procedure explains the stages for evaluation applicable legal requirements, person in charge for evaluation and ensures implementation of such requirement.</p> <p>A system for tracking any changes of regulation conducted by Public Relation officer through searching in internet and/or communication with local government.</p> <p>Scheme Smallholders: Scheme manager will inform the scheme smallholders (cooperative) if there is any a change or amendment in laws and regulations. Scheme manager conduct meetings with the cooperative members to ensure compliance.</p>	Yes
<p>Criterion 2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>			

Criterion / Indicator	Assessment Findings	Compliance
<p>2.2.1 Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.</p> <p>- Major compliance -</p>	<p>Estate: Company has complete proof of land ownership and their historical land tenure, i.e.: Land title (HGU certificate) number 1/Year 1993, issued date 19 June 1993, valid thru 31 December 2023; issued by National Land Agency according to a letter number 10/HGU/1993 dated 13 May 1993 for area of 5,781 Ha.</p> <p>KKPA: The Plantation Timber Company appointed PT Inti Indosawit Subur to manage the areas for KKPA Buatan due to PT. Inti Indosawit Subur capacity in managing oil palm plantation. This was because KKPA Buatan is part of their project to develop a CSR program for local community</p> <p>Company has showed evidence of land ownership for KKPA scheme smallholders (KUD Delima Sakti) consists of 426 copies of certificate in term of "Sertifikat Hak Milik" for each smallholder member, issued by National Land Agency of Pelalawan District on 2008. This was found during documentation review at Company's KKPA division office. Review of records and documentation of KKPA scheme smallholder found at current the total number of smallholder member is 750 members with total planted area of 1,500 Ha. Thus there were 324 copies of certificate not available.</p> <p>Review of historical land tenure documentation and permits, there was correspondence showing progress of land ownership status where the latest was back on 2010; date of letter 19 March 2010 and 05 June 2010 from Head of KUD Delima Sakti to Plantation Timber Company claim in order for KUD Delima Sakti can proceed land ownership certificate "Sertifikat Hak Milik" to the National Land Agency for the rest of their smallholder member; however it was not responded. The latest letter from KUD Delima Sakti dated 13th September 2011 was sent again to Plantation Timber Company and has got responded on 16th November 2011. Auditor did not found any progress since 2011 for smallholder member who are not yet hold land ownership certificate.</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Corrective Action taken:</p> <p>The company with KKPA KUD Delima Sakti has created time-plan to proceed the rest land title (SHM) for 324 members (instead 750 members) with time plan up to December 2016. The first step, the company and KUD. Delima Sakti has conducted meeting on 13th October 2015 and agreed follow up meeting with others parties who are has authority in land titles (SHM), the progress dealing with land title of rest members will be follow-up in the next surveillance.</p> <p>Legal standing of operational KKPA KUD. Delima Sakti and Land title (SHM) progress with detail as follows:</p> <ol style="list-style-type: none"> 1. Recommendation from Head of district (Bupati) Kepala Daerah Tingkat II Kampar no. 593/TP/1671/1996, dated 28th February 1996 tentang "Rekomendasi Pencadangan Lahan Untuk kemitraan PT. IIS dengan KUD Delima Sakti di Desa Delik Kecamatan Bunut seluas 3.500 ha". 2. Akte Pendirian (<i>Established Deed</i>) KUD Delima Sakti no. 25/BH/KWK.4/5.1/III/2996, dated, 1st June 1996, renewal no. 25/PAD/BH/KDK, dated 25th June 2001. 3. Decision Letter from Head of district (Bupati) Tingkat II Kampar No. 525/TP/VII/1250/1996 dated 29th July 1996 tentang Pengembangan Perkebunan Pola Kemitraan PT. IIS dengan KUD Delima Sakti Desa Delik, Kec. Bunut, Kab. Kampar (Oil Palm Plantation Developing with Partnership Scheme between KKPA KUD. Delima Sakti and PT. Inti Indosawit Subur) 4. Decision Letter from Head of district (Bupati) Tingkat II Kampar no. 525/TP/97/3042 dated 25th January 1997 tentang Pencadangan lahan untuk perkebunan secara kemitraan antara KUD Delima sakti dengan PT. IIS. 5. Pertimbangan teknis (Technical Judgment) from Kantor Wilayah Departemen Kehutanan (Forestry Region Department) of Riau Province no. 5000/Kwl-6/1997, dated 1st February 1997. 6. Persetujuan pencadangan lahan (Approval Developing Land) from Governor of Riau no. 525/Ek/3304, dated 8th November 1997 for KKPA Delima Sakti (\pm 3,500 ha) with KKPA Scheme. 	

Criterion / Indicator	Assessment Findings	Compliance
	<ol style="list-style-type: none"> 7. Nota Kesepakatan (MOU) between Plantation Timber company and PT. Inti Indosawit Subur, dated 01st August 1998 for managing KKPA KUD. Delima Sakti located in Desa Delik Village, Bunut Sub-district, Kampar District, Riau Province. 8. Surat Perjanjian Kerjasama kemitraan (Partnership Agreement) between PT. IIS with KKPA KUD. Delima Sakti dated 13th August 1998 for developing oil palm plantation for KKKPA KUD. Delima Sakti which located in Delik Village, Bunut Sub-district, Kampar District, Riau Province as regulated in "Surat Keputusan Gubernur Riau no. 525/Ek/3304, dated 8th November 1997. This agreement approved by both of parties and witnessed Kadis koperasi & PPK Dati II Kampar (Cooperative Department of Kampar District), Plantation Department of Kampar District, Region Secretary of Riau Province and Kampar Head of District. 9. Dispensation Letter for developing oil palm plantation for KKPA KUD. Delima Sakti from Kepala Kantor Wilayah Kehutanan dan Perkebunan Provinsi Riau (Forestry and Plantation Department of Riau Province) no. 432.2/Kwl-6/1998, dated 20th October 1998 for areas \pm 1,700 ha. 10. Renewal Partnership Agreement between PT. Inti Indosawit Subur and KKPA KUD Delima Sakti no. 22/P.kemitraan/DS/KE/2005 – No. 06/KUD-DS/VII/2005, dated 30th July 2005 for developin oil palm plantation for KKPA KUD. Delima Sakti with approved by Pelalawan Head of District (Bupati Pelalawan). 11. Izin Bupati (Renewal Approval Permit) from Bupati (Head of District) Pelalawan no. KPTS. 525.26/PEM/XI/166/2005, dated 30th November 2005 tentang Pemberian Izin Pembukaan Kelapa Sawit dan Penetapan Nama Nama Anggota KUD Delima Sakti peserta program pembangunan perkebunan kelapa sawit Pola Kemitraan di Desa Lalang Kabung, Kec. Pelalawan Kabupaten Pelalawan, Provinsi Riau dengan luasan 1,500 ha (750 KK). 12. Perjanjian Kredit (Credit Agreement for developing KKPA) between PT. IIS and KKPA KUD. Delima Sakti as regulated in "Akte Notaris" no 37, dated 25th April 2007 by notary Nusyirwan Koto, SH, M,KM. 	

	Criterion / Indicator	Assessment Findings	Compliance
		<p>13. Letter of KUD Delima Sakti no. 022/KUD-DS/IV/2010, dated 19th March 2010 and no. 023/KUD-DS/IV/2010, dated 5th June 2010 to Plantation Timber Company for releasing areas to proceed land title (SHM) in the National land Authority (BPN RI).</p> <p>This NC was closed on 1st December 2015.</p> <p>Coordination should be taken with local government in District level on the clarity of administrative boundaries within estate and scheme smallholder area (Observation was raised).</p>	

Criterion / Indicator		Assessment Findings	Compliance
2.2.2	<p>Legal boundaries shall be clearly demarcated and visibly maintained.</p> <p>- Minor compliance –</p>	<p>Estate / Scheme Smallholders:</p> <ul style="list-style-type: none"> - Legal boundaries is monitored regularly and mapped. - The company has provided legal boundary map included monitoring of legal boundary map. - Based on field visit, it was found legal boundaries are visibly maintained. - The last monitoring is conducted in March 2015, report "Laporan Pemeriksaan dan perawatan Patok Batas" - Number of legal boundaries is 19 pegs, with detailed as below: <ol style="list-style-type: none"> 1. Afdeling I (5 pegs): no. 11, 12, 13, 14 and 15 2. Afdeling II (3 pegs): no. 16, 17 and 18 3. Afdeling III : - 4. Afdeling IV (1 peg): no. 10. 5. Afdeling V (1 peg): no 9 6. Afdeling VI (9 pegs): no 1, 2, 3, 4, 5, 6, 7, 8, and 19 <p>Care should be taken on the consistently implementation of the plan for provision and maintenance of legal boundary within Plasma scheme smallholder plots (Observation was raised)</p> <p>KKPA: Legal boundaries within KKPA scheme smallholder areas were not visibly maintained. Based on field inspection to KKPA scheme smallholder borders of block H03i, H03a, G01f, and G01m found there was no boundary pegs visible and maintained. Plan for boundary pegs maintenance has not been prepared. (Minor NC was raised).</p>	No

Criterion / Indicator		Assessment Findings	Compliance
2.2.3	<p>Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).</p> <p>- Minor compliance –</p>	<p>The company and scheme smallholder area was a government project back on 1990's. The project was initiated as PIR-Trans of Community Transmigration Plantation Programme. On this programme the land was prepared by government and selected company involved in this programme. The government was the only entities who can grant a company with the permit. Company was assigned as the mother company for scheme smallholder and granted by the land title as well as communities were granted with the land certificate. The FFB produced from smallholder are supplying the FFBs to the mill company.</p> <p>According to that, there is no land dispute within company and scheme smallholder concession areas. This has been confirmed as well during interview with stakeholders (Local community villagers and local government)</p>	Yes
2.2.4	<p>There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.</p> <p>- Major compliance –</p>	<p>No any land conflict was noted (see indicator 2.2.3).</p>	Yes
2.2.5	<p>For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable).</p> <p>- Minor compliance –</p>	<p>No any land conflict was noted (see indicator 2.2.3).</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
2.2.6	<p>To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p> <p>- Major compliance -</p>	No any land conflict was noted (see indicator 2.2.3).	Yes
<p>Criterion 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p>			
2.3.1	<p>Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p> <p>- Major compliance –</p>	There was no land disputed within company and scheme smallholder concession areas (see indicator 2.2.3)	Yes

Criterion / Indicator		Assessment Findings	Compliance
2.3.2	<p>Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p> <p>a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</p> <p>b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</p> <p>c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</p> <p>- Minor compliance -</p>	<p>There was no land disputed within company and scheme smallholder concession areas (see indicator 2.2.3)</p>	<p>Yes</p>
2.3.3	<p>All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>- Minor compliance -</p>	<p>There was no land disputed within company and scheme smallholder concession areas (see indicator 2.2.3)</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
2.3.4	<p>Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p> <p>- Major coimpliance -</p>	<p>There was no land disputed within company and scheme smallholder concession areas (see indicator 2.2.3)</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
PRINCIPLE 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY		
Criterion 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.		
3.1.1	<p>A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.</p> <p>- Major compliance -</p> <p>Estate: Buatan estate comprise of 6 divisions, where Division I –III supplies FFB to Buatan I POM and Division IV-VI supplies FFB to Buatan II POM. PT IIS’s Buatan has 3 Year working plan for Productivity per planting year of the estate, under “Rencana Kerja 3 tahunan, Pengelolaan Minimum 3 tahun Kebun Buatan”. The plan indicates the target for 2015 (current), as well as 2016, 2017, 2018 and 2019. The estimation based on actual production realization from 2013 and 2014. The estimation including OER average, KER average, Production cost (Rupiah/tonne CPO) divided between estate cost and mill cost, e.g.</p> <p>KKPA: Demonstrate the “Budget KKPA tahun 2015”, indicating the working plan, production budget and cost 2015. The projected production for 2015 is 24,605 tons.</p> <p>Mill: PT IIS Buatan II POM has 5 years working plan 2015 – 2020. The working plan documented under “Rencana Kerja Produksi dan Biaya 5 Tahun ke depan” – which indicated the FFB processed, CPO production, kernel production, OER, KER, production cost (Rp/ton CPO), Electricity consumption (KWh/ton CPO), water usage (m3/ton FFB). The projection based on 2013 – 2014 performance.</p> <p>Projection in 2015: FFB process 346,934 tons; CPO production 74,789 tons; Kernel production 20,413 tons; OER sets at 20.34% and KER sets at 5.00%. Cost of production sets at Rp.45,516/ton CPO. Electricity consumption 781,543 KWh - 10.74 KWh/ton CPO.</p> <p>Projection in 2016: FFB process 353,873 tons; CPO production 73,992 tons; Kernel production 20,298 tons; OER sets at 19,98% and KER sets at 5.25%. Cost of production sets at Rp.50,067/ton CPO. Electricity 797,174 KWh – 10.77 KWh/ton CPO.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
	<p>Scheme smallholders: Hasil Rapat Anggota Tahunan, dated 28th February 2015, based on year 2014. The report consists of financial statement (from independent audits), revenue and cost planning 2015. The business unit consists of mini market, fertilizer provision and financing.</p> <p>"Estimasi produksi 3 tahun ke depan tahun 2015 s/d 2017 untuk seluruh plasma PT IIS Buatan", for areas 10,277 Ha. The productivity in 2015 (226,789 tonnes) or 22.07 tonnes/Ha. In 2016 (227,413 tonnes) or (22.13 tonnes/Ha) and 2017 (227,858 tonnes) or (22.17 tonnes/Ha)..</p> <p>Each Scheme smallholders has programmed budget for 4 year, e.g.</p> <p>KUD Mulus Rahayu:</p> <ul style="list-style-type: none"> - 2015: 21,413 tonnes (produktivity 23.28 tonnes/Ha) - 2016: 20,343 tonnes (productivity 22.1 tonnes/Ha) - 2017: 19,325 tonnes (productivity 21.01 tonnes/Ha) - 2018: 18,359 tonnes (productivity 19.96 tonnes/Ha). <p>The decline in projected FFB production due to planting ages.</p> <p>KUD Makarti Jaya: Business Budget plan is available for 4 years (2014-2018) as documented in "Estimasi Produksi Tahun 205 s/d 2018. Budget plan consist of yield production/year, income and cost projection Sample taken:</p> <ul style="list-style-type: none"> - FFB production estimated in 2015 (21.57 tonnes FFB/year), 2016 (20.00 tonnes FFB/ha/year), 2017 (20.50 tonnes FFB/ha/year) and 2018 (20.00 tonnes FFB/ha/year). - Income forecast in 2015 is Rp. 26,966,677,108 and production cost estimated for fertilizing (Rp, 3,885,031,500), Pest and disease control (Rp. 320,000,000), pruning (Rp. 280,000,000) and harvesting (Rp. 2,070,378,281), FFB transport (Rp. 1,552,783,491), estimated nett income is Rp. 18,888,483,616 	

Criterion / Indicator		Assessment Findings	Compliance
3.1.2	<p>An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.</p> <p>- Minor compliance –</p>	<p>Estate: Replanting program is documented in the budget plan. Buatan estate shows a series of correspondence and meeting result related to review process on replanting plan. This change occurred as result of head of plantation review. The latest replanting plan as follow; For division IV-VI, 2015 replanting planned for 378 Ha in Division IV; 2016 replanting program 352 Ha in division IV; 2017 replanting program 501 Ha in Division V and VI; 2018 replanting program 344 Ha in Division VI; 2019 replanting program 603 Ha in Division IV.</p> <p>The land clearing for year 2015, has completed the felling, chipping, stacking and planting cover crop in block F88a, F88b, F88c, F88d, F89b and F88c. An evaluation for replanting done in 2015, will be done by the end of the year.</p> <p>Company shows Memorandum No.01/HP/MEMO/FEB/13 from Head of Plantation dated 15th February 2013. The memo defines strategy for replanting preparation and land clearing technique – in order to mitigate Ganoderma and Phelinus infestation. For area high risk ganoderma: Topaz 45% : Socfindo 45% : Lonsum 5% : Dami 5%. For area low risk ganoderma: Topaz 70% : Socfindo 10% : Lonsum 10% : Dami 10%.</p> <p>KKPA: The planting year is 2000, 2001 and 2003. There has been no planning for replanting.</p> <p>Scheme smallholders: The scheme Manager has developed “Replanting Program” for all KUDs, such as: KUD Mulus Rahayu in 2015 (702 ha), KUD Bhirawa Bhakti in 2016 (984 ha), KUD Bhakti Mandiri in 2017 (980 ha), KUD Jaya Makmur in 2018 (920 ha), KUD Sumber Rejeki in 2018 (820 ha), KUD Sejahtera in 2019 (886 ha), KUD Tani Rukun in 2019 (962 ha), KUD Kebun Sawit Harapan in 2020 (800 ha), KUD Buatan Jaya in 2020 (860 ha), KUD Mitra Usaha in 2021 (1,200 ha), KUD Makarti Jaya in 2021 (800 ha) and KUD Bina Mulia in 2021 (872 ha).</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS		
Criterion 4.1 Operating procedures are appropriately documented, consistently implemented and monitored.		
4.1.1 Standard Operating Procedures (SOPs) for estates and mills shall be documented. - Major compliance -	<p>Estate and KKPA:</p> <p>The company has procedures from land preparation up to despatch CPO PK, i.e:</p> <ol style="list-style-type: none"> 1. SOP AA-APM-OP-1100.01. R1 (Seedling). 2. SOP AA-APM-OP-1100.02. R1 (SOP of Land Preparation). 3. SOP AA-APM-OP-1100.03. R1 (SOP of Roads & Bridges). 4. SOP AA-APM-OP-1100.05. R1 (Soil & Water Conservation) 5. SOP AA-APM-OP-1100.06. R1 (Planting Legium Cover Crops) 6. SOP AA-APM-OP-1100.07-R1, last revision no. 02/HP/MEMO/FEB/13, (Planting). 7. SOP AA-APM-OP-1100.08. R1 (Weeding control) 8. SOP AA-APM-OP-1100.09. R1 (Fertilization) 9. SOP AA-APM-OP-1100.10. R1 (Pests & Disease Control) 10. SOP AA-APM-OP-1100.11. R1 (Pesticide Control) 11. SOP AA-APM-OP-1100.14. R1 (Census) 12. SOP AA-APM-OP-1100.18. R1 (Harvesting) 13. SOP AA-APM-OP-1100.19. R1 (FFB Transport) <p>Mill:</p> <p>Palm Oil Mill has a separate manual which includes SOPs for each processing stations covering 16 sections from receiving of FFB, grading, processing, lab analysis, storage and despatch. The mill revised Policy Manual was dated 26th August 2011. No any revision since 2014 up to now.</p> <p>Scheme smallholders:</p> <p>SOP is documented in "Agricultural Policy Manual", dated 01st March 2013, consist of 4 procedures, such as:</p> <ol style="list-style-type: none"> 1. AA-PLASMA-PP-KS-01 (Pembibitan/Nursery) 2. AA-PLASMA-PP-KS-01 (Pengendalian Hama dan Penyakit/Pest and Disease control) 3. AA-PLASMA-PP-KS-01 (Pemupukan/Fertilizing) 4. AA-PLASMA-PP-KS-01 (Potong buah/panen) 	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.1.2	<p>A mechanism to check consistent implementation of procedures shall be in place.</p> <p>- Minor compliance –</p>	<p>Estate / KKPA: PT Inti Indosawit Subur has a mechanism to conduct internal audit. Standar Operating Procedures – Audit Internal No.SOP AA-SOP-ES-6001-R2 dated 15th August 2014. The procedures include the corrective action and continuous improvement, e.g. Visiting Agronomy report No.KBN/VA/FULL02-14 dated 8-12th December 2014. Action plan and corrective action as response to visit documented.</p> <p>Buatan estate visited by plantation advisor. Estate managers and each managerial level are responsible for daily monitoring of plantation upkeep, production, infrastructure reliability, and other field activities.</p> <p>Mill: VE visit report No.PBD-VE-Full 01 2014, dated 8-10th May 2014. Action plan and corrective action has been taken as response to findings, completed as of 15th May 2014.</p> <p>Scheme Smallholders: KUD Makarti Jaya</p> <ul style="list-style-type: none"> - Scheme Manager conducts monitoring of implementation of SOP monthly by taken sample of KUD. - Monitoring of implementation (Agronomy Visiting) was conducted by Scheme Manager regularly, e.g. VA in December 2014 review FFB quality, pest and disease, fertilizing, etc. - The KUD has taken corrective action for recommendation monitoring result as "Action Plan Head Plasma" dated 3rd December 2015. <p>KUD Mulus Rahayu: The KUD is able to demonstrate a series of review for replanting plan. Notulen Exhibition Topaz material dated 10th March 2015, discussing the oil palm re-planting material, financial planning, social impact and alternative income planning. Replanting consolidation meeting dated 29th April 2015, where agreed in consensus that 296 Ha will be replanted in 2015.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.1.3	<p>Records of monitoring and any actions taken shall be maintained and available, as appropriate.</p> <p>- Minor compliance –</p>	<p>Estate: Buatan estate shows R&D Agronomic report No.KBN/R&D – AGRO/01-15 date of visit 17-20th February 2015. Management shows Action Plan Kunjungan R&D Agronomy, as a summary of action plan taken. Records of “Internal audit Sustainability Integrasi” is available, date of visit 3rd June 2015. Correction and corrective action result has been provided.</p> <p>Mill: VE visit report No.PBD-VE-Full 01 2014, dated 8-10th May 2014. Action plan and corrective action has been taken as response to findings, completed as of 15th May 2014. Internal audit RSPO for Buatan II POM dated 27th May 2015, where 31 findings have been actioned upon up to July 2015.</p> <p>Schedule major Maintenance 2015 sighted. A number of repair and major reparation work has been done. Sample taken; rail beam at sterilizer no.4 replacement planned on March 2015 – completed on 8th February 2015. Liner installation at Cake Bake Conveyor planned on February 2015 – completed on 18th March 2015.</p> <p>Record seen: Mill Operation Summary up to June 2015, indicating the FFB processed, CPO production, extraction rate, processing days, processing hour, throughput, losses, quality, effluent quality, process control, manpower, production cost, etc.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
	<p>Scheme Smallholders: KUD Makarti Jaya Scheme smallholders updated monitoring report as documented in "Monthly Report" such as:</p> <ul style="list-style-type: none"> - Rat census in June 2015, it was noted rat attack is 4.82 % (normal condition 0 – 5 % rat attack). - Leaf eating caterpillar census in June 2015. - Record of fertilizing each plot, e.g. in KUD Makarti Jaya: Fertilizer recommendation for ZA 211,200/cycle (435,200 kg/year) for area 800 ha (SPH 128/ha), R. Phosphate 102,400 kg, MOP 296,000 kg, Dolomithe: 25,000 kg/tahun. - Applied fertilizer ZA up to July 2015 is 224,000 kg, MOP is 156,800 kg and Dolomite is 25,600 kg. <p>KUD Mulus Rahayu is able to demonstrate a series of review for replanting plan. Notulen Exhibition Topaz material dated 10th March 2015, discussing the oil palm replanting material, financial planning, social impact and alternative income planning. Replanting consolidation meeting dated 29th April 2015, where agreed in concensus that 296 Ha will be replanted in 2015.</p>	

Criterion / Indicator		Assessment Findings	Compliance
4.1.4	<p>The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).</p> <p>- Major compliance -</p>	<p>Estate, KKPA and Scheme Smallholders: Not Applicable (N/A)</p> <p>Mill: FFB incoming from third parties is recorded daily basis and incorporated into the Monthly Report. PT IIS – Buatan II POM has only one third party supplier, CV Karya Bersama – Djon Rinaldi. Detail: CV Karya Bersama - Djon Rinaldi, address in Jalan Sunggal Lingk XI, RT019/RW013, Kecamatan Medan Sunggal - Medan. In June 2015, CV Karya Bersama/Djon Rinaldi supplied 8,054 tons FFB.</p> <p>Document seen: Pernyataan dan Jaminan, stated the guarantee from the supplier that the FFB is coming from own area, the plantation is not falls under protected forest, plantation forest, production forest, conservation area status; not a stolen FFB; FFB not coming from new plantation, converted from forest after September 2014; FFB not coming from new plantation, converted from peat area after September 2014 – signed on 24th December 2014.</p> <p>Contract as per “Surat Perjanjian Jual Beli Tandan Buah Segar Kelapa Sawit No.001/SPJB/IIS/CV.KB Buatan/I/2015 dated 3rd January 2015. Total FFB received from third party from January – June 2015 is 53,203 tons.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
Criterion 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.		
4.2.1 There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance –	Estate and KKPA: PT Inti Indosawit Subur has procedures to maintain soil fertility in general. The procedures comprise of fertilizer application and cover crop planting. PT IIS follows these procedures; leaf samplings are taken annually to accurately capture palm nutrient requirement (both macro and micro nutrient) and serve as source for fertilizer recommendation – fertilizer application (anorganic, compost, POME application, empty fruit bunch) follows fertilizer recommendation. Another effort is to plant legume cover crop. Soil analysis is conducted once every 7 years. Fertilizer recommendation 2015 approved by Head R&D Laboratorium ASIAN AGRI Group on December 2014. Scheme smallholders: The cooperatives are following PT Inti Indosawit Subur’s procedures to maintain soil fertility. The procedures comprise of fertilizer application and cover crop planting. Cooperatives follow these procedures; leaf samplings are taken annually to accurately capture palm nutrient requirement (both macro and micro nutrient) and to provide information of nutrient requirement and fertilizer recommendation. Anorganic fertilizer application follows fertilizer recommendation. Another effort is to plant legume cover crop. Document seen: Panduan Pelaksanaan Pemupukan AA-PLASMA-PP-KS-03 comprise of planning for fertilizer type, dosage per application, application technique, application schedule,	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.2.2	<p>Records of fertiliser inputs shall be maintained.</p> <p>- Minor compliance –</p>	<p>Estate: Fertilizer recommendation and actual implementation is recorded under "Rekomendasi Pemupukan (Revisi) PT Inti Indosawit Subur – Buatan tahun 2015". The fertilizer recommendation defines the fertilizer recommendation per afdeling, type of fertilizer, dosage per palm, total tonnage, and month of application.</p> <p>Sample taken:</p> <p>Block F88e, division VI, planting year 1988, 65 Ha, mineral soil, rolling/hilly area. Recommendation ZA 2.5kg/palm; total applied 20,879 kg in January 2015. Recommendation to apply Rock Phosphate 1 kg/palm, total applied 8,351 kg on June 2015. Recommendation to apply MOP 1.75 kg/palm; total applied 14,615 kg in January 2015. Recommendation to apply HGFB 0.075kg kg/palm; total applied 626 kg in April 2015.</p> <p>Block D90a, division IV, planting year 1990, 27 Ha, mineral soil, rolling/hilly area. No fertilizer recommendation since will be replanted in 2016. POME is applied as liquid nutrient for land application. Peta Land Aplikasi – Buatan II POM, POME application in March 2015 with 12,887 m3 POME in 92 Ha. POME application in April 2015 with 18,832 m3 POME in 132 Ha. POME application in May 2015 with 20,513 m3 POME in 139 Ha.</p> <p>KKPA:</p> <p>Block G01j division VII, planting year 2001, 36 Ha, peat soil, flat area. Recommendation ZA 1kg/palm; total applied 5,079 kg in January 2015. Recommendation to apply Rock Phosphate 0.5 kg/palm, total applied 2,540 kg on June 2015. Recommendation to apply boiler ash 2.5 kg/palm; total applied 10,310 kg in January 2015. Recommendation to apply HGFB 0.075kg/palm; total applied 309 kg in April 2015. Recommendation to apply CuEDTA 0.04 kg/palm; total applied 165 kg in April 2015.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
	<p>Block H03c division VII, planting year 2003, 32 Ha, peat soil, flat area. Recommendation ZA 1.5 kg/palm; total applied 7,200 kg in January 2015. Recommendation to apply Rock Phosphate 0.5 kg/palm, total applied 2,400 kg on June 2015. Recommendation to apply boiler ash 2.5 kg/palm; total applied 6,000 kg in July 2015 (planned supposed to February 2015). Recommendation to apply CUEDTA 0.04 kg/palm; total applied 192 kg in May 2015.</p> <p>Scheme Smallholders: Smallholder cooperative maintained record of fertilizer application in their smallholder members. Review record of "Laporan Realisasi Pemupukan Per kapling Tahun 2015" showed fertilizer applied insmallholder plots consist of ZA, MOP, RP, Dolomit, and HGBF. The dosage for each fertilizer was determined through leaf sampling analysis conducted by Neculeus estate.</p>	

Criterion / Indicator	Assessment Findings	Compliance																								
<p>4.2.3</p> <p>There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.</p> <p>- Minor compliance –</p>	<p>Estate:</p> <p>The company is able to demonstrate Foliar Analysis Report from PT Nusa Pusaka Kencana Analytical & QC Laboratory. The latest foliar analysis carried out May 2015, as base for fertilizer recommendation 2016.</p> <p>Document seen:</p> <p>Foliar Analysis Report No.045/INT/R&D/MEI/L/15 dated 27th May 2015, sampled from block A90c, A91e – Division I;</p> <p>Soil Analysis carried out in December 2008. Reported under “Laporan Survey Tanah Semidetil Area Perkebunan Kelapa Sawit PT Inti Indosawit Subur Kebun Buatan”. Based on the report, the physiographic location in plain with felsic sedimentary rock. Lithology parent material is clay and sand. Topographic of the area is rolling to hilly. Natural fertility is low to medium.</p> <p>The dominant soil type based on soil taxonomy USDA 2006 is:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Type</th> <th style="text-align: center;">Area</th> <th style="text-align: center;">Percentage</th> </tr> </thead> <tbody> <tr> <td>Typic dystrodepts</td> <td style="text-align: center;">4,040 Ha</td> <td style="text-align: center;">71.6%</td> </tr> <tr> <td>Typic kandiuults</td> <td style="text-align: center;">621 Ha</td> <td style="text-align: center;">11.1%</td> </tr> <tr> <td>Typic endoaquepts</td> <td style="text-align: center;">430 Ha</td> <td style="text-align: center;">7.6%</td> </tr> <tr> <td>Typic endoaquults</td> <td style="text-align: center;">290 Ha</td> <td style="text-align: center;">5.2%</td> </tr> <tr> <td>Typic endoaquents</td> <td style="text-align: center;">140 Ha</td> <td style="text-align: center;">2.5%</td> </tr> <tr> <td>Typic haplosaprist</td> <td style="text-align: center;">85 Ha</td> <td style="text-align: center;">1.5%</td> </tr> <tr> <td>Typic udipsaments</td> <td style="text-align: center;">25 Ha</td> <td style="text-align: center;">0.5%</td> </tr> </tbody> </table> <p>KKPA:</p> <p>Company is able to demonstrate Foliar Analysis Report from PT Nusa Pusaka Kencana Analytical & QC Laboratory. The latest foliar analysis carried out June 2015, as base for fertilizer recommendation 2016. Leaf and rachis sample taken from 20 blocks.</p> <p>Soil sample taken on 17th February 2012. The soil sample taken from block H03n and G03c. The depth of peat is > 120 cm, water depth 70cm.</p>	Type	Area	Percentage	Typic dystrodepts	4,040 Ha	71.6%	Typic kandiuults	621 Ha	11.1%	Typic endoaquepts	430 Ha	7.6%	Typic endoaquults	290 Ha	5.2%	Typic endoaquents	140 Ha	2.5%	Typic haplosaprist	85 Ha	1.5%	Typic udipsaments	25 Ha	0.5%	<p>Yes</p>
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Criterion / Indicator		Assessment Findings	Compliance
		<p>Scheme Smallholders: The latest periodic tissue sampling carried out back in May 2013. Cooperatives management are able to demonstrate map of soil type and slope classification, scale 1:50,000. The area under KUD Mulus Rahayu falls under Typic dystrochrepts with slope >30%.</p>	
4.2.4	<p>A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting.</p> <p>- Minor compliance –</p>	<p>Estate and KKPA: The company applied EFB to increase the soil fertility, e.g. Block B89a, division II, planting year 1989, 22 Ha, mineral soil, flat/undulating area. Recommendation for EFB 370kg/palm; total application 1,082,026 kg for January – July 2015. The company also applied POME in Land Application (LA).</p> <p>Scheme Smallholders: KUD Mulus Rahayu and KUD Makarti Jaya: No applied EFB and Land Application due to distance from mill reason</p>	Yes
<p>Criterion 4.3 Practices minimise and control erosion and degradation of soils.</p>			

Criterion / Indicator		Assessment Findings	Compliance																																										
4.3.1	<p>Maps of any fragile soils shall be available.</p> <p>- Major compliance -</p>	<p>Estate: Soil Analysis carried out in December 2008. Reported under "Laporan Survey Tanah Semidetil Area Perkebunan Kelapa Sawit PT Inti Indosawit Subur Kebun Buatan". Based on the report, the physiographic location in plain with felsic sedimentary rock. Lithology parent material is clay and sand. Topographic of the area is rolling to hilly. Natural fertility is low to medium. The document complemented with map of soil type, scale 1:20,000. The soil map indicating the soil type, slope class.</p> <p>The dominant soil type based on soil taxonomy USDA 2006 is:</p> <table border="1"> <thead> <tr> <th>Type</th> <th>Area</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Typic dystrodepts</td> <td>4,040 Ha</td> <td>71.6%</td> </tr> <tr> <td>Typic kandiuults</td> <td>621 Ha</td> <td>11.1%</td> </tr> <tr> <td>Typic endoaquepts</td> <td>430 Ha</td> <td>7.6%</td> </tr> <tr> <td>Typic endoaquults</td> <td>290 Ha</td> <td>5.2%</td> </tr> <tr> <td>Typic endoaquents</td> <td>140 Ha</td> <td>2.5%</td> </tr> <tr> <td>Typic haplosaprist</td> <td>85 Ha</td> <td>1.5%</td> </tr> <tr> <td>Typic udipsaments</td> <td>25 Ha</td> <td>0.5%</td> </tr> </tbody> </table> <p>Soil suitability: S2 2,656 Ha (47.2%) with limiting factor of low natural fertility; S3 2,050 Ha (36.4%) with limiting factor of topographic condition; N1 (not suitable) 925 Ha (16.4%) with limiting factor of slope more than 30% and sandy soil with rapid drainage.</p> <table border="1"> <thead> <tr> <th>Slope class</th> <th>Hectarage</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>0-8%</td> <td>2,165 Ha</td> <td>38.5%</td> </tr> <tr> <td>8-15%</td> <td>1,388 Ha</td> <td>24.6%</td> </tr> <tr> <td>15-30%</td> <td>1,188 Ha</td> <td>21.1%</td> </tr> <tr> <td>>30%</td> <td>890 Ha</td> <td>15.8%</td> </tr> <tr> <td></td> <td>5,631 Ha</td> <td>100%</td> </tr> </tbody> </table>	Type	Area	Percentage	Typic dystrodepts	4,040 Ha	71.6%	Typic kandiuults	621 Ha	11.1%	Typic endoaquepts	430 Ha	7.6%	Typic endoaquults	290 Ha	5.2%	Typic endoaquents	140 Ha	2.5%	Typic haplosaprist	85 Ha	1.5%	Typic udipsaments	25 Ha	0.5%	Slope class	Hectarage	Percentage	0-8%	2,165 Ha	38.5%	8-15%	1,388 Ha	24.6%	15-30%	1,188 Ha	21.1%	>30%	890 Ha	15.8%		5,631 Ha	100%	Yes
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Criterion / Indicator	Assessment Findings	Compliance																											
	<p>KKPA: Management has a soil map, indicating the soil type, slope and land suitability. Based on soil map, the area (1,500 Ha) consist of Typic haplohemists, with with level of maturity medium, peat soil depth > 3 meters, area flat, natural fertility low, poor drainage. The slope is flat 0-8%. Based on soil map, the whole KKPA land suitability is considered as N1 due to poor natural fertility and drainage.</p> <p>Scheme smallholders: Scheme smallholder: PT Inti Indosawit Subur – Buatan prepared map of soil type and slope class:</p> <table border="1" data-bbox="909 647 1603 919"> <thead> <tr> <th colspan="3">Soil Type</th> </tr> <tr> <th>Type</th> <th>Ha</th> <th>Percentage against hectarage</th> </tr> </thead> <tbody> <tr> <td>Typic dystrodepts</td> <td>6,369</td> <td>58.15%</td> </tr> <tr> <td>Typic endoaquents</td> <td>554</td> <td>5.00%</td> </tr> <tr> <td>Typic endoaquepts</td> <td>739</td> <td>6.70%</td> </tr> <tr> <td>Typic endoaquults</td> <td>24</td> <td>0.20%</td> </tr> <tr> <td>Typic haplosaprist</td> <td>167</td> <td>1.50%</td> </tr> <tr> <td>Typic haplohemist</td> <td>733</td> <td>6.70%</td> </tr> <tr> <td>Typic kandiuults</td> <td>2,370</td> <td>21.63%</td> </tr> </tbody> </table> <p>KUD Mulus Rahayu: Cooperatives management are able to demonstrate map of soil type and slope classification, scale 1:50,000. The area under KUD Mulus Rahayu falls under Typic dystrodepts with slope >30%.</p> <p>KUD Makarti Jaya: Based on "Peta Seri Tanah" it was found there are 2 type of soil in KUD Makarti Jaya, such as: Typic Dyatrudepta with slope 8 – 15 %, good drainase, class S2. Typic Haplohist, with slope 0 – 8 %, poor drainase: class N1 (limited factor is drainase and peat deep more than 3 metres.</p>	Soil Type			Type	Ha	Percentage against hectarage	Typic dystrodepts	6,369	58.15%	Typic endoaquents	554	5.00%	Typic endoaquepts	739	6.70%	Typic endoaquults	24	0.20%	Typic haplosaprist	167	1.50%	Typic haplohemist	733	6.70%	Typic kandiuults	2,370	21.63%	
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Criterion / Indicator	Assessment Findings	Compliance
<p>4.3.2</p> <p>A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific).</p> <p>- Minor compliance –</p>	<p>Estate: The recommendation from soil survey is to have fertilizer application, on time, with correct dosage, with correct type; terrace and silt pit as soil conservation; application of EFB and; drain maintenance.</p> <p>Continuous Improvement Plan Kebun Buatan is to have continous terrace, road drainage, drain maintenance. Planning for continuous terrace maintenance for Division IV 5,197 meters – implemented up to June 2015 were 3,022 meters. Division V planned 6,005 meters – implemented up to June 2015 were 3,794 meters. Division VI planned 7,017 meters – implemented up to June 2015 3,229 meters.</p> <p>Drain maintenance Culvert installation plan Division IV-VI: 91 units box culvert – installed as of June 2015 was 36 units; 7 units in Division IV (covering 139 meters), 21 units in Division V (covering 172 meters), 18 units in Division VI (covering 194 meters);</p> <p>Planning for box culvert installation 2 units in block D89b, D91b, D91c, D91e Division IV; installed 1 units. Planning for box culvert installation 2 units in block D89b, D91b, D91c, D91e Division IV; installed 1 units.</p> <p>KKPA: Based on soil map and soil survey report, the area (1,500 Ha) is flat area 0-8%.</p> <p>Scheme smallholders: KUD Mulus Rahayu The KUD is able to demonstrate map of soil type and slope classification, scale 1:50,000. The area under KUD Mulus Rahayu falls under Typic dystrodepts with slope >30%. Cooperative follows PT Inti Indosawit Subur’s procedure for land clearing stated that no land clearing should performed on area with slope >40%. The current strategy implemented by cooperatives is frond stacking and maintain natural vegetation as cover crop.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>KUD Mulus Rahayu: "Pelatihan Konservasi Tanah dan Air" dated 11th May 2015 attended 26 farmer members. The training for water and soil conservation intended for replanting program. The training programme covers land clearing regime, cover crop planting, soil conservation in term of platform, terrace, continuous terrace, silt pit, etc., water conservation in form of drainage, weir, etc. – relevant with the cooperative area with slope >30%.</p> <p>KUD Makarti Jaya: Scheme Manager has established procedure for peat land management as documented in "SOP AA-APM-OP-1100.17.RO". The procedures covering lowland water management, non agronomies barrier, technology input, water management, water gate, water level monitoring and road access.</p>	

Criterion / Indicator		Assessment Findings	Compliance
4.3.3	<p>A road maintenance programme shall be in place.</p> <p>- Minor compliance –</p>	<p>Estate: Buat an estate shows the road maintenance plan: Mechanical road maintenance (grading) Division IV-VI: 165,065 meters – actual as of June 2015 91,900 meters. Road compaction (aggregate and compactor) Division IV-VI: 6,095 m3 with 20,114 meters – actual implemented as of June 2015: 3,685 m3 with 11,055 meters.</p> <p>KKPA: Road maintenance planning available under “Rencana dan realisasi jalan manual”. At block G01j 36 Ha length of main road 324 meters, collection road 1,016 meters. The plan is to maintain 1,340 meters at each month; at April 2015 1,300 meters repaired, at May 2015 800 meters, at June 2015 1,000 meters repaired. At block H03r, the plan is to maintain 1,000 meters road at May 2015, implemented on the same month.</p> <p>Scheme smallholders: KUD Mulus Rahayu: Road maintenance programme is available in form of planning for levy deducted from each kg FFB sold from KUD. The deduction for road maintenance carried out by KUD. Deduction made from each KT/farmer subgroup. Based on field visit, the road is in relatively good condition.</p> <p>KUD Makarti Jaya: Road maintenance program and progress was made in recorded in “Rencana dan realisasi Perbaikan Jalan manual 2015.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.3.4	<p>Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.</p> <p>- Major compliance –</p>	<p>Estate: Based on semi-detailed soil survey, there is 85 ha of typic haplosaprist soil type in Buatan estate. The soil is shallow organic soil (52 cm) with mature, with high pH; lower layer is mineral soil. Management implemented drainage to control water.</p> <p>KKPA and Scheme Smallholders:</p> <p>Water table in peat land is not maintained at average of 60 cm (between 50-70 cm) below ground surface as measured in water collection drains. Further, monitoring on subsidence of peat soils was not conducted regularly as per procedure.</p> <p>KKPA: Field inspection to Block number H03e, H03f, G03c, G01j of KKPA scheme smallholder areas found water table measurement was below to 80-90 cm of ground surface. This is not complied with company procedure for Water Management AA-APM.OP-1100.17-R1 latest revision date on 16/12/2014 and RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat, June 2012. Company procedure and RSPO manual required to maintain water table as of 50-70 cm below ground surface. Company has record of water level monitoring "Data Pemeriksaan water level" in KKPA scheme smallholder areas conducted every week. Record showed water level monitored between June 2015 and July 2015 was averagely below 70 cm from ground surface. Company management explained the cause of lowest water level due to dry season has started since few months back.</p> <p>KUD Makarti Jaya: In addition, auditor visited to Plasma scheme smallholder plot number 4756/KT215 found water table measurement of peat land in collection drains was below 100 cm from ground surface.</p> <p>Furthermore, monitoring on subsidence of peat soils using subsidence poles was not conducted regularly (every 6 month) according to company procedure. Record of Soil Subsidence in KKPA Scheme smallholder area showed latest monitoring of peat soil subsidence was on June 2014, there is no record for second semester 2014 and first semester 2015. There is also no evidence on monitoring of peat soil subsidence in Plasma scheme smallholder (KUD Makarti Jaya) areas has been conducted.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
	<p>Auditor concluded that water management in the peat land was not effectively implemented to maintain water table at average of 60 cm (between 50-70 cm) below ground surface as measured in water collection drains, and monitoring on peat soil subsidence according to company procedure. (Major NC was raised)</p> <p>KUD Mulus Rahayu: no any peat land Scheme Smallholder:</p> <p>Corrective Action was taken:</p> <p>KKPA: The company has replaced water table monitoring pole where indicated water table 50 – 70 cm with green colour refer to the company procedure for Water Management AA-APM.OP-1100.17-R1 latest revision date on 16/12/2014 and RSPO Manual on Best Management Practices (BMPs). Based on filed visit was found that water table pole is marked 0 – 50 cm (yellow colour), 50 – 70 cm (Green colour) and more than 70 cm (red colour)</p> <p>The company has maintained collection drain and replaced drain block appropriately, to maintain water level to 50 – 70 cm, the company has taken action to build inlet drain to flow water in KKPA's area in north area and build outlet drain in south area to restrain water based on identification of water flow (water flow map is available)</p> <p>The company has conducted monitoring of water table as documented in ""Format Rekap Monitoring Level Air"" weekly (Week I, II, III and IV) in August 2015. Monitoring data seen that water level in all areas of KKPA increasing significantly since the company maintain collection drain block and build inlet – outlet drain. During filed visit, it was found that water level in Block G03d (65 cm), G03e (68 cm), H03n (68 cm), H03f (68 cm).</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>The company has 2 existing monitoring subsidence pole (block H03e and H03m) and installed 4 new monitoring subsidence pole in block H03j, G03h, G00a, and G03d. Monitoring of peat subsidence is documented in "Format rekap Pengukuran Level Subsiden Lahan". The last monitoring in existing monitoring subsidence pole was conducted on 10 August 2015 in Block H03e is 5cm and Block H03m is 3 cm. The next monitoring will be conducted in December 2015 in existing and new monitoring peat subsidence pole.</p> <p>Scheme Smallholder (KUD Makarti Jaya) The Scheme Manager and Scheme Smallholders has identified peat land area and water flow, based on identification, the scheme smallholders has taken action to maintain drain block and planned 4 new drain block and water level in plot no. 195 (2 units), 196 (1unit) and 218 (1 unit). 2 existing water table in plot no. 196 and 215.</p> <p>The number of existing and planed water table only 6 units due to peat areas in KUD Makarti Jaya only 240 ha instead 800 ha total areas in KUD Makarti Jaya.</p> <p>Based on field visit, it was found that water level increasingly (before 110 cm become 97 and 72 cm) , even though is not reaching 50 – 70 cm, the scheme smallholders has effort to maintain water level in 50 – 70 cm with maintained collection drain block and monitoring water level regularly.</p> <p>Scheme smallholders also has installed 4 peat subsidence pole in plot no. 192, 195, 196 and 215 and monitoring was started in 2015.</p> <p>This major NC was closed out on 01 September 2015</p>	

Criterion / Indicator		Assessment Findings	Compliance
4.3.5	<p>Drainability assessments shall be required prior to replanting on peat to determine the longterm viability of the necessary drainage for oil palm growing.</p> <p>- Minor compliance –</p>	<p>Estate: Based on semi-detailed soil survey, there is 85 ha of typic haplosaprist soil type in Buatan estate. The soil is shallow organic soil (52 cm) with mature, with high pH; lower layer is mineral soil.</p> <p>KKPA and Scheme Smallholders: The Scheme Manager has identified peat land in KKPA areas and drainage has been installed prior planting KKPA and Scheme smallholders in peat areas.</p>	Yes
4.3.6	<p>A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).</p> <p>- Minor compliance –</p>	<p>Estate and KKPA: Recommendation for area with steep slope (>30%) is not to open.</p> <p>Scheme smallholders: Farmer implemented minimum spraying (using spraying team service), frond stacking against contour line and maintain natural vegetation and beneficial plants. This best management practices implemented at a number of farmer plot of KUD Jaya Makmur and KUD Sumebr Rejeki, where slope identified >25%.</p>	Yes
<p>Criterion 4.4 Practices maintain the quality and availability of surface and ground water.</p>			

Criterion / Indicator		Assessment Findings	Compliance
4.4.1	<p>An implemented water management plan shall be in place.</p> <p>- Minor compliance –</p>	<p>Estate, KKPA and Mill:</p> <ul style="list-style-type: none"> - The company has a water management plan as documented in “Water management Kebun Buatan – Praktek Praktek Mempertahankan Kualitas dan ketersediaan Air permukaan dan Air Tanah – Water Sustainable”. - Water Management Plan, covering: management water supply for domestic, water consumption and measurement of water quality. On hold – waiting identification of source, renewability of resource, plan for domestic water use, plan to prevent contamination. - The company has conducted measurement of water quality regularly and consistent, the result shown that water quality is complies with national regulation, e.g. water test for employees supply was conducted by “Unit Pelaksana Teknis Pengujian Material – Dinas Bina Marga Provinsi Riau”, report no. 204/MT.1/11.05.52.104, dated 19 November 2014 in “Sumur Perumahan” (Housing well) with result comply with National Regulation as regulated in “Permenkes no. 416/MENKES/Per/IX/1990. - Providing potable water for domestic consumption. - No any chemical applied nearby water sources and protected riparian zones. - No applied pesticides along the river and planted forest trees along the river. - Laboratory is responsible for record of water extraction from water reservoir to water treatment plant; daily water intake is sighted. License: Buatan II POM is holding a valid surface water permit; as per Keputusan Kepala Dinas Pertambangan dan Energi Kabupaten Pelalawan No.KPTS540/DPE/GEO-MIGAS/2014/180 tentang Izin Perpanjangan Pengambilan Air yang Bersumber dari Air Permukaan a/n PT Inti Indosawit Subur” dated April 2014 – valid for 2 years. Capacity 22.22 liters/second – length of pumping 24 hour/day. Payment for water extraction retribution through SSPD period January – March 2015, paid on 27th May 2015; <p>Scheme smallholders:</p> <p>KUD Mulus Rahayu: No waterbody at KUD Mulus Rahayu area. The soil and water conservation in form of maintain soft weed by selective spraying (team TUS). The soft weed for natural cover crop – in order to maintain micro-climate and minimize surface run-off. The other effort is to implement/maintain the drainage at lower area.</p> <p>KUD Makarti Jaya: Water Management Plan for scheme smallholdere is referring to the PT. IIS procedures.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.4.2	<p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated.</p> <p>- Major compliance -</p>	<p>Estate: The water used for domestic purposes comes from the surface water then pumped into the tank and supplied to the employee residences. To maintain the water source, the company have been planted the native trees around along rivers.</p> <p>The company has demarcated 50 metres (left and rights side) along the small river) and 100 metres for large river as riparian zones and no any spraying in those areas to prevent chemical contamination into the river.</p> <p>SOP for maintaining riparian zone is under SOP AA-APM-OP-1100.05. R1 "Konservasi Tanah dan Air", it is stated that at during land clearing area along the river shall be conserved.</p> <p>KKPA: Drainage maintenance at January 2015: 800 meters at G01b, 1250 meters at G01c, 500 meters at G01d.</p> <p>Scheme smallholders: No waterbody at KUD Mulus Rahayu area. The soil and water conservation in form of maintain soft weed by selective spraying (team TUS). The soft weed for natural cover crop – in order to maintain micro-climate and minimize surface run-off.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance																												
4.4.3	<p>Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6).</p> <p>- Minor compliance –</p>	<p>Mill: Buatan II Mill has an effluent treatment through treated ponds system. There were 8 ponds consist of Colling Pond, Primary Anaerobic pond, Secondary Anaerobic pond, Acidification pond, and buffering pond.</p> <p>There was regular monitoring for discharge effluent conducted every month and collaboration with Dinas Bina Marga Laboratory of Pekan Baru. The result showed it was within allowable limits for land application (i.e 5,000 mg/l). For instance: January 2015 was 574.4 mg/L, February 2015 was 642.6 mg/L, March 2015 was 573.8 mg/L, April 2015 was 1,384.1 mg/l; May 2015 was 1,509.9 mg/l; and June 2015 was 1,222.9 mg/l.</p> <p>Buatan II Mill holds a licence to discharge waste water into land application according to Head of Pelalawan District Letter number permit number: KPTS.660/BLH/781/2014, dated 10 September 2014. Total area applied for effluent is 1,137 Ha covering Block number A91C, A91D, D90B, D91C, A90C, A91E, A91F, D91D, D91E, D91F, A91B, E91D.</p> <p>Estate, KKPA and Scheme Smallholders: Not Applicable</p>	Yes																												
4.4.4	<p>Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored.</p> <p>- Minor compliance –</p>	<p>Mill: Buatan II Mill has monthly record of water usage per tonne FFB for mill process and domestic consumption. Record observed was Mill Operation Summary 2015 – Raw Water Treatment Usage as followed:</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th></th> <th>Jan</th> <th>Feb</th> <th>Mar</th> <th>Apr</th> <th>May</th> <th>Jun</th> </tr> </thead> <tbody> <tr> <td>Process</td> <td>1.11</td> <td>1.06</td> <td>1.03</td> <td>0.93</td> <td>0.92</td> <td>0.95</td> </tr> <tr> <td>Domestic</td> <td>0.72</td> <td>0.60</td> <td>0.48</td> <td>0.46</td> <td>0.47</td> <td>0.45</td> </tr> <tr> <td>Total consumption</td> <td>1.83</td> <td>1.66</td> <td>1.51</td> <td>1.38</td> <td>1.40</td> <td>1.41</td> </tr> </tbody> </table> <p>Estate, KKPA and Scheme Smallholders: Not Applicable (N/A)</p>		Jan	Feb	Mar	Apr	May	Jun	Process	1.11	1.06	1.03	0.93	0.92	0.95	Domestic	0.72	0.60	0.48	0.46	0.47	0.45	Total consumption	1.83	1.66	1.51	1.38	1.40	1.41	Yes
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<p>Criterion 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>																															

Criterion / Indicator		Assessment Findings	Compliance
4.5.1	<p>Implementation of Integrated Pest Management (IPM) plans shall be monitored.</p> <p>- Major compliance -</p>	<p>Estate: Company refers to procedure for integrated pest management. The IPM Plan includes early warning system (regular monitoring of pest and disease) and the planting of beneficial plants. Records of bagworm census and black bunch census from each estate are available. From these records no infestation above economic threshold.</p> <p>Laporan Hama dan Penyakit 2015 is available. Census carried out for nettle caterpillar and bagworm: No sign of infestation above threshold. Pest census for bagworm and nettle caterpillar on Division IV: Block D88b dated 19th June 2015, block D90b on 25th June 2015. Pest census for bagworm and nettle caterpillar on Division VI: Block F91a dated 24th June 2015.</p> <p>Rat attack census on Division IV: D88b and D90b dated 19th June – 30th July 2015, 17% new attack and 29% old attack. Rat attack census on Division V: E90b dated 23-30th October 2014, 16% new attack and 29% old attack.</p> <p>Rencana Pengendalian Serangan Hama Ulat Pemakan Daun Buatan Estate: shows no planning for control of leaf eating caterpillar with chemical use. Data kandang burung hantu kebun buatan – July 2015. Block IV 56 boxes. Barn owl boxes sighted and occupied in Block F988e.</p> <p>KKPA: "Monitoring aplikasi rayap" July 2015 at G01j, palm attacked 6 palms, chemical applied 207 ml (Regent). "Perhitungan Serangan Tikus dan Tirathaba" July 2015 at block G01j rat attacked 3 palms, tirathaba attacked 5 palms. Barn owl census at block H03e and H03f – occupied. Nettle caterpillar and bag worm census dated 21st July 2015, no attack.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>Scheme smallholders: KUD Mulus Rahayu: Cooperative management refers to Procedure Pengendalian Hama dan Penyakit AA-Plasma-PP-KS-02 dated 1st September 2011. The procedure covers pest and disease census, monitoring technique, calculation method, identification of pest (leaf eating caterpillar, rat, rhino beetle, tirathaba, white ant, etc.). Records of pest monitoring/census are available to monitor the pest attack of nettle caterpillar and Formulir Sensus Hama Daun 1-8th July 2015, all KT inspected where result shows no pest infestation above economic threshold.</p> <p>Farmer groups installed barn owl boxes, to control the rat infestation. These barn owl boxes found on KT03 and KT 91 under KUD Mulus Rahayu. "Formulir Sensus Hama dan Penyakit" period July 2015, identifies Ganoderma at all KT. Procedure for pest and disease stated the root sanitation no longer than 3 months after ganoderma census.</p> <p>Scheme smallholder management should monitor closely the handling of Ganoderma, as identified in the "Formulir Sensus Hama dan Penyakit" – June 2015, to ensure the palm sanitation not more than 3 months after census; as per procedure for pest and disease AA-APM-OP-1100.10-R2. (Observation was raised)</p>	
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance –	<p>Estate and KKPA: Refreshment training on IPM dated 29th April 2015 for 28 officers in Buatan estate, Buatan plasma, etc.</p> <p>Refreshment training on IPM dated 7th March 2014, attended by 38 officers from Buatan estate, Buatan plasma, etc.</p> <p>Scheme smallholders: KUD Mulus Rahayu: The latest IPM training recorded on 15th December 2014, attended by 19 members, representative from each KT.</p>	Yes
<p>Criterion 4.6 Pesticides are used in ways that do not endanger health or the environment.</p>			

Criterion / Indicator	Assessment Findings	Compliance
<p>4.6.1</p> <p>Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available.</p> <p>- Major compliance -</p>	<p>Estate and KKPA:</p> <p>The justification of pesticide used is explained under company procedure. PT Inti Indosawit Subur shows "SOP Pengendalian Gulma No.AA-APM-OP-11100.08-R1" dated 1st November 2008. Chapter IV explains the weed control program for woody, grass, fern, caladium, wild banana (<i>Musa spp</i>), <i>Aystasia</i>. It does explain active ingredients use to control such weed, dosage per application, type of nozzle used and volume of spraying per application.</p> <p>Chapter V explains selection of pesticide and its active ingredients content, nature of the pesticide and target species. Chapter VII describes calculation of actual area implemented per hectare plantation (spray factor), spraying rotation and spraying output.</p> <p>Interview with herbicide sprayer, they understand the target species and active ingredients to control them. Sprayer shows knowledge on minimizing chemical impact on beneficial weed.</p> <p>Scheme Smallholders:</p> <p>The Scheme Manager deloped guidance and list of agrochemical use for smallholders. This has considered the condition of area and targeted species. Review of record showed that there are some pesticed used for cooperatives such as Paraquat diclorida, Methyl metsulfuron, Trichropil, and Glyphosate. This recorded in "Daftar Jenis Dan Volume Pestisida yang Disalurkan Kepada Petani Tahun 2015".</p> <p>KUD Makarti Jaya and KUD Mulus Rahayu:</p> <ul style="list-style-type: none"> - List pestisida "Daftar Pestisida yang terdaftar dan diizinkan: - Bionasa 480 SL, ai: Isoprofil amina glifosat, 29 April 2018 (RI. 01030120031806 - Elang 480 SL, ai: Isoprofil amina glifosat, 9 January 2017 (RI. 010301199411470) - Solusi 865 SL, ai: 2-4 dimetil amina; 29 April 2018 (RI. 01030120031931) - Kenlon 480 EC, ai: triklopir butoksil etil ester; 23 Juni 2016 (RI. 01030120062433 - Kenrane 288; ai: trifluroksipir; 06 September 2015 (RI. 01010120103759 - Metsulindo; ai: Metil metsulfuron, 18 Maret 2016 (RI. 1030119991484) 	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance																																																						
<p>4.6.2 Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -</p>	<p>Estate and KKPA: Company does not use pesticide. Company maintain record of herbicide use:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Chemical</th> <th>Active ingredient</th> <th>Application up to May 2015 (liter/kg)</th> <th>A.i. used</th> <th>a.i per Ha applied (5,621 Ha)</th> <th>a.i. per production (49,758 tons)</th> </tr> </thead> <tbody> <tr> <td>Metsulindo</td> <td>Metil metsulfuron 20%</td> <td>302 kg</td> <td>60,400 g ram</td> <td>10,75 gram/Ha</td> <td>1.21 gram/ton</td> </tr> <tr> <td>Gramoxone</td> <td>Ion paraquat</td> <td>989 liters</td> <td>197,800 gram</td> <td>35.18 gram/Ha</td> <td>3.975 gram/ton</td> </tr> <tr> <td>Bionasa 480 AS</td> <td>Isopropyl amina glifosat</td> <td>2,680 liters</td> <td>1,286.4 gram</td> <td>0.22 gram/Ha</td> <td>0.025 gram/ton</td> </tr> <tr> <td>Kenrane 288 EC</td> <td>Fluoroksipir 288gr/liter</td> <td>38 liters</td> <td>10.9 gram</td> <td>0.0019 gram/Ha</td> <td>0.00022 gram/ton</td> </tr> <tr> <td>2,4 Dimetil Amina</td> <td>2,4 Dimetil Amina</td> <td>155 liters</td> <td>134 gram</td> <td>0.023 gram/Ha</td> <td>0.0026 gram/ton</td> </tr> <tr> <td>Regent</td> <td>Fipronil 50gr/liter</td> <td>30 liters</td> <td>1,500 gram</td> <td>0.26 gram/Ha</td> <td>0.03 gram/ton</td> </tr> </tbody> </table> <p>Scheme smallholders: Scheme manager and its cooperatives maintained record of pesticide use for each KUD. Review Record of "Program & Realisasi kerja Tahun 2014" showed actual pesticed use for each KT and volume for eac of type of pesticide.</p> <p>KUD Mulus Rahayu:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Active Ingredients</th> <th>2015 budget (litres)</th> <th>April 2015 actual (litres)</th> <th>a.i used</th> <th>Hectare of application</th> <th>a.i/Ha application</th> </tr> </thead> <tbody> <tr> <td>Glyphosate</td> <td>491</td> <td>240.38</td> <td>86 gram</td> <td>702 Ha</td> <td>125 gram/Ha</td> </tr> </tbody> </table> <p>KUD Makarti Jaya: Ai used: Elang (0.32 liter/ha), gliposat (113 gr/ha, Kenlon (0.08 liter/ha) dan Triklopir (25.88 gr/ha)</p>	Chemical	Active ingredient	Application up to May 2015 (liter/kg)	A.i. used	a.i per Ha applied (5,621 Ha)	a.i. per production (49,758 tons)	Metsulindo	Metil metsulfuron 20%	302 kg	60,400 g ram	10,75 gram/Ha	1.21 gram/ton	Gramoxone	Ion paraquat	989 liters	197,800 gram	35.18 gram/Ha	3.975 gram/ton	Bionasa 480 AS	Isopropyl amina glifosat	2,680 liters	1,286.4 gram	0.22 gram/Ha	0.025 gram/ton	Kenrane 288 EC	Fluoroksipir 288gr/liter	38 liters	10.9 gram	0.0019 gram/Ha	0.00022 gram/ton	2,4 Dimetil Amina	2,4 Dimetil Amina	155 liters	134 gram	0.023 gram/Ha	0.0026 gram/ton	Regent	Fipronil 50gr/liter	30 liters	1,500 gram	0.26 gram/Ha	0.03 gram/ton	Active Ingredients	2015 budget (litres)	April 2015 actual (litres)	a.i used	Hectare of application	a.i/Ha application	Glyphosate	491	240.38	86 gram	702 Ha	125 gram/Ha	<p>Yes</p>
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Criterion / Indicator		Assessment Findings	Compliance
4.6.3	<p>Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines.</p> <p>- Major compliance -</p>	<p>Estate, KKPA and Scheme Smallholders: Based on record, there is no use of pesticide. The use of herbicide is generally reduced. The application each type of agrochemical for each estate is based on Agronomy Department recommendation, as lined out under Parameter budget. The parameter budget defines the time of application (round per year), targeted Ha man-day, dosage per hectare, chemical to use (including active ingredient), percentage of application and target species (to be treated). The parameter budget implemented and recorded in Daily Plantation Work Order Plan.</p> <p>No prophylactic use of pesticide.</p>	Yes
4.6.4	<p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p>- Minor compliance –</p>	<p>Estate, KKPA and Scheme Smallholders: Paraquat is not banned in Indonesia. However, company has committed to reduce the use of Paraquat year to year, i.e using paraquat in Buatan estate and KKPA in 2014 is 2,218 litres and 2015 up to July is 989 litres.</p> <p>Scheme smallholder management is following Company policy to reduce the use of Paraquat.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>4.6.5 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>- Major compliance -</p>	<p>Estate and KKPA: The company has procedure for safe working in handling and application of pesticide as procedure no. SOP.AA-APM-OP-11100.08-R1" dated 1st November 2008.</p> <p>The company provides training on pesticide handling. Pelatihan Pestisida Terbatas dated 27th November 2014, attended by 29 sprayers. Sample: Ms. Lisa, Edwin Rinaldi, Wulansari, Muryati, Parsini; certificate No.21/KP3/XI/2014 – valid for 5 years.</p> <p>Agrochemical is only handled, used and applied by trained personnel. Based on field visit to chemical store, and interview with the storekeeper, they admit to have proper training. The chemical store equipped with MSDS, appropriate PPE (face shield, respirator, apron, gloves and rubber boot) and emergency equipment – in the case of spillage or exposure and also based on field visit, it was found that sprayers is provided PPE appropriately and used it during working in field, such as : glove, apron, goggle, mask, shoes boot,</p> <p>Based on record review and interview with sampled employees, chemical storekeeper in Buatan Estate as well as sprayers in Buatan estate have participated in Limited pesticide training dated 15th December 2014, attended by 23 sprayers from Buatan estate. Sample taken Mrs.Yanna and Mrs.Siti Muthmainah.</p> <p>Limited pesticide training dated 21st November 2014, attended by 6 mandores and staff from Buatan estate. Sample taken Mr.Mawardian</p> <p>Scheme smallholders: KUD Mulus Rahayu and KUD Makarti Jaya: KUD members are using "Team Unit Semprot/TUS" services in performing weed control/spraying. KUDs did not store any agrochemical.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
4.6.6	<p>Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3).</p> <p>- Major compliance -</p>	<p>Estate and KKPA: Storage of pesticides found to be in accordance with hazard identification and risk assessment and national guideline for limited pesticide use. Empty chemical containers had been used for mixing chemicals for spraying pesticides in the field.</p> <p>The management of waste material from empty pesticide container disposed through hazardous waste store. The company has temporary hazardous waste storage with license, where all hazardous waste from all estates and mills collected. Storage keeper maintains the balance of incoming and outgoing hazardous waste. Hazardous wastes were sent for licensed contractor for appropriate disposal.</p> <p>Scheme smallholders: KUD Mulus Rahayu and KUD Makarti Jaya: KUD members are using "Team Unit Semprot/TUS" service in performing weed control/spraying. KUDs did not store any agrochemical.</p>	Yes
4.6.7	<p>Application of pesticides shall be by proven methods that minimise risk and impacts.</p> <p>- Minor compliance -</p>	<p>Estate and KKPA: Pesticides had been applied using the Best Management Practices that minimize risk and impacts. The agrochemical storekeepers, supervisors and sprayers found to understand use of the correct pesticide type, dosage, nozzle, spray factor, spray quality and spray techniques.</p> <p>Scheme smallholders: KUD Mulus Rahayu and KUD Makarti Jaya: KUD members are using "Team Unit Semprot/TUS" service in performing weed control/spraying.</p>	Yes
4.6.8	<p>Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.</p> <p>- Major compliance -</p>	<p>Estate, KKPA and Scheme smallholders: There is no aerial application in the whole estate, KKPA and Scheme Smallholders (Plasma).</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.6.9	<p>Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated; including provision of appropriate information materials (see Criterion 4.8).</p> <p>- Minor compliance –</p>	<p>Estate and KKPA: Company provides training on pesticide handling. Pelatihan Pestisida Terbatas dated 27th November 2014, attended by 29 sprayers. Sample: Ms. Lisa, Edwin Rinaldi, Wulansari, Muryati, Parsini; certificate No.21/KP3/XI/2014 – valid for 5 years.</p> <p>Scheme smallholders: KUD Mulus Rahayu and KUD Makarti Jaya: Pesticides is handling by the estate (Team TUS), however, the company also conducted training for the KUD members, e.g. “Pelatihan pestisida terbatas” carried out on 18th October 2015. The training attended by members of KUD Mulus Rahayu – together with other KUDs.</p>	Yes
4.6.10	<p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).</p> <p>- Minor compliance –</p>	<p>Estate and KKPA: Laporan pemantauan Limbah B3 PT IIS – Buatan period January – March 2015 and April – June 2015; Neraca Limbah B3 – hazardous waste balance Buatan shows up to waste oil from April up to 15th June 2015 shows 630 empty chemical container, on 18th June 2015 disposed off through licensed contractor 630 empty container in 5 drums. Record shows the storage is not more than 90 days. Surat Jalan dated 18th June 2015 for disposal of 7 drums waste oil, 1 drums of waste filter, 9 pieces old batteries, 5 drums of empty chemical container. Manifest No.0004477 dated 18th June 2015 for disposal of 5 empty chemical containers, transported by PT SRL to PT Wastec. All hazardous waste transported with BM 8431 JU.</p> <p>Scheme smallholders: KUD Mulus Rahayu and KUD Makarti Jaya: KUD members are using “Team Unit Semprot/TUS” service in performing weed control/spraying. The disposal of empty chemical container sent for temporary hazardous waste store at PT Inti Indosawit Subur.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.6.11	<p>Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.</p> <p>- Major compliance -</p>	<p>Mill: The company has conducted audiometric test for employees who are worked at high noise level regularly and based on document review confirmed that the result is "normal", e.g. for Mr. Mr.Kuat (Boiler operator) – ok, ADS mild nihil, Mr.Mukhtar (sterilizer) – ok, ADS normal hearing, Mr.Suranta (engine room).</p> <p>Estate and Scheme Smallholders: Company provided specific medical check up for all sprayers, comprise of blood test, cholinesterase, urinal test, rontgen and spirometric test. The medical check up carried out on annual basis. Latest medical check up carried out in 4-6th February 2015.</p> <p>Afdeling VII Sprayer: sample taken: Mrs. Kartini, Mrs.Yumani Laia, Mrs.Saliati Bulolo. No signs of intoxication based on doctor statement.</p> <p>KKPA: Medical check up for sprayer in KKPA, dated 12-14th May 2014 for all sprayers, sample taken: Mrs. Murniati Laia, Mrs.Rohani Butar-butur, Mrs.Meriani Dawolo. Medical check up for fertilizer applicator in KKPA, dated 12-14th May 2014 for all applicator, sample taken: Mrs.Hariani, Mrs.Masniar.</p>	Yes
4.6.12	<p>No work with pesticides shall be undertaken by pregnant or breast-feeding women.</p> <p>- Major compliance –</p>	<p>Estate and Scheme Smallholders: There is no pregnant and/or breast-feeding female worker performing chemical work. Estate management performed monthly verification and pregnancy test as mitigation.</p> <p>Record of pregnancy test is sited for period January – July 2015. "Daftar Tes Kehamilan Karyawan", dated 4th July 2015; sample taken: Mrs. Kartini, Mrs.Yumani Laia, Mrs.Saliati Bulolo.</p> <p>KKPA: Pregnancy test for sprayer team for KKPA carried out on monthly basis. Latest record 2nd July 2015 for all sprayers, sample taken: Mrs. Murniati Laia, Mrs.Rohani Butar-butur, Mrs.Sonta boru Gultom.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>Criterion 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p> <p><i>Specific Guidance for 4.7.7: The National Interpretation will define the metrics for LTA. For countries where there are no national interpretations, the growers will determine their own metrics.</i></p>		
<p>4.7.1</p> <p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. - Major compliance -</p>	<p>Estate and KKPA: The health and safety policy is cited from “Kebijakan Perusahaan” signed by top management 1st December 2014 – written in Bahasa Indonesia. Chapter 4 mentioned “...to determine measurable objective and target to prevent accident and occupational disease for all worker and other interested parties, through continuous improvement.”</p> <p>The safety report has been sent to manpower office on monthly basis. Safety reports for period January 2015 sent on 24th February 2015. Safety reports for period February-April 2015 sent on 10th June 2015.</p> <p>PPE checklist to monitor the use of PPE for each work activity. Example: Provision of masker and hand gloves to 18 fertilizer applicators on 2nd April 2014. Provision of helmet to 10 harvesters from Afdeling III on 21-25th April 2015.</p> <p>Objective Target Programme is available, approved January 2015. OTP does not reflect the priority from HIRADC. HIRADC identify activity from filling palm shell into boiler risk in breathing damage, risk level at 5 (supposed to be fatality) – resulting in high risk (20). But the control for this activity does not included in the OTP.</p> <p>Scheme smallholders: KUD Mulus Rahayu and KUD Makarti Jaya are able to demonstrate “Kebijakan Koperasi” signed in 1st August 2013, where the document indicates the policy to prevent accident and occupational disease through use of PPE and attention on working premises. Company also provides H&S guidelines related to health and safety, first aid, basic fire fighting.</p>	<p>Yes</p>

	Criterion / Indicator	Assessment Findings	Compliance
4.7.2	<p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>- Major compliance -</p>	<p>Estate and KKPA: HIRADC is updated on 17th May 2015. HIRADC has identified all activity and location within estate operation. The company provides PPE for workers. Example: On 29th April 2015, company provides helmets for 10 pruning workers.</p> <p>Mill: HIRADC latest review dated 17th January 2015. All location have been assessed.</p> <p>Scheme smallholders: KUD Mulus Rahayu and KUD Makarti Jaya: KUDs prepared a simple HIRADC document, titled "Prosedur Kesehatan dan Keselamatan Kerja (K3)", covering all activity within KUD scope such as harvesting, transportation, fertilizer application and field maintenance. The type of activity covered such as: FFB transport (use of FFB pole) – means of control: use of PPE (helmet, shoes and sickle cover) and warning sign to use PPE.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.3</p> <p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Major compliance -</p>	<p>Estate, KKPA and Mill: Based on field visit, all workers involved in operation is provided training and PPE appropriately.</p> <p>Record seen:</p> <ul style="list-style-type: none"> - Handover of safety shoes for 19 staff and workers. Hand over report of 10 helmets for workers dated 12th June 2014. - PPE usage inspection checklist for worker – sprayers and fertilizer applicator Division III, period January – July 2015. - PPE usage checklist for harvester group A, B and C in Buatan estate period January – June 2015. - Safety harvesting practice with PPE, for 23 harvesters from Afdeling III – dated 3rd March 2015. PPE provided by management. - First Aider planned for 11th June 2015, actual implementation on 20-21st February 2015 attended by 13 personnel; - Basic fire training dated 6th June 2015, attended by 41 personnel from Buatan I POM, Buatan II POM, Buatan Estate, Buatan Plasma; - Generator training dated 12th May 2015, attended Erwan Flas. <p>Scheme smallholders: KUD Mulus Rahayu and KUD Makarti Jaya:</p> <ul style="list-style-type: none"> - “Pelatihan Panen dengan APD” dated 3rd March 2015, attended by 17 farmer members. - Basic safety training on 30th March 2015, attended by 3 personnel from KUD Mulus Rahayu. 	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.4</p> <p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>- Major compliance -</p>	<p>Estate and KKPA: Medical check up for worker under Division IV – VI for year 2015 – planned for 3-15 August 2015. Total 46 workers from Division IV; 74 workers from Division V; 66 workers from Division VI.</p> <p>Mill: The responsible person for health and safety is Mr.Hatoguan P Sinaga, appointed through Keputusan Menteri Tenaga Kerja dan Transmigrasi RI No.KEP.9260/M/DJPPK/XI/2014 tentang Penunjukan Ahli K3” dated 14th November 2014, valid for 3 years. Mr. Hatoguan is a trained and certified safety officer since 14th November 2014 and license No.16549/PK3/AJ/14/2014/P0 valid until 14th November 2017.</p> <p>Safety committee has been acknowledge through “Keputusan Kepala Dinas Tenaga Kerja dan Transmigrasi Kabupaten Pelalawan No.KPTS.566/DTKT-WAS/2015/28 tentang Pengesahan Struktur Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3) PT IIS – PMKS Buatan II, dated 29th June 2015.</p> <p>Safety meeting dated 20th June 2015, discussing issue from previous meeting, incident occurred from previous month, hazard identification also improvement and action plan – attended by mill manager and 13 staffs; Safety meeting dated 9th May 2015, discussing near miss report, housekeeping, action plan for fire extinguisher – attended by mill manager and 12 staffs; Safety meeting dated 10th April 2015 discussing PPE, hand gloves, etc. – attended by mill manager and 11 staffs. Health and safety report to manpower service period of April - June 2015, dated 6th July 2015.</p> <p>Medical check up 2014 for all mill workers dated 16-19th May 2014. Medical check up for all mill workers 2015 – planned for 3-15 August 2015.</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Medical check up 5th February 2015: Mr.Kuat (Boiler operator) – ok, ADS mild nihil Mr. Gindar Karo-karo (Boiler helper) – ok, ADS normal hearing Mr.Agung Darmawan (Back hoe loader operator) – ok, ADS normal hearing Mr.Mukhtar (sterilizer) – ok, ADS normal hearing Mr.Suranta (engine room) – sign a statement letter refusing medical check up and willing to bear all consequence. Mr.Yatmin (welder) – ok, ADS normal hearing Mr.Yurizon (electrician) – ok, ADS normal hearing Mrs. Friska D. Tampubolon – ok, ADS normal</p> <p>Scheme smallholders: KUD Mulus Rahayu and KUD Makarti Jaya: Person in charge for health and safety, as well as emergency situation is chairperson of KUD. Meeting discussing health and safety issue planned for 6 monthly bases, e.g. the latest meeting in KUD Mulus Rahayu, dated 3rd March 2015 attended by 17 KT chiefs. There are 81 listed harvester/workers in area of KUD Mulus Rahayu. Monitoring on PPE checklist period January – July 2015.</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.5</p> <p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>- Minor compliance –</p>	<p>Estate and KKPA: Procedure for accident and emergency is available. Trained first aider is available, midwife Ms.Dahlia Sari Agustina and midwife Ms.Supriani.</p> <p>First aid kit available at various premises and found to be complete, in good condition and as per regulation.</p> <p>Record of incident, incident investigation is available. The safety performance reviewed during safety meeting.</p> <p>Mill: Emergency procedure is available. PPE inspection dated 27th April 2015 for process area, 13 workers found to wear all PPE. Incident investigation: 7 incidents identified January – July 2015. Job safety analysis for the boiler maintenance 22nd December 2014.</p> <p>Scheme smallholders: First aid kit equipment in Cooperative found to be adequate – holds by the trained harvesting supervisor. First aid kit also available in KUD office.</p> <p>Accident and emergency procedures available in “Rencana Tanggap Darurat”. Cooperative is in cooperation with Puskesmas (Medical center in village) to treat victim. Records of accident, acknowledge by HA states no accidents occurred in 2014 – June 2015.</p> <p>The emergency procedure (i.e. emergency shower and eye wash) for chemical handling at Mill lubricant and chemical storages should be improved. Estate health and safety management program could improve by putting the plan for licensed first aid officer, annual medical check-up as part of program. Safety officer should closely monitor the implementation of annual medical check-up plan for all workers at estate (Observation was raised)</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
4.7.6	<p>All workers shall be provided with medical care, and covered by accident insurance.</p> <p>- Minor compliance –</p>	<p>Estate, KKPA and Mill: Company provided medical care for workers. If worker want to have medicine, company clinic is available inside the estate and mill area. Thus its helps workers to access the clinic. Furthermore, all mill and estate workers are covered by JAMSOSTEK/BPJS for accident insurance. Records of JAMSOSTEK/BPJS member list are available.</p> <p>Scheme Smallholders: The KUDs provide medical benefit for their staff and members also provide medical to the clinic or hospital if any accident.</p>	Yes
4.7.7	<p>Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.</p> <p>- Minor compliance –</p>	<p>Estate and KKPA: "Performance Keselamatan Kebun Buatan 2015" – stating the LTA metrics from January – July 2015. 89 mandays LTI, 0 medical aid, 0 first aid.</p> <p>The company maintained all of the records regarding the works accident included nearmiss and lost time accident (LTA) in some documents, such as:</p> <ol style="list-style-type: none"> a. Incident Log; contains the victim data, employees grade, works, incident information (time, date, month, year, and location), part of bodies injured, incident description, actions taken, incident categories, numbers of absences and etc. b. Nearmiss Log; contains names, areas, dates, reporter, incident description, causes, categories, preventive actions, PIC, targets and prevetive actions status. <p>Scheme smallholders: KUD Mulus Rahayu: KUD is in cooperation with Puskesmas (Medical center in village) to treat victim. Records of accident, acknowledge by HA states no accidents occurred in 2014 – July 2015.</p> <p>KUD Makarti Jaya: Based on accident record in Pustu Buana Makmur "Pengobatan Pekerja", no accident record was noted this year.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.8			
All staff, workers, smallholders and contract workers are appropriately trained.			
4.8.1	<p>A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme.</p> <p>- Major compliance –</p>	<p>Estate and KKPA:</p> <p>The matrix training is updated by HRD Medan and AAA Learning Institute annually.</p> <p>The company determines training need in "Matrix Training" as planned centrally by Head Office Medan and detailing in "Prospektus Training Tahun 2014 and 2015". Then, The company determines minimum training requirement, such as: compulsory training, Soft skill, hard skill and special.</p> <p>Based on minimum training requirement, AAA Learning institute, detailing training program in type of training, participants, PIC, number of participants, training schedule.</p> <p>Training program in 2015: Sustainability awareness, HCV, Basic safety/K3, Basic fire, First aider, Penanganan limbah B3 dan bahan kimia, Safety use herbicide and chemical, operator air, evaluasi aspek dampak lingkungan, Habit & Behaviour planter & sharing moment, workshop awareness,, sharing moment planter habit, workshop agribisnis, workshop agribisnis, SOP and PMS kepala Gudang, SOP dan PMS Kerani pembukuan, Hama dan penyakit tanaman – HPT, Backhoe, operator genset, and managerial skill.</p> <p>Progress training in 2015, such as:</p> <ol style="list-style-type: none"> 1. Basic Fire on 20th January 2015, attended 24 workers. 2. Basic safety was conducted on 11th September 2014, attended 58 workers. 3. First Aider was conducted on 20th February 2015, attended 13 workers. 4. Workshop awareness was conducted on 14th February 2015, attended 15 workers 5. Habit and Attitude was conducted on 03rd February 2015, attended 101 workers. 6. IPM was conducted on 29th April 2015, attended 28 workers 	Yes

Criterion / Indicator	Assessment Findings	Compliance
	<p>Mill: Training programs and progress in 2015 in "Program Pelatihan Environmental and Sustainability –2015 Buatan group", such as:</p> <ul style="list-style-type: none"> - Sustainability Awareness training for RSPO, ISPO and ISSC planned on 25th February 2015 – implemented on 27-28th January 2015; - HCV Training planned for 13th February 2015; - Basic Fire planned for 7-8th May 2015; - First Aider planned for 11th June 2015, actual implementation on 20-21st February 2015 attended by 13 personnel; - Basic fire training dated 6th June 2015, attended by 41 personnel from Buatan I POM, Buatan II POM, Buatan Estate, Buatan Plasma; - Generator training dated 12th May 2015, attended Erwan Flas. - Basic safety was conducted on 11th September 2014, attended 58 workers. <p>Scheme smallholders: Sustainability awareness, HCV, Basic safety/K3, Basic fire, First aider, Penanganan limbah B3 dan bahan kimia, operator air, operator genset, teknis manajerial.</p> <p>It was seen that progress of training is monitored, consist of date of training was conducted; attendance list and training material is available.</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>KUD Mulus Rahayu and KUD Makarti Jaya: Training program is documented in "Pelatihan RSPO KUD – Tahun 2015", consist of :</p> <ol style="list-style-type: none"> 1. P & C Sustainable 2. APD (Basic Fire) 3. HCV dan AMDAL 4. K3 (Basic Fire) 5. PPGD (First Aid) 6. Basic Fire 7. Pelatihan pestsida terbatas 8. Pengendalian Gulma 9. Pupuk berimbang 10. Pengendalian hama terpadu 11. Panen dan potong buah <p>Training progress up to May 2015, such as:</p> <ul style="list-style-type: none"> - Weeding control was conducted on 29th May2015, attended 25 members. - "Pengendalian Hama Terpadu" was conducted on 29th May 2015, attended 24 members. - Basic Safety was conducted on 10th November 2014, attended 25 members. - Agriculture and Scheme Smallholderswas conducted on 22nd October 2014, attended 68 members. - Soil Conservationwas conducted on 10th November 2014, attended 24 members. - Training of "Petani Sukses dan kemitraan Harmonis dan Berkelanjutan", dated 16 August 204, attended 94 members. - Harvesting training was conducted on 2nd June 2014, attended 19 members. 	

Criterion / Indicator	Assessment Findings	Compliance
<p>4.8.2</p> <p>Records of training for each employee shall be maintained.</p> <p>- Minor compliance –</p>	<p>Estate, KKPA and Mill:</p> <p>Review of records, Training record for Mill employees is documented in “Daftar Pelatihan Karyawan PBS”. Training record consist of name of employees, position, type of training, date of training, e.g. verified training record for Mr. Sugiyana, Meliana Siska, Jupen Banjarnahor, etc.</p> <p>The operators has hold license as regulated by government, e.g.</p> <ul style="list-style-type: none"> - Mr.Kuat (Boiler operator) – Boiler certification training on 27th May 2008. Holds operator license No.11.P.08.692-OPK3-PUBT-B.I/XI/2011 valid up to 28th October 2016. - Mr. Gindar Karo-karo (Boiler helper) – Boiler training and certified 13th May 2013, Health and safety training 14th May 2013. Holds operator license No.472-OPK3-PUBT-B.I/VI/2013 valid up to 7th June 2018. - Mr.Agung Darmawan (Back hoe loader operator) – operator training and certified 21st June 2011. Holds operator license No.11.10029-OPK3-PAA/VII/2011 valid up to 29th July 2016. - Mukhtar (sterilizer) – Steam vessel training 1-6th June 2009. Holds operator license No.11.P.389-OPK3-PUBT-B.I/XI/2011 valid up to 28th October 2016. Etc. <p>Training record for Estate employee is documented in “Individual Training Karywan – KBN”. Training record consist of name of employees, position, type of training, date of training, e.g. verified training record for Mr. Sugiono (Mandor Hama dan penyakit), training was attended: Basic Safety, Sustainability awareness, etc., However, it was found incomplete training record for each employee in the Estate (Minor NC was raised).</p> <p>Scheme samllholders:</p> <p>Record training for smallholder’s member and their workers is documented in “Training Record” in each KUD.</p>	<p>No</p>

Criterion / Indicator		Assessment Findings	Compliance
PRINCIPLE 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY			
Criterion 5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			
5.1.1	An environmental impact assessment (EIA) shall be documented. - Major compliance -	Estate, Scheme smallholders and mill: PT IIS demonstrate Analisis Mengenai Dampak Lingkungan (AMDAL) consist of document ANDAL, RKL and RPL as approved through "Peretujuan Komisi Amdal Departemen Pertanian No. no. 013/AMDAL BA/V/95 and revised SEIA "Dokumen Pengelolaan dan pemantauan Lingkungan – DPPL) for nucleus 5,781 ha and Plasma 12,000 ha and Mill capacity: 60 tonnes FFB/hour SEIA covering: pesticide application, biodiversity, labour, pengolahan hasil, penolhan limbah, LA, transport, pengadaan dan pemanfaatan air bersih, pengoperasion sumber energi, central workshop, penampungan sementara limbah B3, pembuangan sampah, laboratorium, replanting SEIA for scheme smallholders included in the AMDAL/SEL PT. IIS – Buatan.	Yes
5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. - Minor compliance –	Estate, KKPA, Scheme Smallholders and Mill: No any changes of SEIA documents, however Some environmental plan of management and monitoring in KKPA scheme smallholder area were not implemented and reported, such as: Medical check for local community from the impact of KKPA scheme development, Dust sampler test every 6 month from impact of FFB transport within KKPA scheme area and Water quality test every 6 month from surface water near store area. (Minor NC was raised)	No

Criterion / Indicator		Assessment Findings	Compliance
5.1.3	<p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>- Minor compliance –</p>	<p>The company has prepared report on Environmental Management and Monitoring implementation (Laporan RKL-RPL) and sent reports every 6 month to Government Authority, e.g RKL-RPL report semester II 2014 (Period July – December 2014), acceptance letter by officer as evidence, e.g. BLH Provinsi Riau on 17 March 2015 by officer: Lina, BLH Kab. Pelalawan on 17 March 2015, by officer: Ramlah</p>	Yes
<p>Criterion 5.2 The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>			

Criterion / Indicator	Assessment Findings	Compliance
<p>5.2.1</p> <p>Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>- Major compliance -</p>	<p>Estate/KKPA and Scheme Smallholders:</p> <ul style="list-style-type: none"> - HCV was conducted by Bogor Agriculture University (IPB) in 2009 refer to the HCV Indonesian-Toolkit 2008 who have experience and approved by RSPO. - Based on HCV identification in Afdeling I, II and III, it was noted that : HCV 1.1, 1.2 and 4.1: Riparian zone Kerinci Besar River (38.9 ha) HCV 1.2 and HCV 6: Conservation forest for Manggeris trees (Pohon Madu): 2 ha. HCV 1.2 and HCV 6: Conservation forest for Manggeris trees (Pohon Madu): 3.60 ha. HCV 6: ancient graveyard: 0.25 ha HCV 6: ancient graveyard: 0.01 ha - Based on HCV identification in Afdeling IV, V and VI, it was noted that : HCV 1.1, 1.2 and 4.1: Riparian zone Laniago river (4.50 ha). HCV 1.2 and HCV 6: Conservation forest for Manggeris trees – <i>Koompassia malacensis Maing. Ex.Benth</i> (Pohon Madu) and ancient graveyard: 35 ha - Based on HCV identification in Plasma Area, it was noted that : HCV 1.2 and HCV 6: Conservation forest for Manggeris trees – <i>Koompassia malacensis Maing. Ex.Benth</i> (Pohon Madu): 35 ha. HCV 6: ancient graveyard: 0.40 ha. - HCV identification was consulted to the relevant stakeholder - All HCV areas was mapped and available in place. <p>No HCV identified in KKPA, KUD Mulus Rahayu and KUD Makarti Jaya areas.</p>	<p>Yes</p>

	Criterion / Indicator	Assessment Findings	Compliance
5.2.2	<p>Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan.</p> <p>- Major compliance -</p>	<p>Estate: Based on HCV Identification assessment, it was found that there are 8 mammals species and 10 birds species according to national regulation (PP no. 7 Tahun 1999, CITES and IUCN). It was found RTEs during HCV identification, such as:</p> <ul style="list-style-type: none"> - 8 mammals species: Rusa Sambar (<i>Cervus unicolor</i>), Kucing Hutan (<i>Felis bengalensis</i>), Owa (<i>Hylobates agilis</i>), Monyet Ekor Panjang (<i>Macaca fascicularis</i>), Trenggiling (<i>Manis javanica</i>), Musang luwak (<i>Paradoxurus hermaphrodites</i>), Lutung Dada Putih (<i>Presbytis femoralis</i>) and Kancil (<i>Tragulus javanica</i>) - 10 birds species: Burung Madu Sepah Raja (<i>Aethopyga siparaja</i>), Raja Udang Meninting (<i>Alcedo meninting</i>), Baza Hitam (<i>Aviceda leuphotes</i>), Rangkong Badak (<i>Buceros rhinoceros</i>), Tokhtor Sunda (<i>Carpococcyx radiceus</i>), Beo (<i>Gracula religiosa</i>), Cekakak cina/belukar (<i>Halcyon pileata</i>), Cekakak Batu (<i>Lacedo pulchella</i>), Betet Ekor Panjang (<i>Psittacula langicauda</i>) and Elang Ular Bido (<i>Spilomis cheela</i>). <p>Based on field visit, PT IIS – Muara Bulian demonstrate efforts to protect rare species and its habitat through planting of wooden tree, HCV area patrol, flora and fauna monitoring. The Estates have maintained notice-boards at the entrance to the properties and next to buffer zones or worker housing to prohibit the capture or hunting of fauna and disturbance of vegetation.</p> <p>PT IIS – Muara Bulian created posters listing all protected flora and fauna, endangered and threatened species and placed on location accessible to public such as Estate offices, worker housing, village offices as well as entrance way to plantation area.</p> <p>The company conducted monitoring of HCV and RTEs regularly (every six month), the last monitoring was conducted in July 2015 for period January – June 2015.</p> <p>The scheme smallholders also have commitment to maintain HCV and protect RTEs as documented in “Kebijakan Koperasi”, dated 1st March 2015.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
5.2.3	<p>There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance –</p>	<p>Estate/KKPA and Scheme smallholders</p> <p>The company has established policy for protect RTEs in “Kebijakan Perusahaan”, dated 01 December 2014 which stated that: Mlekaukan penilaian HCV sejalan dengan AMDAL dan resiko sosial terpadu, sbelum kegiatan dimulai di suatu kebun baru, untuk mengelola dampak dan meningkatkan nilai konservasi serat sosial budaya dimana kita beroperasi</p> <p>The company has appointed HCV officer who is responsible to monitor HCV areas (Adi Surya Pradana) based on memorandum no. 135/ES-KBN/MEMO/IV/2010, dated 21st April 2010.</p> <p>The company has communicated the HCV areas to the workforce and local communities regularly, e.g. HCV training awereness to the workers on 11 September 2014, attended 47 participants (Attendance list and training material is available) and HCV socialization to the local communities was conducted on 15th June 2015, attended 18 participants (Attendance list and socialization material is available)</p>	Yes
5.2.4	<p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. <p>- Minor compliance –</p>	<p>Estate/KKPA and Scheme smallholders:</p> <p>The company has established HCV management and monitoring plan as documented in “Conservation Management Plan (CMP) “Program Management and Monitoring 2015.</p> <p>HCV management and monitoring plan based on HCV recomemmnadtion and HCV Review. HCV review was conducted by experienced personnil on 19 – 20 November 2009.</p> <p>The company has conducted management and monitoring plan, e.g. patrol, erected sign-board, socialization, planted natural trees, no any applied chemical along the river (50 metres along the river – left and right side), monitoring RTEs,</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. - Minor compliance –	All HCV and conservation areas within the company areas.	Yes
Criterion 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.			
5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance –	<p>Estate and KKPA: Waste and pollution sources have been identified and documented, including used lubricant and filter, old battery, used laboratory chemical, clinical/medical waste, mill effluent, EFB, smoke, dust, fiber and shell, empty agrochemical container, boiler ash, scrap iron, used tires, waste water and domestic household refuse. Record of identification was presented in "Evaluasi Aspek Dampak Lingkungan" EMS-431-003-LT issued 18th June 2015.</p> <p>The company started at the beginning this year to re-cycle anorganic waste where the company builded the waste storage.</p> <p>Scheme smallholders: KUD Mulus Rahayu: The KUD has "Mekanisme Pengelolaan Sampah", explains the handling of organic to be composted and inorganic waste to be segregated and collected.</p> <p>KUD Makarti Jaya: Waste Management Plan is documented in "Identifikasi Sumber polusi dan rencana pengurangan di perkebunan petani"</p> <p>KUD was identified waste product and source pollutant, such as: applying pesticides, fertilizing, harvesting and transportation, e.g. plastic ex fertilizer bags.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
5.3.2	<p>All chemicals and their containers shall be disposed of responsibly.</p> <p>- Major compliance -</p>	<p>Estate and KKPA: Laporan pemantauan Limbah B3 PT IIS – Buatan period October – December 2014; Laporan pemantauan Limbah B3 PT IIS – Buatan period January – March 2015 and April – June 2015;</p> <p>Neraca Limbah B3 – hazardous waste balance Buatan shows up to waste oil from April up to 18th June 2015 shows 1,463 liters waste oil, on the same date waste oil disposed off through licensed contractor 1,410 liters. Record shows the storage is not more than 90 days.</p> <p>Surat Jalan dated 18th June 2015 for disposal of 7 drums waste oil, 1 drums of waste filter, 9 pieces old batteries, 5 drums of empty chemical container. Manifest No.0004477 dated 18th June 2015 for disposal of 5 empty chemical containers, transported by PT SRL to PT Wastec. Manifest No.0004478 dated 18th June 2015 for disposal of 9 pieces old battery to PT Non Ferindo. Manifest No.0004478 dated 18th June 2015 for disposal of 7 drums waste oil to PT SRL. All hazardous waste transported with BM 8431 JU.</p> <p>Scheme smallholders: KUDs using the service from TUS to control weed.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>5.3.3</p> <p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>- Minor compliance –</p>	<p>Estate, KKPA and Mill:</p> <p>Waste and pollution sources have been identified and documented, including used lubricant and filter, old battery, used laboratory chemical, clinical/medical waste, mill effluent, EFB, smoke, dust, fiber and shell, empty agrochemical container, boiler ash, scrap iron, used tires, waste water and domestic household refuse. Record of identification was presented in "Evaluasi Aspek Dampak Lingkungan" EMS-431-003-LT issued 11th June 2015.</p> <p>The company started at the beginning this year to re-cycle anorganic waste where the company builded the waste storage.</p> <p>The company has implemented Waste Management Plan (e.g. Program Manajemen Lingkungan, Environment Aspect Impact, and Waste Management Programme) for 2015. Some activities were check and confirmed:</p> <ul style="list-style-type: none"> - Disposal of hazardous waste (used oil, used filter, used batteries, etc) has been met with regulation. - Mill Effluent was treated in the treatment pond and Biogas plant before disposal to the land application. - Fibre is utilised as boiler fuel. - Routine maintenance every week, and monitoring of emission every 6 month in the boiler stack and genset exhaust. - Routine emission monitoring on the FFB transport vehicle including scheme smallholder. - The company has conducted monitoring of environmental impact, such as monitoring POME, water-course/river, ambient, e.g. monitoring of water quality in river in upstream and downstream collaborated with Dinas Bina Marga Laboratory of Pekan Baru with result all parameters is comply with PP no. 82, year 2011. <p>Scheme smallholders:</p> <p>Cooperative has procedure of "Mekanisme Pengelolaan Sampah", explains the handling of organic to be composted and inorganic waste to be segregated and sold.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
Criterion 5.4			
Efficiency of fossil fuel use and the use of renewable energy is optimised.			
5.4.1	<p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>- Minor compliance –</p>	<p>Monitoring of renewable energy use is available for period 2010, 2011, 2012, 2013, 2014, up to January – June 2015 (evidence record “Pemakaian Energi PBS Tahun 2010 s/d 2015”).</p> <p>Estate, KKPA and Mill: Monitoring of renewable energy use is available for period 2010, 2011, 2012, 2013, 2014, up to January – June 2015 (evidence record “Pemakaian Energi PBS Tahun 2010 s/d 2015”). Company has installed a Biogas Plant since April 2015 and was commenced on May/June 2015. The biogas processing mill’s effluent to capture methane and converted into energy to generate electricity. One of the main objectives of biogas plant is to replace and reduce the use of fossil fuel at lowest level. Record of Renewable energy use monitoring on shows the use of fossil fuel for diesel generator has slowly reduced significantly since May, June and July 2015. Company has prepared a plan to optimize the biogas plant utilization with target to generate 1,200 KW of electricity from existing of 800 KW. The plan is provided in term of “Rencana Optimalisasi Biogas Plant Pabrik Buatan Satu Tahun 2015”.</p> <p>Scheme smallholder: This indicator is not applicable for scheme smallholder</p>	Yes
Criterion 5.5			
Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.			

Criterion / Indicator		Assessment Findings	Compliance
5.5.1	<p>There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Major compliance -</p>	<p>Estate and KKPA: The company has updated zero burning policy as documented in "Kebijakan Perusahaan, 01 December 2014: "Melakukan praktek tanpa bakar dalam kegiatan pembangunan perkebunan dan secara aktif mendukung inisiatif mencegah dan mengawasi kebakaran hutan dan asap".</p> <p>There is an SOP for land preparation and replanting, which mentioned strictly on zero burning policy.</p> <p>The company shows record of daily fire patrol, period 10th February – 30th May 2015. Record shows there has been no fire break found in and around Division I-III.</p> <p>Scheme smallholders: No open burning was noted in the company and scheme smallholders during field visit and interviewed with local communities and workers. KUD also has a sets of tools for basic fire fighting, consist of knapsacks, portable water pumps, water hoses, hoes, machetes, etc.</p>	Yes
5.5.2	<p>Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Minor compliance –</p>	<p>Estate, KKPA and Scheme smallholders: No any open burning was noted for land preparation</p>	Yes
<p>Criterion 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>			

Criterion / Indicator		Assessment Findings	Compliance
5.6.1	<p>An assessment of all polluting activities shall be conducted, including gaseous emissions; particulate/soot emissions and effluent (see Criterion 4.4).</p> <p>- Major compliance -</p>	<p>Estate, KKPA and Mill: Company has ISO 14001 EMS – Environmental Aspect Impact, latest update on 27 January 2015. All polluting activities has been assessed including emission from boiler and generator, effluent from mill waste water, particulate from boiler stack, noise, etc.</p> <p>Scheme smallholder: This indicator is not applicable for scheme smallholder</p>	Yes
5.6.2	<p>Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p>- Major compliance -</p>	<p>Estate, KKPA and Mill: The company 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. Effluent is treated into Biogas plant to reduce green house emission.</p> <p>Records of all monitoring are kept and documented e.g. Laporan RKL-RPL, and PBS Biogas Plant Processing.</p> <p>Scheme smallholder: Scheme Manager assisting scheme smallholder to provide identification on pollutants sources. Based on the assessment the most significant pollutants from scheme smallholder activities was emission and diesel fuel usage from FFB transport (truck). The company and Cooperative provided a plan to monitor emission from FFB transport regularly every 6 month.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
5.6.3	<p>A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.</p> <p>- Minor compliance –</p>	<p>Estate, KKPA and Mill: Record of regular monitoring was in place with collaboration from Sucofindo Laboratory.</p> <p>Monitoring was conducted every six month. The latest monitoring was done on May 2015.</p> <p>Three units of boiler were tested according to PermenLH No. 7/2007. Review of record showed all parameter (Particulate, Opacity, SO₂, NO₂, NH₃, HCl, HF, Cl₂) were met requirements.</p> <p>Two units of generator were tested against PermenLH No.13/2009. Review of record showed all parameter were met requirements.</p> <p>Air ambient surrounding mill areas were tested against PP No.41/1999. Record showed all parameter were within the limits.</p> <p>Noise level monitoring in Kernel Station, Engine Room, Sterilizer, and Kernel Crushing Plant were tested against KepmenLH No. 48/1996. Result showed parameter tested was above the limits. Company has provided an action of provision of adequate PPEs for all workers who work in high noise level area.</p> <p>Scheme smallholder: Company assisted scheme smallholder to do regular monitoring of pollution source, for instance: emission test for FFB Transport which conducted every 6 month.</p>	Yes
PRINCIPLE 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLERS			

Criterion / Indicator		Assessment Findings	Compliance
Criterion 6.1			
Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	Estate, KKPA, Scheme smallholders and mill: Social Impact Assessment was conducted as documented in “Identifikasi dan Analisis Aspek sosial untuk menyusun road map kelestarian sosial perusahaan perkebunan kelapa sawit PT. IIS Kebun Buatan di Kab. Siak dan pelalawan, propinsi Riau” and SEIA (AMDAL) Pola PIR-Trans dan PMKS di Kab. Kampar, Indragiri Hulu dan Bengkalis, Propinsi Riau. which covering social impact assessment, AMDAL has been approved by Ministry Agriculture no. 013/AMDAL BA/V/95 and revised SEIA “Dokumen Pengelolaan dan pemantauan Lingkungan – DPPL) for nucleus 5,781 ha and Plasma 12,000 ha and Mill capacity: 60 tonnes FFB/hour	Yes
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties.. - Major compliance -	Estate, KKPA, Scheme smallholders and mill: The process was involving various stakeholders including impact on plasma development. During the process for the document and social impact management actively involving community participation through interview and stakeholders meeting	Yes
6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	Estate, KKPA, Scheme smallholders and mill: Within the SEIA document, the negative and positive impact of oil palm development has been explained. The environmental management and monitoring plan document has lined out effort that company should carry out in order to minimize negative impact and promote positive impact from oil palm development. The SEIA document has explained the recommendation that could be done by company to minimize negative impact and promote positive impact from social impact management	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.1.4	<p>The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.</p> <p>- Minor compliance –</p>	<p>Estate, KKPA, Scheme smallholders and mill: No any changes of practices since SEL approved, however the company reported social impact regularly through the RKL – RPL every six month to the government.</p>	Yes
6.1.5	<p>Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).</p> <p>- Minor compliance –</p>	<p>SEIA for scheme smallholders and KKPA are included in the SEIA PT. IIS – Buatan II.</p>	Yes
<p>Criterion 6.2 There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>			
6.2.1	<p>Consultation and communication procedures shall be documented.</p> <p>- Major compliance -</p>	<p>Estate, KKPA and mill: 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> <p>Scheme smallholders: Consultation and communication procedures as documented in “Mekanisme Komunikasi, konsultasi dan keluhan, dated 3rd January 2011</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.2.2	A management official responsible for these issues shall be nominated. - Minor compliance -	<p>Estate/KKPA and Mill: The company has appointed officers responsible to carried out communication and consultation with local communities is Public Relations (Humas Department – Mr. Lindu Simatupang).</p> <p>Scheme Smallholders: The KUDs appointed officer responsible to carry out communication and consultation with local communities and other parties, e.g. in KUD Makarti Jaya is Hamdan (SK.No. 10/Kpts/KUD MS/VII/2012) tentang Penunjukan atau Pengangkatan Petugas Komunikasi dan Konsultasi.</p>	Yes
6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance -	<p>Estate, KKPA and Mill: List stakeholders is documented in “Daftar Stakeholder Kebun Buatan”, consist of contact person, address and phone number.</p> <p>List stakeholder, such as: local authority officer Department, head of villages, school, hospital/clinic, and paramedic, KUD leader (Plasma), local community leader, labour union, gender committee, journalist, NGO (WWF, Scale Up and Elang), contractor.</p> <p>List of stakeholders is updated regularly, the last updatedt on 1st April 2014.</p> <p>The company is conducted consultation and communication with stakeholders regularly, the last consultation was conducted on 15th July 2015, attended 48 stakeholders. Main issues which discussed during consultation, such as: replanting for scheme smallholders, local workers, POME, FFB pricing, etc. Those are aissues has been response by the company.</p> <p>Scheme smallholders: List stakeholder of KUD consist of PT. IIS, Head of viillage of Kumbara Utama, Bank (Riau Bank, BRI, Mandiri), local authority officer department, PPL (Agriculture officer), Tabloid Plasma, Akuntan publik, Babinsa, Kapolsek (Local police), Head of sub-district, supplier and others KUDs.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
Criterion 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.			
6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. - Major compliance -	Estate, KKPA and Mill: 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 IIS employees. Based on interview with local communities and scheme smallholders, they understood the procedure and mechanism to communicating complaint and/or grievance to company. Scheme smallholders: Scheme manager and Cooperative have developed a dispute resolve mechanism in term of "Mekanisme Komunikasi, Konsultasi dan Keluhan". If any complaint receive would be recorded under Log Book. This mechanism is available in the Cooperative notice board at the office.	Yes
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance -	Estate, KKPA and Mill: Internal complaint is documented in "Buku Keluhan Karyawan", there are 14 complaints was noted in the last year, mostly complaint related housing facilities and it has been completed by the company Scheme smallholders: No complaint was received during this year both in KUD Mulus Rahayu and Makarti Jaya. Interview with community village representative, there is no land dispute at the moment.	Yes
Criterion 6.4 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions..			

Criterion / Indicator		Assessment Findings	Compliance
6.4.1	<p>A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.</p> <p style="text-align: center;">- Major compliance –</p>	<p>Estate and KKPA: Procedure is available in term of SOP No. AA-GL-5.003,1-R1. This procedure is expaliing fair compensation and calculation for land dispute resolution. Interview with prominent figures from several village (Kuala Kerinci, Bukit Agung, Kampung Krinci Kanan and Lalangkabung) as well as National Land Agency officer revealed that there is no land dispute resolution neither land compensation has been made. Furthermore, there is no traditional land use right within company concession area.</p> <p>Scheme Smallholders: Scheme manager and Cooperative have developed a dispute resolve mechanism in term of “Mekanisme Komunikasi, Konsultasi dan Keluhan”. If any complaint receive would be recorded under Log Book. This mechanism is available in the Cooperative notice board at the office. Interview with prominent figures from several villages revealed that there is no land dispute within scheme smallholder area at the moment.</p>	Yes
6.4.2	<p>A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups’ proof of legal versus communal ownership of land.</p> <p style="text-align: center;">- Minor compliance –</p>	<p>See Indicator 6.4.1. Procedure is available. There is no land dispute within company and scheme smallholder areas.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.4.3	<p>The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.</p> <p>- Major compliance –</p>	<p>See Indicator 6.4.1. Procedure is available.</p> <p>There is no land dispute within company and scheme smallholder areas.</p>	Yes
<p>Criterion 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>			

Criterion / Indicator		Assessment Findings	Compliance
6.5.1	<p>Documentation of pay and conditions shall be available.</p> <p>- Major compliance -</p>	<p>Estate, KKPA and Mill:</p> <p>The company determines minimum wages based on the Government regulation every year, the minimum wages in 2014 as regulated in "Surat keputusan Gubernur of Riau no. 244/111/2015, dated 31st March 2015 for Agriculture sector in Pelalawan Regency is Rp. 2,125,000,-/month.</p> <p>Based on review of payments slip, there is no worker paid below minimum wages, e.g. payment slip in June 2015 for</p> <ol style="list-style-type: none"> 1. Mr. UAS (PHL – sortir buah) 25 days (@85,020) = Rp. 2,125,500 + OT (Rp. 2,506,875), Deduction Jamsostek Rp. 42,509, BPJS Kesehatan (Rp. 10,628) = Take home pay Rp. 4,579,238 2. Mrs. K (PHL – Gardener) 25 days @ Rp. 85,020 (Rp. 2,125.500 + OT 170,040. Deduction Jamsostek Rp. 42,509, BPJS: Rp. 10,628, Take home pay Rp. 2,242,403. 3. Mr. JF (SKU-H – Security: 23 days @ Rp. 2,000,250 + Rice Allowance 15 kg @ Rp. 8,500 = Rp. 2,127,,750 + OT. 1,332,711, Deduction jamsostek Rp. 42,525, BPJS Rp. 9,625, mangkir Rp. 170,100, Take home pay Rp. 3,131,133 4. Mr. S (SKU B – Workshop), Rp. 2,186,250 + OT Rp. 1,756,310 + Rice Allowance. 5. Mr. K (SKU B – Operator Boiler) Rp. 2,136,250 + Premi (OT + Premi Giling) Rp. 3,728,525, Total salary Rp. 5,864,775. 6. Mr. GKK (SKU H - Pembantu Operator Boiler) Rp. 2,000,250 + Rice allowance 15 kg + Premi (OT + premi Giling) Rp. 4,109,066, total salary Rp, 6,109,316 <p>Scheme Smallholders:</p> <p>The KUDs has paid salary for the workers more than minimum wages as regulated by Governor of Riau no No. 15/I/2015 tanggal 14 Januari 2015 for Siak Regency is Rp. 1,985,000, e.g. in KUD Makarti Jaya Payment salary in July for Mrs. P Rp. 1.985.000 and for Mr. S is Rp. 4.547.000.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.5.2	<p>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>- Major compliance -</p>	<p>Estate, KKPA and mill: Worker Agreement (PKB) between company and labour union is referred in working regulation, Worker Agreement was registered by Dirjen Pembinaan Hubungan Industrial dan Jaminan Sosial Tenaga Kerja No. Kep.191/PHIJSK-PKKAD/PKB/XII/2012 tertanggal 17th December 2012, valid until 14 November 2014. Renewal for PKB in finalized draft in "Dirjen Pembinaan Hubungan Industrial Jaminan Sosial Tenaga Kerja – Kementerian tenaga Kerja RI".</p> <p>Based on document review, it was noted that term and condition, such as working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc, are covered in PKB and contracts which have been signed by all workers.</p> <p>Contract for Mill employee is available, e.g. Contract for each employee is available, e.g. Mrs. Kamsilah No. 164/MM-PBD/PK/05/15, dated 01 May 2015, Mr. Yustejo Arif saragih no. 157/MM-PBD/SPK/05/15, dated 01 May 2015, Betty and Vivi Aprida on 20th December 2014.</p> <p>Scheme Smallholders: Contract is available in place and signed between employees and Head of KUDs.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.5.3	<p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>- Minor compliance –</p>	<p>The company has prepared facilities for their workers, such as:</p> <p>Estate/KKPA: Housing: Mess (1 unit), type B (4 units), Type D (17 units), Type D1 (20 units), Type D2 (24 units), Type E (486 units), polyclinic (2 units), mosque (2 units), church (1 unit), community hall (1 unit), sport facilities, school bus (5 units), kindergarden (1 units), electricity, water supply, etc.</p> <p>Mill: Polyclinic (1 unit), Mesjid (1 unit), Gereja (1 unit), TK (1 unit), housing type: Mess Manager (1 unit), staff (6 units), type D (8 units) and type E (104 units)</p> <p>Scheme smallholders: This indicator is not applicable for scheme smallholder</p>	Yes
6.5.4	<p>Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance –</p>	<p>Estate, KKPA and Mill: The market is nearby the company site. Company provide pol car for employee to go to the market one time every week.</p> <p>Scheme smallholders: This indicator is not available for scheme smallholders. However, KUD Jaya Makmir has minimarket in KUD, namely "Waserda Koyama" which providing basic need for their members and local communities surrounding the KUD.</p>	Yes
<p>Criterion 6.6 The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>			

Criterion / Indicator		Assessment Findings	Compliance
6.6.1	<p>A published statement in local languages recognising freedom of association shall be available.</p> <p>- Major compliance –</p>	<p>Estate, KKPA and Mill: Freedom of association policy documented in “Kebijakan perusahaan, dated 01 December 2014” which state that: Menghormati hak setiap karyawan untuk membentuk atau menjadi anggota serikat pekerja sesuai dengan keinginannya dan untuk melakukan tawar menawar secara kolektif Freedom of association policy is written in Bahasa Indonesia, so that all employees can understand. This policy has been informed to all employees and being placed into notice board in public area.</p> <p>Scheme smallholders Freedom of association policy documented in “Kebijakan Koperasi” dated 01st August 2013 “Memiliki kebebasan untuk berserikat sesuai UUD 1945 dan Pancasila”</p>	Yes
6.6.2	<p>Minutes of meetings with main trade unions or workers representatives shall be documented.</p> <p>- Minor compliance –</p>	<p>Estate, KKPA and Mill: Meeting between company management with labour union (PUK. SPSI Kebun Buatan) in 22nd April 2015, attended by 16 representatives of PUK SPSI , minutes of meeting and attendance list is available.</p> <p>Scheme smallholders: No labour union in Cooperative level, but the member and their workers is freely join in labour union.</p>	Yes
<p>Criterion 6.7 Children are not employed or exploited.</p>			

Criterion / Indicator		Assessment Findings	Compliance
6.7.1	<p>There shall be documentary evidence that minimum age requirements are met.</p> <p>- Major compliance –</p>	<p>Estate, KKPA and Mill: The company has own policed signed by management on 01 December 2014 that stated that: It is not allowed all children to work in every activities/processes in company.</p> <p>Based on document review of list of workers “Data Karyawan” Muara Bulian, update May 2015, interview with workers and observation during field visit, it was no found workers hired under 18 years. The youngest workers were noted are Mr. Tuah Surya, date of Birth 27th July 1995, hired on 06th February 2014 (18 year, 7 months) and Mr. Hendra handoyo, date of birth 28th May 1995, hired on 08th September 2014 (19 year, 8 months)</p> <p>Scheme Smallholders: Child labour policy is documented in “Kebijakan koperasi, dated 1st August 2013 “Melarang penerimaan pekerja usia 18 tahun ke bawah”.</p>	Yes
<p>Criterion 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p>			
6.8.1	<p>A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.</p> <p>- Major compliance –</p>	<p>The company has Equal Opportunities policy as documented in Company Policy “Kebijakan Perusahaan”, dated 01 December 2014 stated: To treated equal for all employee in term of recruitment, work performance, and representative without discrimination on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age.</p> <p>Scheme Smallholders: Cooperative Policy following company policy “Kebijakan Koperasi”, dated 1st August 2013: “To treated equal for all employees in term of recruitment, work performance, and representative without discrimination on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age”.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.8.2	<p>Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against.</p> <p>- Major compliance –</p>	<p>Estate, KKPA and Mill: The company has provided a policy in relation to this indicator requirement, stated in “Kebijakan Perusahaan”, dated 01 December 2014. During the audit, there is no issue has found with regards to discrimination against local communities, women, and migrant workers. This also has been confirmed during stakeholder interview with Labour Department and local community surrounding.</p> <p>Scheme Smallholders: Cooperative adopted Company Policy for not having discrimination against local communities, women, and migrant workers. there is no issue has found with regards to discrimination against local communities, women, and migrant workers. This also has been confirmed during stakeholder interview with Labour Department and local surroundin community.</p>	Yes
6.8.3	<p>It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.</p> <p>- Minor compliance –</p>	<p>Estate, KKPA and Mill: The company has procedure hiring workers regulated that hiring and promotion of workers based on skill, work experiences, and job evaluation, e.g. Job evaluation for promote position from Dharma from PHL (Temporary workers) become SKU (Permanent worker) in 2014 for 6 workers, an. Gospel Benny Panjaitan, Asep Sulaiman, Parlinggoman Siagian, Suprpto, O. Sihuloho and Roy Sidabutar on 26th March 2014 and promote position from SKU Harian to SKU Bulanan in 2015, e.g. Mr. Heriadi (Mandor Panen) PA 2013 dengan score A (250), Mr. Eben Tuah (Mandor panen) PA 2013 dengan score A (240) dan Mr. Tohap Sianipar (Security) PA 2013 dengan score A (240) in Estate and Job evaluation for Mr. Awardryono Nainggolan (Mechanic), Score A (230), Suwitno (Boiler Operator), score A (230).</p> <p>Company should consistently implement Recruitment and Hiring employee procedure in all units (Observation was raised).</p> <p>Scheme Smallholders: Interview with harvester workers revealed that there smallholder plot owner is hiring workers based on the capability and skills.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
Criterion 6.9			
There is no harassment or abuse in the work place, and reproductive rights are protected.			
6.9.1	<p>A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.</p> <p>- Major compliance –</p>	<p>Estate, KKPA and Mill:</p> <p>The company has policy to prevent sexual harassment and violence against women in "Kebijakan Perusahaan dated 01 December 2014".</p> <p>The policy is prominently displayed on notice boards at the Mills and the Estates muster areas. Interviews of female staff, workers and union representatives confirmed that the company implemented the sexual harassment policy.</p> <p>Scheme Smallholders:</p> <p>Scheme smallholder is adopting company policy, in term of Cooperative Policy "Kebijakan Koperasi" dated 01st August 2013 has stated: Prevention of sexual harassment and other violence against women and to protect reproductive rights.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.9.2	<p>A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.</p> <p>- Major compliance –</p>	<p>Estate, KKPA and Mill: The company policy signed by Managing Director (Mr. Kelvin Tio) on 1st December 2014 and one 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.</p> <p>During the audit, there is no issue found regarding sexual harassment and violence to women.</p> <p>Scheme smallholders: Scheme smallholder is adopting company policy, in term of Cooperative Policy "Kebijakan Koperasi" dated 01st August 2013 has stated: Prevention of sexual harassment and other violence against women and to protect reproductive rights.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.9.3	<p>A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.</p> <p>- Minor compliance –</p>	<p>Estate, KKPA and Mill: Standard Operating Procedure, No. SOP: XX-HR-308.5-RO; Revision: 0, Desember 11th 2009: Employees complaints: submission and settlement.</p> <p>Mechanism for complaints management where it needs to protect its confidentiality for complainer was found in company policy's draft as in one of points of this policies stated that: "To provide appropriate information for those who inquiry it and to proted its confidentiality for whistleblower cases in accordance to law regarding environmental and social issue, food safety, health and safety work, so that it enables them to more participate to the decision making processes for improving company's performance.</p> <p>Scheme Smallholders: Scheme smallholder is adopting company policy on the grievance mechanism which respects anonymity and protects complainants, stated in the Cooperative's Communication, Consultation, and Grievance.</p> <p>During the audit, there is no issue found and has been confirmed during stakeholder consultation with local community and workers.</p>	Yes
Criterion 6.10			
Growers and millers deal fairly and transparently with smallholders and other local businesses.			
6.10.1	<p>Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.</p> <p>- Minor compliance –</p>	<p>Mill: The company has displayed the FFB price in Mill's notice board and smallholders able to access the FFB price by phone and local media as well. KUD announced update FFB pricing in KUD's notice board for all members. The company extension officer updating FFB price to the farmer group leader by SMS or call phone. FFB pricing determined based on the government price which updated weekly.</p> <p>KKPA and Scheme smallholders: The Cooperative is aware the current and past FFB price made fairly available by company. There is no negative issue regarding this.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation) - Major compliance -	<p>Mill: The company has provided explanation on the FFB pricing formula based on government FFB price determination. Interview with selected smallholders revealed they understood of FFB pricing mechanism and no complaint was noted regarding FFB price. Sample taken: FFB Price on 29th July 2015 – 4th August 2015, for palm tree ages up to 10 yeras is Rp. 1,532.65/Kg FFB.</p> <p>Scheme smallholders: The Cooperative is aware the current and past FFB price made fairly available by company. The price determination is based on the Government regulation. There is no negative issue regarding this.</p>	Yes
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	<p>Based on document review that agreement between company and local contractors confirmed that contract is made fairly, legal and transparent, e.g.</p> <p>Mill: SPK No. 004/P2/PBS/V/15, dated 29th May 2015 with PT. Aneka Sumatrindo (Heavy Equipment Rental) ,</p> <p>Estate: Contract for Empty Fruit Bunches (EFB) transport with Mr. Parlaungan Panjaitan no. 15/P2/KBN/04/15 and Mrs. Winarni Damayanti no. 14/P2/KBN/04/1</p> <p>KKPA: Contract for FFB transport "SPK No. 18/P2/KBN/04/15", dated 01 April 2015 with H. indra Mansyur.</p> <p>Scheme Smallholders: Most of the contract with scheme smallholders was FFB transporter. Contract for FFB transport with local transport is available and kept in Cooperative office. Review of one of the contract found that contracts are fair, legal and transparent.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.10.4	<p>Agreed payments shall be made in a timely manner.</p> <p>- Minor compliance -</p>	<p>Estate, KKPA and Mill:</p> <p>Evidence of payment is reviewed and it was seen paid timely manner, for instance: Payment of FFB supply from Scheme smallholders by monthly, e.g. payment For Mr. parlaungan panjaitan in May 2015 Rp. 231,952,701 and Payment for FFB transport as ccontract with Mr. H. Indra in June 2015 is Rp. 72,347,588.</p> <p>Scheme smallholders:</p> <p>Evidence of payment for contractor is reviewed and it was seen paid in time. The total payment to the one of Coperative's local contractor.</p>	Yes
<p>Criterion 6.11 Growers and millers contribute to local sustainable development where appropriate</p>			

Criterion / Indicator		Assessment Findings	Compliance
6.11.1	<p>Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.</p> <p>- Minor compliance –</p>	<p>Estate and Mill: Local contribution is detailed in CSR, consist of Business Partnership, Economy Development, Education, Health & Donation.</p> <p>CSR program in 2014:</p> <ol style="list-style-type: none"> 1. Agronomi training for scheme smallholders (Rp. 2,270,000) 2. Building capacity for scheme smallholders (Rp. 930,000) 3. Meeting with scheme smallholders (Rp. 1,281,000) 4. Providing PPE and equipment for harvester (Rp. 3,985,000) 5. Road maintenance in surrounding villages (Rp. 13,515,504) 6. Computer for 6 schools (Rp. 47,300,000) 7. Providing potable water facilities in villages (Rp. 51,697,918) 8. Repairing mosque and church (27,500,000) 9. Ied Mobarok and Holy Ramadhan (Rp. 44,883,770) <p>CSR 2015: Progress up to May 2015 is Rp. 76,737,539 instead budget Rp. 213,500,000</p> <p>Scheme Smallholders: Local contibution of Cooperatice is providing fund for village development project for example donation for building prayer place for majority of muslim society, independence day celebration. This has been recorded and reported.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.11.2	<p>Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity.</p> <p>- Minor compliance –</p>	<p>PT. Inti Indosawit Subur is one of the companies who managed large scale of scheme smallholders of PIR-Trans in Indonesia including in Buatan region. Company provided a dedicated organization structure to manage scheme smallholders' areas. The structure consist of Scheme manager, Field assistant, Field mandore, production clerk, and other key function. The main job for these personnel in the sturcture is giving technical assistance and guidance for all Cooperative to support and increase the smallholder yield in environmental friendly such as spraying activities, manuring, harvesting, etc. Some other assistance was given to smallholder in term of management of finance, and training. This structure has been existed since long time ago when the Plasma project was started on 1980s.</p> <p>During the audit, it was confirmed that the Organisation structure for scheme smallholdet in Buatan region is well managed and performed well in term of supporting smallholder in their plots. This has been confirmed during interview with selected smallholders in the field revealed that Company has been fully focus and supported scheme smallholder in every relevant activities.</p>	Yes
Criterion 6.12 No forms of forced or trafficked labour are used.			
6.12.1	<p>There shall be evidence that no forms of forced or trafficked labour are used.</p> <p>- Major compliance -</p>	<p>Estate, KKPA and Mill: No any form of forced and trafficked labour was noted during assessment. All workers, included temporary workers has contract with the company and during interview, it was noted that they understand of term and condition of contract.</p> <p>Scheme Smallholders: Similar to estate and mill, there is no forced and trafficked labour was noted during assessment.</p>	Yes
6.12.2	<p>Where applicable, it shall be demonstrated that no contract substitution has occurred.</p> <p>- Major compliance –</p>	<p>Estate, KKPA and Mill: Based on document review and interview with workers and labour union, confirmed that no contract substitution was noted.</p> <p>Scheme Smallholders: Similar to estate and mill, there is no contract substitution was noted.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Minor compliance –	Estate, KKPA, scheme smallholders and mill: The agreement for temporary workers is available and signed by workers. There is no migrant worker.	Yes
Criterion 6.13 Growers and millers respect human rights			
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	Estate, KKPA and Mill: The company has established human rights policy, dated 01 December 2014, it has been communicated to the workforce, e.g. - Socialisation on 10 th March 2015 for staff, attended 11 workers. - Socialisation on 02 nd January 2015 for harvesters, attended 4 workers. - Socialisation on 05 th March 2015 for staff, attended 6 workers, No any human rights violation was noted during audit including in scheme smallholder area. Scheme smallholders: The cooperative is adopting Company policy on respect to human rights “Kebijakan koperasi” dated 1 st August 2013. This policy has been communicated to smallholder member and made available in the notice board at the Cooperative office.	Yes
PRINCIPLE 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS (N/A – No any new planting)			
PRINCIPLE 8: COMMITMENT TO CONTINUAL IMPROVEMENT IN KEY AREAS OF ACTIVITY			
Criterion 8.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			

Criterion / Indicator		Assessment Findings	Compliance
8.1.1	<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides (Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Optimising the yield of the supply base; <p>- Major compliance –</p>	<p>Estate, KKPA and Mill: The company prepared the action plan for continual improvement. Master Continous improvement 2015 listed down all activities planned for continual improvement programme at the mill and estate as well as scheme smallholder. For instance:</p> <ul style="list-style-type: none"> - Reduction of fossil fuel usage by implementing Biogas Plant to generate electricity. This also can reduce pollution and greenhouse gas emission caused by effluent, monitored and documented commencing 2015 onward. - Utilisation of 100% Fibre as boiler fuel. - Providing manuring programme and for scheme smallholder to increase the yields. <p>Scheme smallholders: The cooperative adopted Master Continous Improvement plan from the company, and the company extension officer helping them to monitor the implementation of the plan provided.</p>	Yes

Appendix "B"
Time Bound Plan

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

Tanjung Selamat	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	2017	Certified in 26 May 2015.
Gunung Melayu I	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatra	2017	Main Audit in December 2014.
Gunung Melayu II	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra	2017	Main Audit in December 2014.
Negri Lama I	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2018 to 2013	Certified on 6 April 2015
Negri Lama II	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	2018	-
Name of Plantation	Address	Time bound for certification	Status as of March 2015
Buatan	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Certified on 16 September 2010
Ukui & Soga	Ukui Village, Ukui District, Pelalawan Regency, Riau	2011	Certified on 1 March 2011
Buatan (Plasma)	Kerinci Kanan, Pangkalan Kerinci, Dayun Village, Siak & Pelalawan Regency, Riau	2011	Certified on 13 March 2012
Ukui (Plasma)	Ukui & Lubuk Batu Jaya District, Pelalawan & Inhu Regency, Riau	Brought forward from 2012 to 2011	Certified on 11 June 2012
Tungkal Ulu	Pulau Pauh/Penyabungan/Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2011	Certified on 15 August 2012
Muara Bulian	Singoan/Bukit Sari/ Bulian Jaya Village, Muara Bulian/Pemayung District, Batang Hari Regency, Jambi	2011	Certified on 28 August 2012
Buatan (KKPA)	Kerinci Kanan, Pangkalan Kerinci, Dayun District, Siak & Pelalawan Regency, Riau	2012	Certified on 17 January 2013
Tungkal Ulu (Plasma)	Renah Mendalo, Merlung, Muara Papalik District, Tanjung Jabung Barat Regency, Jambi	2012	Certified on 11 July 2013
Muara Bulian (Plasma)	Maro Sebo Ilir District, Batanghari Regency, Jambi	2012	Certified on 12 July 2013
Muara Bulian (KKPA)	Maro Sebo Ilir District, Batanghari Regency, Jambi	2012	Certified on 12 July 2013

Topaz & Seed Garden	Petapahan Village, Tapung District, Kampar Regency, Riau	2013	Certified on 30 March 2015
Taman Raja & Badang	Lubuk Bernai / Kampung Baru / Pelabuhan Dagang / Pematang Pauh Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2013	Certified on 20 February 2015
Segati	Langkan / Penarikan / Tambak / Sotol Village, Langgam District, Pelalawan Regency, Riau	2014	Public Notification conduct in October 2014. Main Audit in Dec 2014
Penarikan & Gondai	Pangkalan Sarik / Baru Village, Langgam / Siak Hulu District, Pelalawan / Kampar Regency, Riau	2014	Main Audit in December 2014
Penarikan (KKPA)	Pangkalan Sarik / Baru Village, Langgam / Siak Hulu District, Pelalawan / Kampar Regency, Riau	2014	Moved to 2016
Gunung Sahilan (KKPA)	Gunung Sahilan Village, Lipat Kain District, Pelalawan Regency, Riau	2014	Moved to 2016
Bahilang	Bahilang Village, Tebing Tinggi District, Serdang Bedagai Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified on 18 May 2015
Tanah Datar	Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified on 18 May 2015
Aek Nabara	S1-S3 / Sukadame Village, Bilah Hulu / Kota Pinang District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified on 6 March 2015
Teluk Panjie	Teluk Panjie Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified on 21 April 2015
Peranap	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	Brought Forward from 2016 to 2013	Certified on 7 January 2015
Bungo Tebo	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	Brought Forward from 2016 to 2014	Public Notification conduct in October 2014. Main Audit in Dec 2014
Peranap (Plasma)	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	2016	-
Bungo Tebo (Plasma)	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	2016	-
Tanjung Selamat	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified in 26 May 2015.
Pangkatan	Sennah Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified in 26 May 2015.

Sentral & Batu Anam	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Public Notification conduct in October 2014. Main Audit in Dec 2014
Pulau Maria	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Public Notification conduct in October 2014. Main Audit in Dec 2014
Negri Lama	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2018 to 2013	Certified on 6 April 2015
Aek Kuo	Aek Korsik Village, Aek Natas District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2016 to 2013	Certified on 6 April 2015

Appendix "C"
RSPO Certificate Details

PT. Inti Indosawit Subur
Buatan II Palm Oil Mill
Delik & Pangkalan Kerinci Village, Bunut Langgam Subdistrict,
Pelalawan District, Riau Province, Indonesia

BSI RSPO Certificate No: SPO 638947
Date of Initial Certificate Issued : 16 September 2010
Date of Expiry : 15 September 2015
Re-Issued Date : 15 September 2015

RSPO membership number: 1-0022-06-000-00

Applicable Standards:

- RSPO Principles & Criteria, Generic Standard 2013
- RSPO SCCS, 2014 Supply Chain Certification requirement for CPO Mills, Module E Mass Balance

Buatan II Palm Oil Mill and Supply Base					
Location Address	Delik & Pangkalan Kerinci Village, Bunut Langgam Subdistrict, Pelalawan District, Riau Province, Indonesia.				
GPS Location	101° 52'08" E - 00°27'24" N				
CPO Tonnage Total	68,752 MT				
PK Tonnage Total	17,347 MT				
CPO Claimed for Certification	50,594 MT				
PK Claimed for Certification	12,347 MT				
Own estates FFB Tonnage	75,506 MT				
Scheme Smallholder FFB Tonnage	171,428 MT				
Non-company Suppliers FFB Tonnage *)	- MT				
Estates / Supply base	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Buatan Estate (Afdeling IV, V and VI)	3,506	0	134	3,640	75,506
KUD. Mulus Rahayu	702	0	0	702	6,749
KUD. Bhirawa Bhakti	984	0	0	984	21,346
KUD. Tani Rukun	1,014	0	0	1,014	20,690
KUD. Kebun Sawit Harapan	800	0	0	800	17,243
KUD. Buatan Jaya	860	0	0	860	18,548
KUD. Mitra Usaha	1,200	0	0	1,200	26,215
KUD. Makarti Jaya	800	0	0	800	17,253
KUD. Bina Mulia	872	0	0	872	18,779
KUD. Delima Sakti	1,490	0	0	1,490	24,605
Sub Total KUD	8,722	0	0	8,722	171,428
Total	12,228	0	134	12,362	246,934

Appendix "D"
Assessment Plan

Audit Plan						
Date	Time	Subjects	AG	PS	NM	HT
Sunday, 02/08/2015	A day	Auditor team is staying at hotel in Pangkalan Kerinci after completion an audit in PT Inti Indosawit Subur – Buatan I.	√	√	√	√
Monday, 03/08/2015	07.30 – 08.00	Auditors travel from Hotel in Pangkalan Kerinci to Site Location. Pick up to the site by PT Inti Indosawit Subur	√	√	√	√
	08.00 – 08.45	Opening Meeting <ul style="list-style-type: none"> • Presentation by the Estate and mill managers, Supply Chain related to the FFB supplied to the mill, progress of Stage-1 finding and progress of Time Bound Plan. • Presentation by Audit team leader and confirmation of assessment scope. • Finalize Audit schedule, including stakeholder 	√	√	√	√
	08.45 – 12.00	Stakeholder consultation with village surrounding and local	-	-	√	-
	08.45 – 12.00	Document review at Mill and Estate (General Documentation e.g. Legal, HCV identification, SEIA documents, Health and Safety, time bound plan verification, etc).	√	√	-	√
	12.00 – 14.00	Break/Lunch/Pray	√	√	√	√
	14.00 – 17.00	Continue Stakeholder consultation with village surrounding and local NGO	-	-	√	-
	14.00 – 17.00	Continue Document review at Mill and Estate (General Documentation, e.g. Legal, HCV identification, SEIA documents, Health and Safety, etc).	√	√	-	√
	17.00 – 17.30	Travelling to hotel in Pangkalan Kerinci. Overnight.	√	√	√	√

Note: AG (Aryo Gustomo), PS (Pratama Sedayu), DN (Doni) HT (Haeruddin Tahir)

Date	Time	Subjects	AG	PS	DN	HT
Tuesday, 04/08/2015	07.30 – 08.00	Auditors travel from Hotel in Pangkalan Kerinci to Site Location. Pick up to the site by PT Inti Indosawit Subur	√	√	√	√
	08.00 – 11.00	Site Visit at Buatan II Mill, inspection of processing, warehouse, workshop, mill wastes management, Effluent Ponds, OSH, Environment issues, POME application, workers interview, Review on SEIA documents and records, Document review, Supply Chain, etc.	√	-	-	-
	08.00 – 12.00	Field visit to Estate inspection, boundary poles, harvesting, spraying, fertilizer application, HCV area, river riparian, warehouse, workshop, review on SEIA documents and records, document review, OSH, Environment issues, workers interview	-	√	-	√
	08.00 – 12.00	Stakeholder consultation with workers, labor union, contractor, etc	-	-	√	
	11.00 – 12.00	Document review at Mill (General Documentation for CPO supply chain, processing record, docket, sales invoice, delivery order,	√	-	-	-
	12.00 – 14.00	Break/Lunch/Pray	√	√	√	√
	14.00 – 17.00	Continue Mill Audit - Document review at Mill (environment, health and safety, social, etc)	√	-	√	-
	14.00 – 17.00	Continue Estate Audit- site visits at Estate facilities, worker interview, housing, document review etc.	-	√	-	√
	17.00 – 17.30	Travelling to hotel in Pangkalan Kerinci. Overnight.	√	√	√	√
Wednesday, 05/08/2015	08.00 – 12.00	Field Inspection and document review to the sample scheme smallholder – 1 st KUD	√	√	√	√
	12.00 – 14.00	Break/Lunch/Pray	√	√	√	√
	14.00 – 17.00	Continue Field Inspection and document review to the sample scheme smallholder – 1 st KUD	√	√	√	√
	17.00 – 17.30	Travelling to hotel in Pangkalan Kerinci. Overnight.	√	√	√	√
Thursday, 06/08/2015	08.00 – 12.00	Field Inspection and document review to the sample scheme smallholder – 2 nd KUD	√	√	-	-
	08.00 – 12.00	Field Inspection and document review to the sample scheme smallholder – 3 rd KUD	-	-	√	√
	12.00 – 14.00	Break/Lunch/Pray	√	√	√	√
	14.00 – 17.00	Continue Field Inspection and document review to the sample scheme smallholder - 1 st KUD	√	√	-	-
	14.00 – 17.00	Continue Field Inspection and document review to the sample scheme smallholder - 2 nd KUD	-	-	√	√
	17.00 – 17.30	Travelling to hotel in Pangkalan Kerinci. Overnight.	√	√	√	√
Friday, 07/08/2015	08.00 – 11.00	Continue audit – document review, outstanding information.	√	√	√	√
	11.00 – 12.00	Report Preparation	√	√	√	√
	12.00 – 13.30	Break/Lunch/Pray	√	√	√	√
	13.30 – 14.30	Closing meeting	√	√	√	√
	14.30 – 16.30	Auditor travelling from site to Pekan Baru.	√	√	√	√
	18.40 – 20.30	Auditor travelling from Pekan Baru to Jakarta	√	√	√	√

Appendix "E"
Stakeholder Contacted

No	List stakeholder contacted
1	Department of Labour and Transmigration – Pelalawan District
2	Department of Labour and Social – Siak District
3	Environmental Department - Pelalawan District.
4	Department of Cooperative, Industry, and Trader – Siak District
5	National Land Agency - Pelalawan District
6	National Land Agency – Siak District
7	Forestry and Plantation Department - Pelalawan District
8	Forestry and Plantation Department – Siak District
9	Representative of Smallholder Cooperative (KUD Buatan Jaya), Jatimulya Village, Kerinci Kanan Sub-District.
10	Representative of Smallholder Cooperative (KUD Mitra Usaha), Buatan Baru Village, Sub-District of Kerinci Kanan
11	Representative of Smallholder Cooperative (KUD Tani Rukun), Simpang Perak Jaya Village, Sub-District of Kerinci Kanan
12	Representative of Smallholder Cooperative (KUD Bhirawa Bakhti) as well as Head of Smallholder Forum Association (Ketua Forum Petani PIR Kelapa Sawit - FKPPKS), Buana Bakhti Village, Sub-District of Kerinci Kanan
13	Labour Union (SP-PPP SPSI PUK) of PT Inti Indosawit Subur
14	Self-Supporting Worker Cooperative (Small-medium Enterprise) of PT Inti Indosawit Subur
15	Prominent Figure of Kuala Kerinci Village, Sub-District of Pangkalan Kerinci.
16	Prominent Figure of Kerinci Kanan village, Sub-District of Kerinci Kanan, District of Siak.
17	Head of Lalangkabung Village, Sub-District of Pelalawan, District of Pelalawan.
18	Prominent Figure of Bukit Agung Village, Sub-District of Kerinci Kanan, District of Siak (he is a contracted FFB transporter for company)
19	Local Contractor for EFB Transporter
20	Gender Committee

Appendix "F"
RSPO SCCS – CPO Mills: Mass Balance

Criterion E.1. Definition			
	Requirement	Evidence	Compliance
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	The certified FFB is only coming from Company own estate and scheme smallholder. The non-certified FFB is coming from outgrowers/third party traders. This can be traced in the Mill documentation and record	Yes

Criterion E.2. Explanation			
	Requirement	Evidence	Compliance
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 estimate annual tonnage for FFB, CSPO, and CSPK are available in the Estate and Mill annual production budget for 2015. The FFB received from each certified supply base and non-certified supply base. The certified supply base is coming from Buatan Estate (Division I, II, and III) and 4 Cooperatives/KUD of scheme smallholders. This has been recorded in this public summary report.	Yes
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).	Company held eTrace registration under PT Inti Indosawit Subur – Buatan I POM. This can be traced in the eTrace system.	Yes

Criterion E.3. Documented procedures.			
	Requirement	Evidence	Compliance
3.1	The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:		
	a. Complete and up to date procedures covering the implementation of all the elements in these requirements;	Operational procedure for supply chain elements is in place i.e. SOP AA.MPM-OP.1400.17-R4 (Traceability). Mechanism to record all FFB source, volume of CPO and PK produced, and sales goods out.	Yes
	b. The name of the person having overall responsibility for and authority over the	SOP AA.MPM-OP.1400.17-R4 (Traceability).	Yes

	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	Procedure covers roles and responsibilities for Marketing Manager, Weight Bridge Clerk, Mill Administration Head, Mill Manager, and Environment & Sustainability Head.	
3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	<p>Procedure has been implemented e.g.:</p> <ul style="list-style-type: none"> - Information on Delivery docket has been covered Estate/Scheme Smallholder name with block number, Certified or non Certified status, planting year, harvesting date, number of RSPO Certificate. Sample taken was delivery docket from Buatan Estate dated 29 July 2015. - Weight bridge ticket has covered RSPO Certified status, batch number with RSPO certificate number, volume of FFB (gross and netto), transportation reference. Sample taken was Weight bridge ticket for Buatan Estate dated 29 July 2015. 	Yes

Criterion E.4. Purchasing and goods in.

	Requirement	Evidence	Compliance
4.1	The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received	All incoming FFB certified and non-certified will be counted automatically in Weigh Bridge system.	Yes
4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage	This has been covered in the Operational procedure for supply chain elements is in place i.e. SOP AA.MPM-OP.1400.17-R4 (Traceability)	Yes

Criterion D.5. Record Keeping

	Requirement	Evidence	Compliance
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>Record and report demonstrating compliance are available:</p> <ul style="list-style-type: none"> - Mill Daily Production Report. - Three-Monthly Mass Balance system for CPO and PK, latest update on January-March 2015 and April-June 2015, showing Input and output of Certified and non certified product with end balance stock. <p>The tonnage and source of certified FFB received were recorded under Daily Production Report of Buatan II Mill ("Laporan Harian Pabrik"). Review of record dated 27 – 29 July 2015 confirmed the certified FFB received from Nucleus estate/Buatan Estate and scheme</p>	Yes

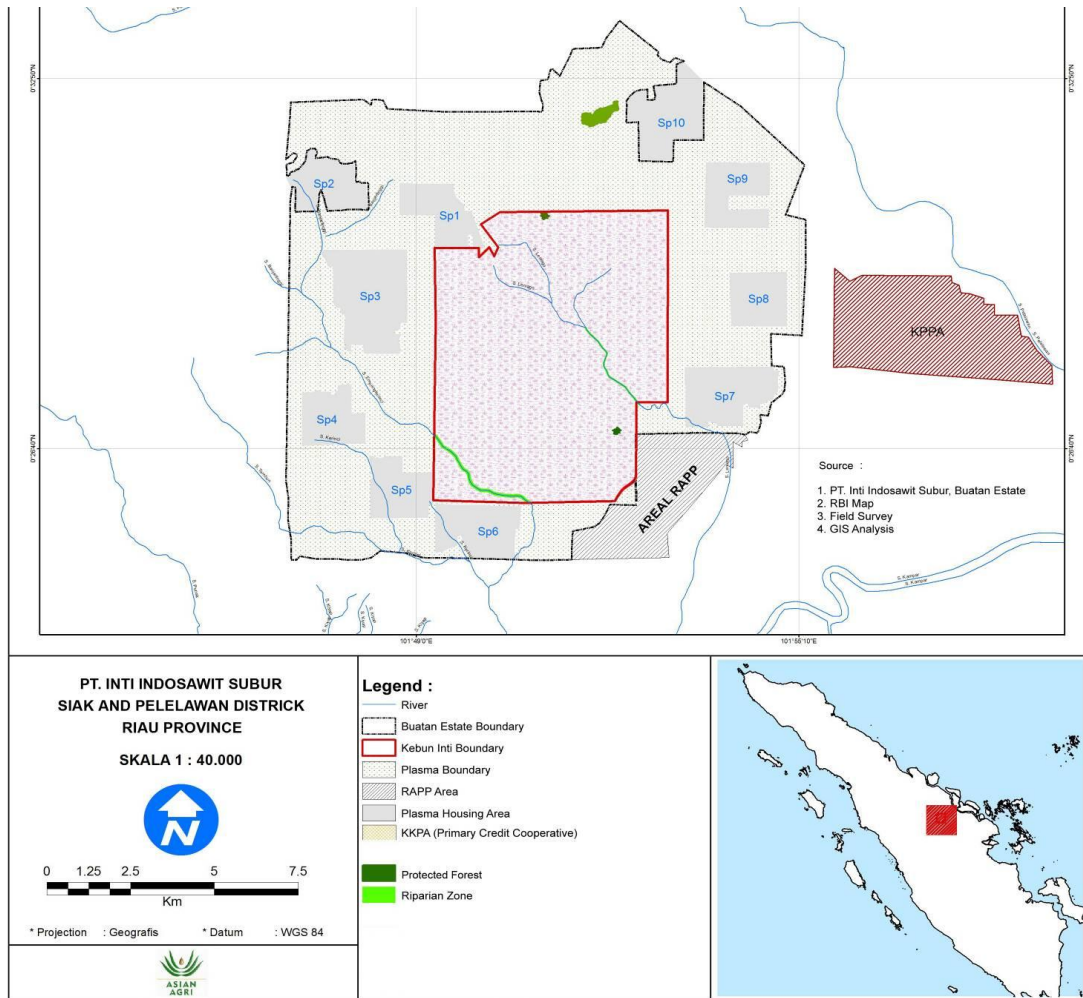
		<p>smallholder were noted with today and todate of total volumes. All figures are to be reported under Mill’s Monthly Progress Report.</p> <p>The production and sales of CSPO and CSPK are recorded under Daily Production Report of Buatan II Mill (“Laporan Harian Pabrik”). This also recorded in 3-Monthly mass balance system. Review of sales record for September 2014 up to July 2015 the sales of certified volume were not over than figures stated in the certificate.</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.	Based on review of documents, the company has a system to deduct volume of CPO and PK delivered in system automatically.	Yes
	c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)	Short Sell system is included in their procedure; it’s clear how the system works.	Yes
5.2	In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.	No out-sourced activities within this mill.	Yes

Appendix "G"
Location Map of PT. Inti Indosawit Subur – Buatan II

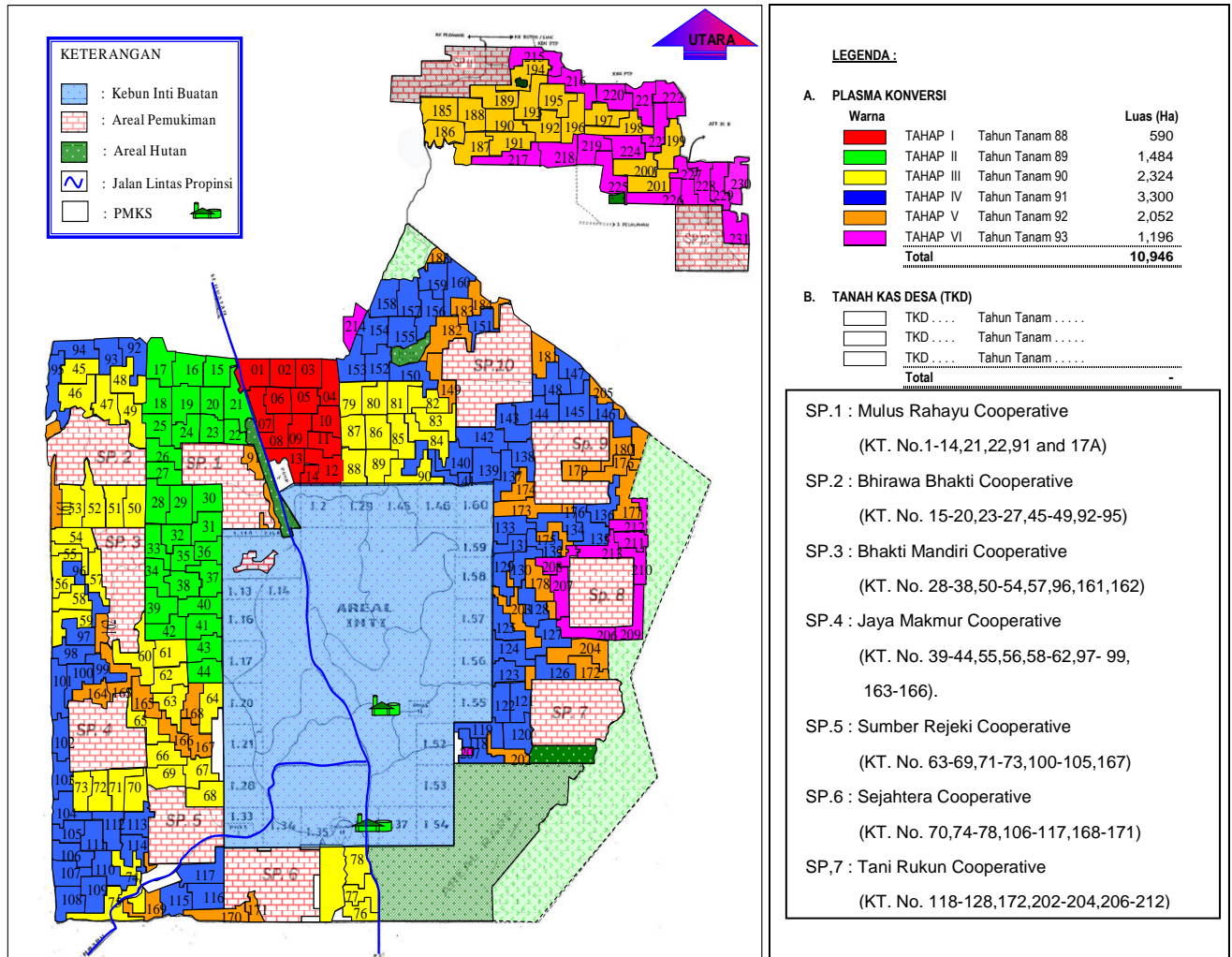
Map 1: Map showing the location of PT. Inti Indosawit Subur – Buatan II in Indonesia.

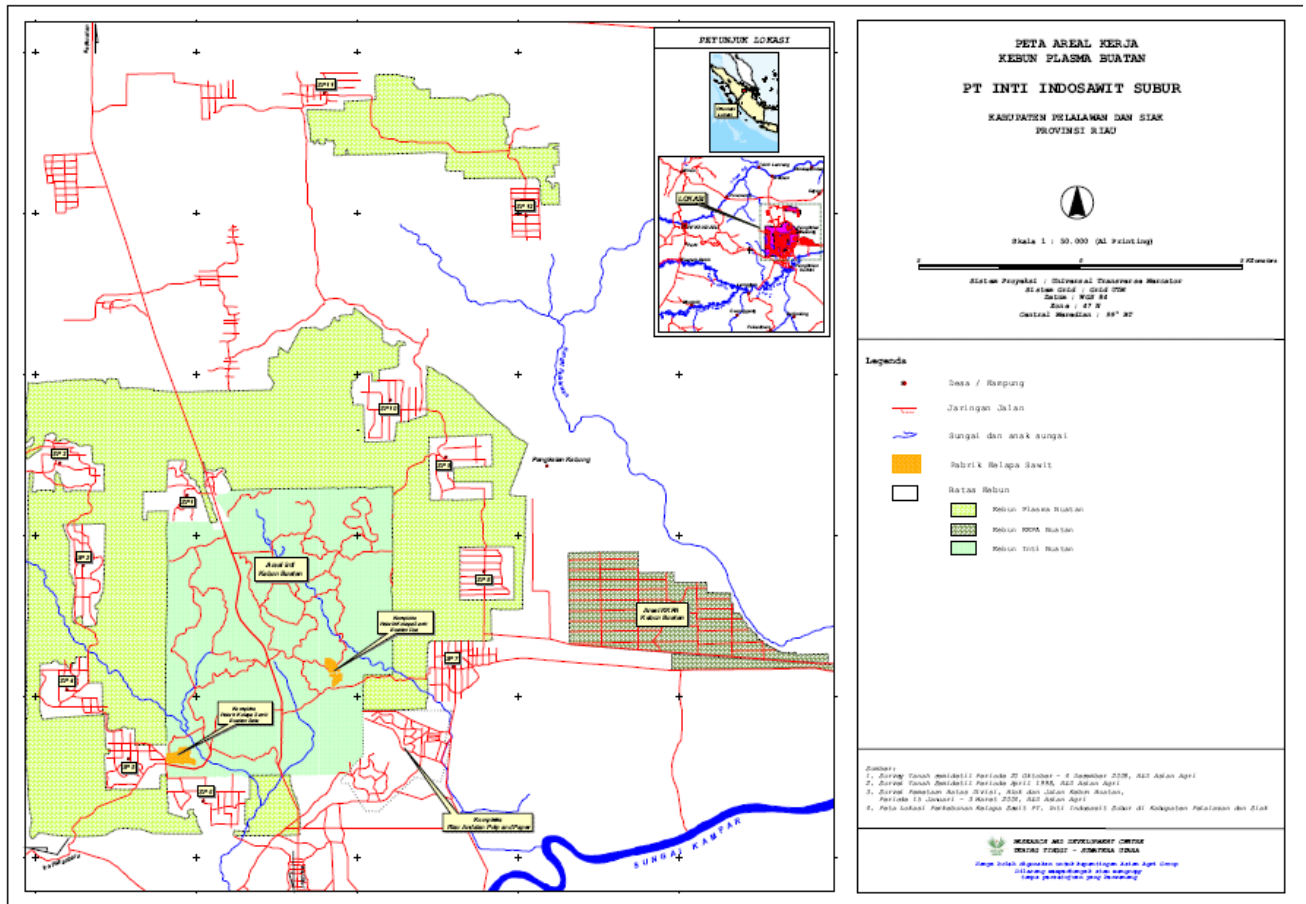


Map 2 : PT. Inti Indosawit Subur plantatian (Buatan Estate) and KKPA with neighboring entities.



Map 3: Location of Scheme Smallholders (Plasma and KKPA) PT. Inti Indosawit Subur.





Appendix "H"
Abbreviation used

AMDAL	Analisa Mengenai Dampak Lingkungan (Environmental Impact Assessment)
ASA	Annual Surveillance Assessment
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
EFB	Empty Fruit Bunch
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
GMP	Good Manufacturing Practice
HCV	High Conservation Value
IAV	Initial Assessment Visit
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
PK	Palm Kernel
POM	Palm Oil Mill
PPE	Personal Protective Equipment
PSQM	Plantation Sustainability and Quality Management
RC	Re-Certification
RED	Renewable Energy Directive
RKL	Rencana Kelola Lingkungan (Environmental Management Plan)
RPL	Rencana Pemantauan Lingkungan (Environmental Monitoring Plan)
RSPO P&C	Roundtable on Sustainable Palm Oil Principle & Criteria
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure