

**RSPO PRINCIPLE AND CRITERIA
– 2nd ANNUAL SURVEILLANCE ASSESSMENT
Public Summary Report**

PT. Tapian Nadenggan
Client company Address: Sinar Mas Land Plaza, Tower II, 30 th Floor, Jl. MH Thamrin No. 51, Jakarta
Certification Unit: Jakluay Palm Oil Mill and its Supply Base Location of Certification Unit: Jak Luay Village, Muara Wahau District, Kutai Timur Regency, Kalimantan Timur Province

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Section 1: Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	1-0019-05-000-00	Date	14 th January 2015
Company Name	PT. Tapian Nadenggan		
Address	Head Office: Sinar Mas Land Plaza, Tower II, 30 th Floor Jl. MH Thamrin No. 51, Jakarta 10350 Site address: Jak Luay Village, Muara Wahau District, Kutai Timur Regency, Kalimantan Timur Province Indonesia		
Subsidiary of (if applicable)	PT. SMART, Tbk		
Contact Name	Mr. Ismu Zulfikar		
Website	www.smart-tbk.com	E-mail	ismu.zulfikar@sinarmas-agri.com
Telephone	+62-21-50338899	Facsimile	

2. Certification Information			
Certificate Number	RSPO 623595	Date	10 th April 2015
Scope of Certification	Production of sustainable crude palm oil and palm kernel at Jakluay palm oil mill with four (4) company-owned estates as supply base, namely: Pantun Mas Estate, Jakluay Estate, Long Buluh Estate and Bukit Subur Estate. Jakluay palm oil mill capacity is 80 tonnes FFB/hour.		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
-Nil-			

3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Jakluay POM	Jak Luay Village, Muara Wahau District, Kutai Timur Regency, Kalimantan Timur Province	116°54'54.000" E	0°57'03.000"N
Jak Luay Estate	Jak Luay Village, Muara Wahau District, Kutai Timur	116°55' 52.779" E	0°58'24.173"N

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	Regency, Kalimantan Timur Province		
Pantun Mas Estate	Sidomulyo Village, Konbeng District, Kutai Timur Regency, Kalimantan Timur Province	116°57'09.191" E	1°00'55.103" N
Long Buluh Estate	Jak Luay Village, Muara Wahau District, Kutai Timur Regency, Kalimantan Timur Province	116°57'03.181" E	0°58'00.971" N
Bukit Subur Estate	Sidomulyo Village, Konbeng District, Kutai Timur Regency, Kalimantan Timur Province	116°50'29.657" E	0°49'09.694" N

4. Description of Supply Base

Estate	Mature (Ha)	Immature (Ha)	Total Planted (Ha)	Infrastructure & Other (Ha)	HCV (Ha)	Total Hectarage	% of Planted
Jak Luay Estate	3,325.74	0.00	3,325.74	497.34	59.78	3,882.86	86
Pantun Mas Estate	4,364.91	0.00	4,364.91	611.13	120.15	5,096.19	86
Long Buluh Estate	2,695.44	0.00	2,695.44	487.19	316.76	3,499.39	77
Bukit Subur Estate	2,087.02	0.00	2,087.02	2,399.13	137.86	4,624.01	45
Total	12,473.11	0.00	12,473.11	3,994.79	634.55	17,102.45	72.93

5. Plantings & Cycle

Estate	Age (Years)					Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (Apr 2016 – Mar 2017)	Actual (Apr 2016 – Mar 2017)	Forecast (Apr 2017 – Mar 2018)
Jak Luay Estate	0	1,646.24	1,679.50	0	0	100,000	79,278.18	98,775.26
Pantun Mas Estate	0	2,457.89	1,907.02	0	0	130,000	80,224.93	84,481.64
Long Buluh Estate	0	2,695.44	0	0	0	90,000	67,867.22	84,711.72
Bukit Subur Estate	0	2,087.02	0	0	0	50,000	42,872.98	59,172.56
Total	0	8,886.59	3,586.52	0	0	370,000	270,243.31	327,141.18

6. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate)

Independent FFB Supplier	Tonnage / year		
	Estimated (Apr 2016 – Mar 2017)	Actual (Apr 2016 – Mar 2017)	Forecast (Apr 2017 – Mar 2018)
Third party FFB supplier	94,441	81,689.89	91,543.81

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7. Certified Tonnage									
Mill	Estimated (Apr 2016 – Mar 2017)			Actual (Apr 2016 – Mar 2017)			Forecast (Apr 2017 – Mar 2018)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Jakluay POM	370,000	93,055	20,091	270,243.31	65,544.25	14,364.96	327,141.18	82,603.15	17,992.77
Total	370,000	93,055	20,091	270,243.31	65,544.25	14,364.96	327,141.18	82,603.15	17,992.77

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: RSPO-ACC-19)
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
No. 8, Jalan Kerinchi
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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (RSPO-ACC-19) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Singapore, Jakarta, Bangkok and Australia which involve in RSPO Certification Program.

Assessment Methodology, Programme, Site Visits

The on-site 2nd Annual Surveillance Assessment was conducted from 24 – 27th January 2017. 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 Principles & Criteria INA NI September 2016 and RSPO Supply Chain Certification Standard 2014 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. The mill was audited together with the estates of its supply base. The estates sample were determined based on formula $N = 0.8\sqrt{y}$ where y is the number of estates while the smallholders sample were determined following the RSPO Certification Requirement for Group Certification 2010. The sampling of smallholders were based on the formula $(0.8\sqrt{y}) \times (z)$; where y is total number of independent group member and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix I.

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

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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.

All the previous nonconformities are remains closed. The assessment findings for the initial assessment 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 externally reviewed by RSPO approved Certification 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

1.Assessment Program					
Name (Mill / Supply Base)	Year 1 (ASA 1) 01/2016	Year 2 (ASA 2) 01/2017	Year 3 (ASA 3) 01/2018	Year 4 (ASA 4) 01/2019	Year 5 (RAV) 01/2020
Jakluay POM	x	x	x	x	x
Jakluay Estate		x	x	x	
Pantun Mas Estate		x	x		x
Long Buluh Estate	x				x
Bukit Subur Estate	x			x	

Tentative Date of Next Visit: January 1, 2018 - January 3, 2018

Total No. of Mandays:13

BSI Assessment Team:

Pratama Sedayu – Auditor (Lead Auditor)

He graduated from University of Jenderal Soedirman on 2008, majoring in Social Economic of Agriculture. He involved in RSPO certification since 2009 as a team member 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.

Imam Fakhrurozi – Auditor (Team Member)

Imam holds degree in Agriculture Technology and graduated from Gadjah Mada University, Yogyakarta on 2011. He had 2 (two) years working experience related to oil palm industry, as a sustainability and HSE officer in oil palm Plantation Company in Indonesia. Imam has completed a number of relevant trainings, the training includes ISO 9001:2008 and EMS 14001:2004 Lead Auditor, Lead Auditor of SMK3,

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RSPO P&C Lead Auditor endorsed course. Currently he works for BSI Group based in Jakarta office. He is one of the BSI qualified RSPO Auditor. He had been involved in RSPO auditing since 2015. During this assessment, he assessed on the aspects of mill and estate best practices, environment and OHS.

Mujinius Jalaraya – Auditor (Team Member)

Bachelor degree from Faculty of Forestry, Bogor Agricultural University (IPB) in 2008, Majoring in Forest Resources Conservation. He has a working experience in palm oil plantations as SHE Assistant at PT. Astra Agro Lestari Tbk in 2008 – 2012, as Supervisor Sustainability at Teladan Prima Group in 2012 – 2014 and as Auditor at SAI Global in April 2014 – August 2016. He joined at PT BSI Group Indonesia since September 2016 as Auditor ISO, ISPO and RSPO. Various training has followed, such as: OHS Expert/Ahli K3 Umum Training (2010), Training for Trainers (2013), HCV Assessor Training (2013), Lead Auditor ISO 9001: 2008 Training (2014), Lead Auditor ISPO Training (2014), Lead Auditor RSPO Training (2014), Lead Auditor RSPO SCCS Training (2015), Lead Auditor ISO 14001: 2004 Training (2015), etc. He has much experience in implementation of quality management system, environmental and OHS management system, ISPO and RSPO in the company and much involved in audit of the system. During work at SAI Global and PT. BSI Group Indonesia he has had experience for audit ISO 9001: 2008 in various industries and services company, audit RSPO and ISPO in palm oil mill and plantation companies.

Accompanying Persons: Nil

Section 3: Assessment Findings

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

- PT. SMART, Tbk Time Bound Plan
- RSPO Group Certification Standard 2016 Checklist
- RSPO P&C for Smallholders TH-WG 2012 Checklist
- RSPO P&C GN-NIWG 2010 Checklist
- RSPO P&C INA-NIWG 2016 Checklist
- RSPO P&C PNG-NIWG 2016 Checklist
- RSPO P&C SI-NIWG 2010 Checklist
- RSPO P&C MY-NIWG 2014 Checklist
- RSPO P&C TH-WG 2011 Checklist
- RSPO Supply Chain Certification Checklist November 2014
- RSPO P&C 2013 Generic Checklist

3.2 Progress against Time Bound Plan

Time Bound Plan		
Requirement	Remarks	Compliance
Summary of the Time Bound Plan		
Does the plan include all subsidiaries, estates and mills?	Yes. The time bound plan indicating four (4) mills and seven (7) company owned estates to be certified in period of 2017-2020. The time bound plan also includes thirteen (13) smallholders to be certified in 2017-2019.	Comply
Is the time bound plan challenging? <ul style="list-style-type: none"> • Age of plantations. • Location. • POM development • Infrastructure. • Compliance with applicable law. 	Yes. The time bound plan indicating four (4) mills and seven (7) company owned estates to be certified in period of 2017-2020. The time bound plan also includes thirteen (13) smallholders to be certified in 2017-2019.	Comply
Have there been any changes since the last audit? Are they justified?	Yes. PT. SMART, Tbk was expediting the certification time bound plan for a number of supply base. For instance: Jakluay KKPA, Bukit Subur KKPA and Pantun Mas KKPA was planned for RSPO certification on 2019 – changed into 2018. This is noted as positive changes.	Comply
If there have been changes, what circumstances have occurred?	Yes, changes have occurred. A positive changes noted. PT. SMART, Tbk is expediting the certification time bound plan for a number of supply base: Jakluay KKPA, Bukit Subur KKPA and Pantun	Comply

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	Mas KKPA.	
Have there been any stakeholder comments?	Yes, audit team noted a number of stakeholder comment. No complaint against non-certified management unit under PT. SMART, Tbk noted.	Comply
Have there been any newly acquired subsidiaries?	No newly acquired subsidiaries. No new units added into time bound plan.	Comply
Have there been any isolated lapses in implementation of the plan?	No isolated lapse noted. Time bound plan implemented in timely manner.	Comply
Un-Certified Units or Holdings		
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>PT. SMART, Tbk is conducting internal audit for all of un-certified units.</p> <p>For example:</p> <p>Internal audit for PT. Kresna Duta Agroindo – Rantau Panjang Mill: Rantau Panjang Estate and Rantau Panjang KKPA (Kalimantan Timur Province) on 15-17th December 2015. The time bound plan for Rantau Panjang Estate and Rantau Panjang KKPA planned for RSPO certification on 2017.</p> <p>Internal audit for PT. SMART, Tbk – Bukit Kapur Mill (Kalimantan Selatan Province) on 15-19th February 2016. The time bound plan for Bukit Kapur Mill planned for RSPO certification on 2020.</p> <p>Internal audit for PT. Kresna Duta Agroindo – Gunung Kombeng Mill: Gunung Kombeng KKPA (Kalimantan Timur Province) on 14-19th March 2016. The time bound plan for Gunung Kombeng Mill and Gunung Kombeng KKPA planned for RSPO certification on 2019.</p> <p>Internal audit for PT. Kresna Duta Agroindo – Pelakar Mill (Jambi Province) on 24-29th October 2016. The time bound plan for Pelakar Mill planned for RSPO certification on 2017.</p> <p>Result of internal audit for PT. Tapian Nadenggan – Rantau Panjang Mill has been sighted. A number of findings was issued related to different aspects: transparency and stakeholder communication, legal compliance, use of herbicide, health and safety, environment management, HCV management, social impact management, industrial relationship, etc.</p>	Comply
<p>No replacement after dates defined in NIs Criterion 7.3:</p> <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to 	<p>HCV assessment for non-certified unit:</p> <p>PT. Kresna Duta Agroindo-Plakar Mill (Jambi Province), HCV Assessment on May 2013;</p> <p>PT. Smart, Tbk-Bukit Kapur Mill (South Kalimantan Province), HCV Assessment on November 2014;</p> <p>PT. Kresna Duta Agroindo-Rantau Panjang Mill (East Kalimantan Province), HCV Assessment on May 2013;</p>	Comply

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<p>maintain or enhance HCVs in accordance with RSPO criterion 7.3.</p>	<p>PT. Kresna Duta Agroindo-Gunung Kombeng Mill (East Kalimantan Province), HCV Assessment on May 2013;</p> <p>GAR and its subsidiary has reporting the disclosure and its liability to RSPO, via email on 29th August 2014. Company has sent Land Use Change Analysis to RSPO via email on 11th April 2016. There has been little progress from RSPO review, as followed up by company on 24th October 2016 with answer from RSPO – in progress, under review.</p>	
<p>Any new plantings since January 1st2010 must comply with the RSPO New Plantings Procedure.</p>	<p>New Planting Procedure for non-certified unit: PT. Kresna Duta Agroindo-Plakar Mill (Jambi Province), NPP verification on June 2013; PT. Smart, Tbk-Bukit Kapur Mill (South Kalimantan Province), NPP verification on June 2013; PT. Kresna Duta Agroindo-Rantau Panjang Mill (East Kalimantan Province), NPP verification on June 2013; PT. Kresna Duta Agroindo-Gunung Kombeng Mill (East Kalimantan Province), NPP verification on June 2013;</p>	<p>Comply</p>
<p>Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4,7.5 and7.6.</p>	<p>There was no land conflict noted. Company has developed a land conflict resolution mechanism, as explained in RSPO P&C 6.4, 7.5 and 7.6. The mechanism is available under procedure SOP Penanganan Konflik Sosial No.SOP/SMART/SENS-CSR/SADV/I/002. This procedure regulates social conflict resolution – which has to be agreed upon. Conflict resolution can be done in participatory manner or via mediation from third-party mediator.</p> <p>Company has an additional procedure to response to any complaint and grievance, before growing into conflict, under SOP/SMART/SIGS-CSR/SADV/I/003. GAR, as part of larger company has initiated to become RSPO DSF under category "Grower".</p>	<p>Comply</p>
<p>Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion6.3.</p>	<p>Company has an additional procedure to response to any complaint and grievance, before growing into conflict, under SOP/SMART/SIGS-CSR/SADV/I/003. Industrial and labor dispute will be resolute through internal flow process, as employee falls under internal stakeholder. Grievance and/or complaint can be dealt with written letter to worker union or to suggestion box, available in various different location.</p>	<p>Comply</p>
<p>Did the company conduct an internal audit? If so, has a positive assurance</p>	<p>Yes. PT. SMART, Tbk as the parent company conducted internal audit to its non-certified units. For example:</p>	<p>Comply</p>

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statement been produced?	Internal audit for PT. Tapian Nadenggan – Rantau Panjang Mill: Rantau Panjang Estate and Rantau Panjang KKPA (Kalimantan Timur Province) on 15-17 th December 2015. The time bound plan for Rantau Panjang Estate and Rantau Panjang KKPA planned for RSPO certification on 2017. Internal audit for PT. Satya Kisma Usaha – Sungai Bengkal Mill: Kilis KKPA (Jambi Province) on 17-22 nd October 2016. The time bound plan for Kilis KKPA planned for RSPO certification on 2019.	
Any Legal non- compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	Company is complying the relevant laws and regulation, as in RSPOP&C 2.1 and 2.2. Company has a mechanism to evaluate their compliance as in SOP/SMART/UMUM/SADV/I/002. Based on internal audit, PT. SMART, Tbk found a number of legal requirement and/or permit under process. Management unit is in process to obtain relevant permit.	Comply

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 Certification Assessment there were two (2) Minor nonconformities raised. The PT. Tapian Nadenggan – Jakluay POM Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1430943-201701-N1	<p>Requirements: RSPO P&C 2013, INA NI September 2016 - Criterion 2.1.4 A system for tracking any changes in the law shall be available and implemented.</p> <p>Evidence of Nonconformity: Company has a procedure to track, update and comply with legal requirements, as in "SOP Pemenuhan Peraturan dan Persyaratan Lainnya No.SOP/SMART/UMUM/SADV/I/002" date of issue 1st July 2014. The procedure composed of several steps: - Identification of legal requirements and other applicable requirements, carried out by Sustainability Division (national level) and SPO Officer (regional level). - Implementation of legal requirements carried out by all relevant department. This recorded under "Form Evaluasi Pemenuhan Peraturan dan Persyaratan Lainnya".</p>	Minor

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	<p>Different type of legal requirement sets for mill and estate.</p> <p>However, company has not tracked the changes for anti-corruption laws and requirements as in the RSPO Principle and Criteria 2013, INA NI September 2016, i.e.:</p> <ul style="list-style-type: none"> - Undang-undang No.7 tahun 2006 tentang Pengesahan United Nations Convention Against Corruption (Konvensi Perserikatan Bangsa-bangsa Anti Korupsi, 2003); - Undang-undang No.8 tahun 2010 tentang Pencegahan dan Pemberantasan Tindak Pidana Pencucian Uang; - Undang-undang No.31 tahun 1999 tentang Pemberantasan Tindak Pidana Korupsi; - Instruksi Presiden No.1 tahun 2013 tentang Aksi Pencegahan dan Pemberantasan Korupsi; <p>Statement of Nonconformity: Company has not tracked the changes for anti-corruption laws as required in the RSPO Principle and Criteria 2013, INA NI September 2016 - in company's document "Form Evaluasi Pemenuhan Peraturan dan Persyaratan Lainnya".</p> <p>Corrections: PT. Tapian Nadenggan – Jakluay POM has review and updated the regulation compliance evaluation, referring to Principle and Criteria INA NI, September 2016.</p> <p>Root Cause Analysis: Regulation update has not referred to list of regulation under Principle and Criteria INA NI September 2016.</p> <p>Corrective Actions: Regulation compliance update conducted with reference onto latest government regulation, as well as other requirements from certification standards.</p> <p>Assessment Conclusion: Audit team has reviewed the root cause analysis, correction and corrective action plan submitted by PT. Tapian Nadenggan – Jakluay POM. Audit team accepted the correction and corrective action plan, however audit team will review the effectiveness of corrective action taken during subsequent surveillance assessment visit.</p>	
Non-Conformity		
NCR #	Description	Category (Major / Minor)
1430943-201701-N2	<p>Requirements: RSPO P&C 2013, INA NI September 2016 - Criterion 5.6.3 A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available.</p> <p>Evidence of Nonconformity: Company has calculated the GHG emission from estate and mill operation using RSPO PalmGHG ver.3.0. However, audit team finds discrepancy in data source being used, causing the GHG calculation to be inaccurate. The baseline data being used in PalmGHG ver.3.0 and data available in Jakluay POM; related to volume of FFB processed in Jakluay POM was different.</p> <ul style="list-style-type: none"> - FFB processed from Jakluay Estate in PalmGHG ver.3.0: 74,332.86 tons; data FFB processed from Jakluay Estate in Jakluay POM: 74,323.86 tons - discrepancy of 9 tons; - FFB processed from Pantun Mas Estate in PalmGHG ver.3.0: 71,111.19 tons; data FFB processed from Pantun Mas Estate in Jakluay POM: 70,598.75 tons - discrepancy of 512.44 tons; 	Minor

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	<p>- FFB processed from Long Buluh Estate in PalmGHG ver.3.0: 66,675.48 tons; data FFB processed from Long Buluh Estate in Jakluay POM: 63,675.48 tons - discrepancy of 3,000 tons;</p> <p>- FFB processed from Bukit Subur Estate in PalmGHG ver.3.0: 36,283.42 tons; data FFB processed from Bukit Subur Estate in Jakluay POM: 36,379 tons - discrepancy of (-) 95.58 tons;</p>	
	<p>Statement of Nonconformity: The baseline data being used in PalmGHG ver.3.0 and data available in Jakluay POM; related to volume of FFB processed in Jakluay POM was different causing the GHG calculation to be inaccurate.</p>	
	<p>Corrections: "Staff Departemen Sertifikasi" in Jakarta office has re-calculates the final data – that has been verified by unit head.</p>	
	<p>Root Cause Analysis: Green House Gas (GHG) emission calculation was prepared by "Staff Departemen Sertifikasi" in Jakarta office, processing the data from operating unit, i.e. mill and estate which submitted through SPO Region. The data deviation caused by the data being submitted by SPO Region was total production data, which attaching FFB tonnage being processed in other palm oil mill. The other thing, database system was changing at the end of year 2016. This causing the data being submitted was for period of 1st January 2016 up to 29th December 2016, instead of full year 2016 database. 29th December 2016 was the date when database system change took place.</p>	
	<p>Corrective Actions: Management unit is preparing a system for data verification. SPO Officer in region level will ensure the database being used to process GHG emission calculation referring to final database, that has been verified by relevant unit head, before sent to "Departemen Sertifikasi" in Jakarta office.</p>	
	<p>Assessment Conclusion: Audit team has reviewed the root cause analysis, correction and corrective action plan submitted by PT. Tapian Nadenggan – Jakluay POM. Audit team accepted the correction and corrective action plan, however audit team will review the effectiveness of corrective action taken during subsequent surveillance assessment visit.</p>	

Observation	
OBS #	Description
1430943-201701-I1	RSPO P&C 2013, INA NI September 2016 - Criterion 4.6.6 Jakluay Estate has implemented best management practices to store the pesticide. A proper container arrangement, provision of material safety data sheet, provision of personal protective equipment onsite, provision of emergency response – noted during field visit. Pesticide storage in Jakluay Estate was also equipped with exhaust fan; better air circulation is expected.

Positive Findings	
PF #	Description
1	Good communication with internal and external stakeholders.

2	Improving performance in general, additional detailed information provided for each principle and criteria being audited.
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Issues raised by Stakeholders

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

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

IS #	Description
1	<p>Issues “Dinas Perkebunan Kabupaten Kutai Timur” – Plantation Service Kutai Timur Regency</p> <ul style="list-style-type: none"> - In general, communication between company and “Dinas Perkebunan Kabupaten Kutai Timur” has gone well. - PT. Tapian Nadenggan has obtain “Izin Usaha Perkebunan (IUP)”. - PT. Tapian Nadenggan has send “Laporan Perkembangan Usaha Perkebunan (LPUP) for first, second and third quarter of year 2016 to relevant authorities: “Bupati Kutai Timur”, “Dinas Perkebunan Kabupaten Kutai Timur”, “Dinas Pengendalian Lahan dan Tata Ruang (PLTR) Kabupaten Kutai Timur” and “Kantor Pertanahan Kabupaten Kutai Timur” in accordance to “Bukti penyerahan dokumen LPUP”. - “Dinas Perkebunan Kabupaten Kutai Timur asking PT. Tapian Nadenggan to deliver “Laporan Perkembangan Usaha Perkebunan (LPUP)” for last quarter of 2016. - PT. Tapian Nadenggan has obtain “Penilaian Kelas Kebun II”. - Company has reported monitoring of fire incident on three-month basis. - FFB price was determined from “Dinas Perkebunan Propinsi Kalimantan Timur” on monthly basis. - No complaint reported and/or noted by “Dinas Perkebunan Propinsi Kalimantan Timur” related to mill and estate operational activities. <p>Management Responses</p> <ul style="list-style-type: none"> - Management acknowledge the positive inputs/comments and deemed comply. - PT. Tapian Nadenggan has sent the report, “Laporan Triwulan Perkembangan Pembangunan Kelapa Sawit, Pabrik Pengolahan Kelapa Sawit dan Perkebunan Kemitraan Periode IV (Oktober – Desember) tahun 2016 No. 003.01/D&L-TN/KT/2017” to relevant authorities on 19th January 2017. <p>Audit Team Findings</p> <ul style="list-style-type: none"> - Audit team acknowledge the inputs and have verified the report being sent.
IS #	Description
2	<p>Issues “Badan Lingkungan Hidup Daerah Kabupaten Kutai Timur” – Environmental Service Kutai Timur Regency</p> <ul style="list-style-type: none"> - In general, communication between company and “Badan Lingkungan Hidup Daerah Kabupaten Kutai

	<p>Timur” has gone well.</p> <ul style="list-style-type: none"> - PT. Tapian Nadenggan has obtain “Izin Lingkungan” for all area of oil palm plantation and palm oil mill. - PT. Tapian Nadenggan has permit forhazardous waste storage. - PT. Tapian Nadenggan has permit for POME land application. - Company has prepared “Laporan Pelaksanaan RKL-RPL”, “Laporan Limbah B3” and reported regularly (three-monthly basis) to “Badan Lingkungan Hidup Daerah Kabupaten Kutai Timur”. - No complaint reported and/or noted by “Badan Lingkungan Hidup Daerah Kabupaten Kutai Timur” related to pollution caused by mill and estate operational activities. - There was no report related to fertilizer application and agrochemical applied aerially. - PT. Tapian Nadenggan has been assessed against “Penilaian Kinerja Lingkungan (Proper)” and awarded with “Proper Biru”. <p>Management Responses</p> <ul style="list-style-type: none"> - Management acknowledge the positive inputs/comments and deemed comply. - With regards to fertilizer and agrochemical which applied aerially, PT. Tapian Nadenggan has included the impact assessment and reported in “Laporan Pengelolaan Lingkungan”. <p>Audit Team Findings</p> <ul style="list-style-type: none"> - Audit team acknowledge the inputs and have verified the report being sent.
<p>IS # 3</p>	<p>Issues “Badan Pertanahan Kabupaten Kutai Timur” – National Land Body Kutai Timur Regency</p> <ul style="list-style-type: none"> - PT. Tapian Nadenggan has build good communication with “Badan Pertanahan Kabupaten Kabupaten Kutai Timur”. - PT. Tapian Nadenggan has follow procedures for legal ownership of the land, to obtain “Hak Guna Usaha”. - PT. Tapian Nadenggan maintained and monitored the boundary poles “patok HGU” in good manner. - “Badan Pertanahan Nasional Kabupaten Kutai Timur” noted a conflict in area of PT. Tapian Nadenggan: BPN shows letter No.17.KT.KM/JL-MW/VIII/2016, from “Kelompok Tani Kutai Mandiri” designated to “Kepala Kantor Wilayah Badan Pertanahan Nasional Propinsi Kalimantan Timur”, related to objection on cadastral measurement and HGU of PT. Tapian Nadenggan. In short, the complaint letter pleaded to “Badan Pertanahan Nasional Propinsi Kalimantan Timur” to stop processing and issuing “Hak Guna Usaha”/certificate for PT. Tapian Nadenggan. <p>Management Responses</p> <ul style="list-style-type: none"> - Management acknowledge the positive inputs/comments and deemed comply. - PT. Tapian Nadenggan has prepared the document demonstrating response and justification to the complaint letter. <p>Audit Team Findings</p> <p>Audit team acknowledge the inputs and have verified the response provided from company to the complaint letter. Audit team describe the process in criterion 2.3.</p>
<p>IS # 4</p>	<p>Description Issues “Dinas Tenaga Kerja dan Transmigrasi Kabupaten Kutai Timur” – Manpower office Kutai Timur Regency</p> <ul style="list-style-type: none"> - PT. Tapian Nadenggan has build good communication with “Dinas Tenaga Kerja dan Transmigrasi Kabupaten Kabupaten Kutai Timur”. - PT. Tapian Nadenggan has prepared and reported their industrial relation obligation such as “Wajib Lapor Tenaga Kerja” and “Laporan P2K3” for health and safety performance. - There is no indication/report on the use of underage worker in PT. Tapian Nadenggan. - PT. Tapian Nadenggan has implementing minimum wage as in “Upah Minimum Kabupaten Kutai Timur” to the workers. - Regular examination on pressure vessel and steam vessel has been carried out, however the check result analysis was in-process by “Dinas Tenaga Kerja dan Transmigrasi Kabupaten Kutai Timur”. - All steam machinery, boiler machinery, and welding operators have been trained and awarded with

	<p>operator license from "Kementerian Tenaga Kerja".</p> <ul style="list-style-type: none"> - Company has provided training on the use of limited pesticide for sprayers. - Company needs to improve the effort in order to prevent HIV/AIDS in working place – as regulated under Peraturan Menteri Tenaga Kerja No.68 tahun 2004. - Company has reported the worker's overtime to "Dinas Tenaga Kerja dan Transmigrasi Kabupaten Kutai Timur". - Company has been equipped with clinic, with a doctor and paramedic – which has been trained with Hiperkes" training. - All employees have been registered in social insurance "BPJS Tenaga Kerja dan Pemeliharaan Kesehatan". - There is a need to verify the use of informal worker in the company – such as wife of harvester, whereby following the husband, helps to harvest. - Company has prepared risk assessment in each operational stage. - Company has prepared personal protective equipment, based on risk assessment and accident record. - PT. Tapian Nadenggan needs to evaluate the performance of contractors, working/supplying service for company, compliance against manpower regulation and requirement – in particular.
	<p>Management Responses</p> <ul style="list-style-type: none"> - PT. Tapian Nadenggan acknowledge the positive inputs and deemed the comments are constructive. - The examination for pressure vessel and steam vessel has been done by PJK3 PT. Perdau Karya Utama and has been approved by "Dinas Tenaga Kerja dan Transmigrasi Kabupaten Kutai Timur". - Company has demonstrated awareness on HIV/AIDS in workplace through commemoration of world AIDS day 2016. One of the action taken was communicating the awareness on HIV/AIDS. - There was no informal worker. All worker is registered as worker, including wife of harvester. - Contractor evaluation has been implemented, as regulated under a procedure, "SOP/SMART/UMUM/SADV/I/006 tentang pengendalian kontraktor".
	<p>Audit Team Findings</p> <ul style="list-style-type: none"> - Audit team acknowledge the inputs and have verified the report being sent. - Audit team acknowledge the inputs and have verified contractor evaluation, as described in RSPO P&C criterion 6.10. - Audit team acknowledge the inputs and have verified the status on wife of harvester, in RSPO P&C criterion 6.5.
<p>IS #</p>	<p>Description</p>
<p>5</p>	<p>Issues Desa Sidomulyo – Transmigration village</p> <ul style="list-style-type: none"> - PT. Tapian Nadenggan has build good communication with Desa Sidomulyo. Communication between company with village officer and/or village community is good. - Community feels positive benefit from company presence. - There is a part of Desa Sidomulyo community whose live under company premise, RT II Desa Sidomulyo. - Company has communicating the complaint and grievance mechanism, local community has acknowledge the system. - Company has realized social aid to Desa Sidomulyo in form of heavy machinery for road maintenance, construction of religious houses, etc. - Company has communicating the importance of conservation of environment to local community (Nilai Konservasi Tinggi/NKT/HCV). <p>Management Responses PT. Tapian Nadenggan acknowledge the inputs and the comments are in line with reality.</p> <p>Audit Team Findings Audit team acknowledge the positive inputs.</p>
<p>IS #</p>	<p>Description</p>
<p>6</p>	<p>Issues Desa Muara Pantun – Native village</p>

	<ul style="list-style-type: none"> - PT. Tapian Nadenggan has build good communication with Desa Muara Pantung. Communication between company with village officer and/or village community is good. - Community feels positive benefit from company presence, such as development of plasma plantation (scheme smallholder) and local business partnership, because company palm oil mill received FFB supply from "petani swadaya" (independent smallholder). - Company gives work opportunity for local people. - Scheme smallholder development was done in full-managed scheme by company, in partnership with cooperative Induk Koperasi Unit Desa (INKUD). - Company helps the development of "petani swadaya" (independent smallholder) throguh seedling and fertilizer partnership. Smallholder can pay through installment. - Company has realized social aid to Desa Muara Pantun in form of heavy machinery for road maintenance, construction of religious houses, etc. - Company has communicating the importance of conservation of environment to local community (Nilai Konservasi Tinggi/NKT/HCV). - FFB price for smallholder based on "Dinas Perkebunan Provinsi Kalimantan Timur" on monthly basis. - Payment on FFB sales for both plasma (scheme smallholder) and swadaya (independent smallholder) has been made timely and in accordance to price sets by "Dinas Perkebunan Provinsi Kalimantan Timur". <p>Management Responses PT. Tapian Nadenggan acknowledge the inputs and the comments are in line with reality.</p> <p>Audit Team Findings Audit team acknowledge the positive inputs.</p>
<p>IS #</p>	<p>Description</p>
<p>7</p>	<p>Issues Worker of PT. Tapian Nadenggan</p> <ul style="list-style-type: none"> - PT. Tapian Nadenggan paid the worker in accordance to minimum wage, plus benefot. The overtime paid as regulations. - Company has provided facility for workers: housing with clean water and electricity, religious house, school, medical clinic, etc. - Company has provided the facility for workers in order to perform highest performance: personal protective equipment, training, working tools, etc. - Company has communicated the company policy: anti-corruption policy, environmental protection policy, health and safety policy, anti-discrimination policy, human right policy, etc. - Harvester is questioning the time for temporary workers that has been too long. This issue has been discussed with management, there has been feedback from management however promotion from temporary worker into permanent worker has not been realized. - Harvester is questioning the current base for harvesting of 85 bunches per day for tall palm and 110 bunches per day for small palm. The number is deemed too high. Workers have discussed the issue with management, there has been feedback from management, however there has been no adjustment on harvesting base. <p>Management Responses</p> <ul style="list-style-type: none"> - PT. Tapian Nadenggan acknowledge the positive inputs. - PT. Tapian Nadenggan responded to the issue of promotion of temporary worker into permanent worker: Company has fulfilled the mechanic for the promotion of temporary worker into permanent worker. The mechanism does mentioned that once the administrative requirement completed, promotion can be done. A number of temporary worker has yet to be promoted due to incomplete administrative requirement (i.e. identity card, "Surat Kelakukan Baik dari Kepolisian", etc.). For temporary workers that have fulfilled the administrative requirements, is currently in process of promotion. In addition, company treated the benefit for temporary worker and permanent worker in similar manner. There is no difference in benefit provided. - PT. Tapian Nadenggan responded to the issue of high harvesting target base: Company has a system called "premi panen" (category of harvesting) based on height of oil palm tree, started from mature up

	<p>to replanting. Each category of harvesting cascaded into target base, should the harvester meet the target base they will receive "basis borong"; and additional harvest will be calculated as "lebih borong". The changes in category of harvesting is regulated, whereby by the end of each fiscal year – plantation will census the oil palm tree height. Should the changes in height meet the requirement, proposal for management to adjust the harvesting category is made.</p>
	<p>Audit Team Findings</p> <ul style="list-style-type: none"> - Audit team acknowledge the positive inputs. - Audit team acknowledge the response on the issue related to promotion of temporary worker and adjustment in harvesting category.
<p>IS #</p>	<p>Description</p>
<p>8</p>	<p>Issues Serikat Pekerja Mandiri – Worker union from Jakluay Estate, Pantun Mas Estate and Jakluay POM</p> <ul style="list-style-type: none"> - SPM Pantun Mas Estate feels the company response onto worker issue is not really good. For example, security worker was asked to stand by during holiday, as requested by SPM. Company has promised a meeting with "Dinas Tenaga Kerja dan Transmigrasi Kabupaten Kutai Timur" since early 2016 – but has yet to realized. - SPM Jakluay POM and SPM Jakluay Estate feels the communication with company is good. The example given related to provision of rice benefit and provision of personal protective equipment. - SPM Estates inquired about the high harvesting target base, for example average bunch weigh 14-15 kg and tall palm, the current harvesting target base sets at 110 bunches per day. This is considered heavy for harvester. - SPM Pantun Mas Estate inquired and propose for fair treatment/facility. Temporary worker in Jakluay Estate receives rice benefit, while temporary worker in Pantun Mas Estate and Jakluay POM does not entitled to rice benefit. Additionally, SPM asking about promotion from temporary worker into permanent worker. Based on information, there was 5 sprayers that has been temporary workers for 5 years. <p>Management Responses</p> <ul style="list-style-type: none"> - PT. Tapian Nadenggan acknowledge the positive inputs. - PT. Tapian Nadenggan response to the issue on SPO Pantun Mas: Company has implemented Security System Off; whereby implementing working hour 40 hours per week, 6 working days per week. The communication and implementation of the system has been done. Security has understand and follows the regulation. Company proposed, should any of employee that has not come into agreement with company regulation can consult with "Dinas Tenaga Kerja dan Transmigrasi Kabupaten Kutai Timur". The company purpose was to maintain integrity of the process. - PT. Tapian Nadenggan responded to the issue of high harvesting target base: Company has a system called "premi panen" (category of harvesting) based on height of oil palm tree, started from mature up to replanting. Each category of harvesting cascaded into target base, should the harvester meet the target base they will receive "basis borong"; and additional harvest will be calculated as "lebih borong". The changes in category of harvesting is regulated, whereby by the end of each fiscal year – plantation will census the oil palm tree height. Should the changes in height meet the requirement, proposal for management to adjust the harvesting category is made. - PT. Tapian Nadenggan response to the issue on fair treatment and promotion of temporary worker into permanent worker: Temporary worker in Pantun Mas Estate has the same rice benefit, as been given in Jakluay Estate. Related to promotion of temporary worker, the said worker is correctly working for 5 years; 3 years as loose fruit collector and 2 year as sprayer. Currently the worker has been proposed to be promoted as permanent worker. <p>Audit Team Findings</p> <ul style="list-style-type: none"> - Audit team acknowledge the inputs. - Audit team accepts the explanation and submitted the company response into relevant Principle and Criteria. - Audit team will review the continuous progress on company response over worker union

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	communication, adjustment of harvesting target base, fair treatment and promotion of temporary workers in subsequent assessment visit.
IS #	Description
9	<p>Issues</p> <p>Gender Committee</p> <ul style="list-style-type: none"> - Committee presence was to convey aspiration from female worker and protection from sexual harrasment and violence, as well as protection of female worker’s reproductive rights. - Company has good communiacation with gender committee. - Gender committee express restless on gambling activity in work location. <p>Management Responses</p> <ul style="list-style-type: none"> - PT. Tapian Nadenggan acknowledge the positive inputs. - PT. Tapian Nadenggan response to the issue on gambling activity in work location: Company has coordinated with internal security and if needed, will continue to communicate with police to handle the issue. <p>Audit Team Findings</p> <ul style="list-style-type: none"> - Audit team acknowledge the inputs. - Audit team accepts the explanation and submitted the company response into relevant Principle and Criteria.

3.3.1 Status of Nonconformities Previously Identified and Observations

Non-Conformity		
NCR #	Description	Catgory (Major / Minor)
-Nil-	<p>Requirements:</p> <p>Evidence of Nonconformity:</p> <p>Statement of Nonconformity:</p> <p>Corrective Action:</p> <p>Assessment Conclusion:</p>	

Observation	
OBS #	Description
1	<p>Indicator 5.2.2</p> <p>The company needs to be considering prepare detail of HCV Management and Monitoring Plan related identified of "Orang Utan" (Pongo pygmaeus morio) in HCV area.</p> <p>Action taken:</p> <p>Company conducted the survey of Orangutan (Pongo pygmaeus) existence on December 2015 and</p>

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	<p>January 2016 by Dr. Kunkun Jaka Gurmaya and Firmansyah and team. The result of survey observed and found several nest of orangutan (6 nests) in in the border area of forest and dision 4 Long Buluh Estate. Nests were found already damaged and quite long, but found sign of orangutans. Monitoring will be carried out continuously and survey predicted number of population. Result of monitoring given, adds feedback into the management plan improvement. The results from monitoring of wildlife, environmental, and socio-cultural services gives feedback advice and recommendations to the management plan.</p>
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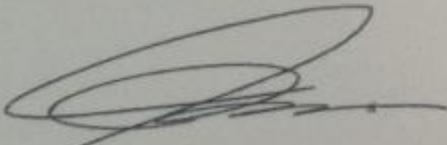
3.3.2 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1430943-201701-N1	NC Minor	27 th January 2017	"open"
1430943-201701-N2	NC Minor	27 th January 2017	"open"

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Assessment Conclusion and Recommendation:

Based on the findings during the assessment Jakluay POM Certification Unit and supply base complies with the RSPO P&C 2013 – Indonesia National Interpretation, September 2016, and the RSPO Supply Chain Certification Standard (Nov 2014) for CPO Mill. It is recommended that the certification of PT. Tapian Nadenggan - Jakluay POM Certification Unit is approved and continued.

Acknowledgement of Assessment Findings	Report Prepared by
Name: Ismu Zulfikar	Name: Pratama Agung Sedayu
Company name: PT. Tapian Nadenggan	Company name: on behalf of BSI Services Malaysia Sdn Bhd.
Title: Head of Environmental Department	Title: Lead Auditor
Signature: 	Signature: 
Date: 17 Maret 2017	Date: 24 th February 2017

Appendix A: Summary of Findings

Criterion / Indicator	Assessment Findings	Compliance
Principle 1: Commitment to Transparency		
<p>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.</p>		
<p>1.1.1</p>	<p>List of information related to criterion 1.2 that can be accessed by relevant stakeholders shall be available.</p> <p>- Major compliance -</p> <p>PT. Tapan Nadenggan: The list of information, has been listed in "Daftar Informasi untuk Stakeholder No.F/SMART/UMUM/SADV/004/003 rev.00", established on 4th January 2016. This list is made available in all estate and mill unit. "Daftar Informasi untuk Stakeholder No.F/SMART/UMUM/SADV/004/003 rev.00", established on 29th December 2016 in Jakluay Estate and 19th December 2016 in Pantun Mas Estate. The list consist of: Number of employee and salary payment – accesible to government bodies, BPJS, worker union and NGO; Information on Nomor Pokok Wajib Pajak and Pajak Bumi dan Bangunan – accesible to government bodies; Tax and retribution payment – accesible to government bodies; Environment document – accesible to government bodies and NGO; Establishment deed, area database, production database, manuring application – accesible to government bodies; Legal ownership of the land – accesible to government bodies and NGO; HCV Report – accesible to government bodies and NGO; Social Impact Assessment – accesible to government bodies and NGO; Community Development Program – accesible to government bodies and NGO; Health and Safety Committee Report – "Laporan Panitia Pembina Keselamatan dan Kesehatan Kerja" – accesible to government bodies; Continuous Improvement Plan document – accesible to government bodies; Human Rights Policy – accesible to government bodies and NGO; Summary report of Certification Body Certification – accesible to government bodies and NGO; Complaint and Grievance Document – accesible to government bodies and NGO;</p> <p>See detail in criterion 1.2.1.</p>	<p>Comply</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>1.1.2 Records of requests for information and responses to the information requested shall be available.</p> <p>- Major compliance -</p>	<p>PT. Tapan Nadenggan has a procedure to receive communication and consultation and provide appropriate response under "SOP Komunikasi dan Konsultasi No.SOP/SMART/UMUM/SADV/I/004" dated 1st July 2014. In the procedure said, incoming communication will be responded in 4 weeks time. Record of incoming communication available in each estate and mill unit.</p> <p>Jakluay POM: "Buku Komunikasi dan Konsultasi dengan Stakeholder-Jakluay Mill". Throughout 2016, Jakluay Mill received 86 incoming letters. Sample seen: Letters from worker dated 29th February 2016 related to request to buy soccer ball. Responded and approved on same date. Payment as in "Permohonan Pembayaran No.1046139" made on 3rd March 2016 to Mr. TB. From record seen, response provided in timely manner. Aside from responding to incoming communication, Jakluay Mill also sending correspondence for regular reporting to government authorities. Sample seen: Letter No.162/JKYM/SMRO/06/2016 dated 1st June 2016 when Jakluay POM sends the "Laporan Bulanan BPJS Tenaga Kerja Mei 2016" to "Dinas Tenaga Kerja Kabupaten Kutai Timur", via Samarinda office.</p> <p>Jakluay Estate: "Buku Komunikasi dan Konsultasi dengan Stakeholder-Jakluay Estate". Throughout 2016, Jakluay Estate received 32 incoming letters. Sample seen: Letters from SMP Eka Tjipta Jakluay dated 23rd September 2016 related to proposition to borrow transportation for camping. Responded on same date, approval from Estate Manager. Letter from Puskesmas Muara Wahau I, No.445.1/552/PKM-MWI/TU-IX/2016 dated 30th September 2016 related to preparation of vaccination month. Responded through disposition on 6th October 2016 by borrowing patrol car to facilitate the program. From record seen, response provided in timely manner. Aside from responding to incoming communication, Jakluay Estate also sending correspondence for regular reporting to government authorities. Sample seen: in 4th November 2016, Jakluay Estate sending "Laporan Tenaga Kerja bulan November 2016" to "Dinas Tenaga Kerja Kabupaten Kutai Timur". ---</p>	<p>Comply</p>

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Pantun Mas Estate: "Buku Komunikasi dan Konsultasi dengan Stakeholder-Pantun Mas Estate F/SMART/UMUM/SADV/004/001". Throughout 2016, Jakluay Estate received 83 incoming letters/communication. Sample seen: on 29th March 2016 received request for heavy machinery from Lembaga Adat Wehea. Respond provided in same date through disposition approval and provision of road grader and compactor, work completed in 6th April 2016.</p> <p>Letter from Sri Pantun village, No.2005/012/SPN/II/2016 related to request for excavator to build water catchment pond, dated 9th February 2016. Initial respond provided on 10th February 2016, stating the request is under consideration. On 24th February 2016, the request was approved, on the same date the excavation work being carried out.</p> <p>Aside from responding to incoming communication, Estate also sending correspondence for regular reporting to government authorities. Sample seen: On 25th January 2016, Pantun Mas Estate sends "Penataan Peraturan (Laporan RKL-RPL Semester 2)" to "Dinas Perkebunan Kabupaten Kutai Timur" and "Badan Lingkungan Hidup Kabupaten Kutai Timur".</p>	
<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>		

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Criterion / Indicator	Assessment Findings	Compliance
<p>1.2.1</p> <p>Publicly available documents shall include, but are not necessary limited to:</p> <ul style="list-style-type: none"> a) Land titles/user rights (Criterion 2.2) b) Occupational health and safety plans (Criterion 4.7) c) Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8) d) HCV documentation (Criteria 5.2 and 7.3) e) Pollution prevention and reduction plans (Criterion 5.6) f) Details of complaints and grievances (Criterion 6.3) g) Negotiation procedures (Criterion 6.4) h) Continual improvement plans (Criterion 8.1) i) Public summary of certification assessment report j) Human Rights Policy (Criterion 6.13). <p>- Major compliance -</p>	<p>Jakluay POM: Mill has determined all information available for stakeholder under "Daftar Informasi untuk Stakeholder No.F/SMART/UMUM/SADV/004/003 rev.00", established on 4th January 2016. The list consist of: Number of employee and salary payment; Information on Nomor Pokok Wajib Pajak and Pajak Bumi dan Bangunan; Tax and retribution payment; Establishment deed, area database, production database, manuring application; Legal ownership of the land; Social Impact Assessment; Community Development Program; Health and Safety Committee Report – "Laporan Panitia Pembina Keselamatan dan Kesehatan Kerja"; Continuous Improvement Plan document; Complaint and Grievance Document; Human Rights Policy;</p> <p>Jakluay Estate and Pantun Mas Estate: Estate operation has determined all information available for stakeholder under "Daftar Informasi untuk Stakeholder No.F/SMART/UMUM/SADV/004/003 rev.00", established on 29th December 2016 in Jakluay Estate and 19th December 2016 in Pantun Mas Estate. The list consist of: Number of employee and salary payment – accesible to government bodies, BPJS, worker union and NGO; Information on Nomor Pokok Wajib Pajak and Pajak Bumi dan Bangunan – accesible to government bodies; Tax and retribution payment – accesible to government bodies; Environment document – accesible to government bodies and NGO; Establishment deed, area database, production database, manuring application – accesible to government bodies; Legal ownership of the land – accesible to government bodies and NGO; HCV Report – accesible to government bodies and NGO; Social Impact Assessment – accesible to government bodies and NGO; Community Development Program – accesible to government bodies and NGO; Health and Safety Committee Report – "Laporan Panitia Pembina Keselamatan dan Kesehatan Kerja" – accesible to government bodies; Continuous Improvement Plan document – accesible to government bodies;</p> <p>---</p>	<p>Comply</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Human Rights Policy – accesible to government bodies and NGO; Summary report of Certification Body Certification – accesible to government bodies and NGO; Complaint and Grievance Document – accesible to government bodies and NGO;</p> <p>This list made available in prominent places and has been communicated to stakeholders; Communication to “Badan Lingkungan Hidup Kabupaten Kutai Timur”, “Badan Pertanahan Nasional Kabupaten Kutai Timur”, “Dinas Tenaga Kerja dan Transmigrasi Kabupaten Kutai Timur” dated 12th January 2017.</p> <p>Communication to community: to NehasLiahBing village on 5th January 2017; to Jakluay village on 6th January 2017, record seen.</p>	
Criteria 1.3:			
Growers and millers commit to ethical conduct in all business operations and transactions.			
1.3.1	<p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions along with the documentation of socialisation process of the policy to all levels of the workers and operations.</p> <p>- Minor compliance –</p>	<p>PT. Tapan Nadenggan Company has established policy called “Kebijakan Etika Bisnis” dated 1st August 2014. The policy stated “PT. SMART, Tbk committed to ethical conduct in all transaction and business operation, guided by company shared values: integrity, positive attitude, commitment, continual improvement, innovation and loyalty and in line with principle of sustainable palm oil company.” Further, in policy chapter 4, stated company will apply sanction to any worker involved in corruption, bribery and fraud in use of financial and other resources.</p> <p>Jakluay POM: Policy has been communicated to mill worker on 16th January 2017. The policy communication attended by 22 mill workers.</p> <p>Pantun Mas Estate: Code of ethical conduct has been communicated for sixteen (16) upkeep workers and fourteen (14) harvesters in Division V, dated 13th August 2016. Based on interview with sampled workers, they understand the code of ethical conduct in simple association – no corruption, no collusion, no nepotism. Based on interview with three (3) contractor workers (FFB transport); the worker understand the policy and implementation in terms: no cheating with regards to FFB transport tonnage, no bribery in order to won work/contract.</p>	Comply
Principle 2: Compliance with applicable laws and regulations			

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<p>Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.</p>		
<p>2.1.1</p>	<p>Evidence of compliance with relevant legal requirements shall be available.</p> <p>- Major compliance -</p> <p>PT. Tapan Nadengan: Company has a procedure to comply with legal requirements, as in "SOP Pemenuhan Peraturan dan Persyaratan Lainnya No.SOP/SMART/UMUM/SADV/I/002" date of issue 1st July 2014. The procedure composed of several steps: Identification of legal requirements and other applicable requirements, carried out by Sustainability Division (national level) and SPO Officer (regional level).</p> <ul style="list-style-type: none"> - Collecting and update of legal requirement carried out by SPO OfficerPSM. - Preparing list of legal requirements, classified based on relevant aspect (environment, health and safety, biodiversity, social-manpower, etc.) and based on hierarchy. - Distribution of legal requirements list carried out by SPO Officer region. - Evaluation of compliance, against all relevant legal (and other) requirements carried out by SPO officer unit. - Implementation of legal requirements carried out by all relevant department. This recorded under "Form Evaluasi Pemenuhan Peraturan dan Persyaratan Lainnya". Different type of legal requirement sets for mill and estate. - In order to ensure information access of legal requirement update, staff are assigned to prepare a contact list "Daftar Kontak Person Updating Peraturan dan Persyaratan Lainnya". - Regular evaluation carried out, once a year – at minimum to ensure consistent implementation of legal compliance. 	<p>Comply</p>

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<p>2.1.2</p> <p>A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>- Minor compliance -</p>	<p>PT. Tapian Nadenggan: Company has a procedure to comply with legal requirements, as in "SOP Pemenuhan Peraturan dan Persyaratan Lainnya No.SOP/SMART/UMUM/SADV/I/002" date of issue 1st July 2014. The procedure composed of several steps: Identification of legal requirements and other applicable requirements, carried out by Sustainability Division (national level) and SPO Officer (regional level).</p> <ul style="list-style-type: none"> - Collecting and update of legal requirement carried out by SPO Officer PSM. - Preparing list of legal requirements, classified based on relevant aspect (environment, health and safety, biodiversity, social-manpower, etc.) and based on hierarchy. - Distribution of legal requirements list carried out by SPO Officer region. - Evaluation of compliance, against all relevant legal (and other) requirements carried out by SPO officer unit. - Implementation of legal requirements carried out by all relevant department. This recorded under "Form Evaluasi Pemenuhan Peraturan dan Persyaratan Lainnya". Different type of legal requirement sets for mill and estate. - In order to ensure information access of legal requirement update, staff are assigned to prepare a contact list "Daftar Kontak Person Updating Peraturan dan Persyaratan Lainnya". - Regular evaluation carried out, once a year – at minimum to ensure consistent implementation of legal compliance. <p>Company has prepared a list of legal compliance evaluation "Evaluasi Kepatuhan kepada Peraturan Perundangan dan Persyaratan Lainnya Bidang Lingkungan Hidup", last update/evaluate on 8th August 2016.</p> <p>Evaluation of legal requirements compliance: Regulation: "Undang-undang No.32 tahun 2009 tentang Perlindungan dan Pengelolaan Lingkungan Hidup". Relevant aspect: chapter 22 "Setiap usaha atau kegiatan yang berdampak penting terhadap lingkungan wajib memiliki AMDAL" – all business/activity which has significant impact to the environment, obliged to have AMAL document. Implementation: Company has AMDAL/UKL-UPL/RKL-RPL documents. Status of compliance: Comply/1. Evidence seen by Audit team: AMDAL documents, approved by Regent of Kutai Timur Regency, as per "Izin Lingkungan" (Environmental Licence) from Bupati of Kutai Timur No.662/K.312/2012, dated 22nd April 2013 within scope mill and plantation area 11,503.48 Ha. The company also has UKL/UPL documents approved by "Komisi AMDAL Kabupaten Kutai Timur" No.660/617/3-BLH/V/2010 dated 14th May 2010 (975 Ha) for Pantun Mas Estate.</p>	<p>Comply</p>

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Criterion / Indicator		Assessment Findings	Compliance
2.1.3	<p>A mechanism for ensuring compliance shall be implemented.</p> <p>- Minor compliance -</p>	<p>PT. Tapian Nadenggan: Company has a procedure to comply with legal requirements, as in "SOP Pemenuhan Peraturan dan Persyaratan Lainnya No.SOP/SMART/UMUM/SADV/I/002" date of issue 1st July 2014. The procedure composed of several steps: Identification of legal requirements and other applicable requirements, carried out by Sustainability Division (national level) and SPO Officer (regional level).</p> <ul style="list-style-type: none"> - Collecting and update of legal requirement carried out by SPO OfficerPSM. - Preparing list of legal requirements, classified based on relevant aspect (environment, health and safety, biodiversity, social-manpower, etc.) and based on hierarchy. - Distribution of legal requirements list carried out by SPO Officer region. - Evaluation of compliance, against all relevant legal (and other) requirements carried out by SPO officer unit. - Implementation of legal requirements carried out by all relevant department. This recorded under "Form Evaluasi Pemenuhan Peraturan dan Persyaratan Lainnya". Different type of legal requirement sets for mill and estate. - In order to ensure information access of legal requirement update, staff are assigned to prepare a contact list "Daftar Kontak Person Updating Peraturan dan Persyaratan Lainnya". - Regular evaluation carried out, once a year – at minimum to ensure consistent implementation of legal compliance. 	Comply

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2.1.4	<p>A system for tracking any changes in the law shall be implemented.</p> <p>- Minor compliance -</p>	<p>PT. Tapan Nadenggan: Company has a procedure to track, update and comply with legal requirements, as in "SOP Pemenuhan Peraturan dan Persyaratan Lainnya No.SOP/SMART/UMUM/SADV/I/002" date of issue 1st July 2014. The procedure composed of several steps:</p> <ul style="list-style-type: none"> - Identification of legal requirements and other applicable requirements, carried out by Sustainability Division (national level) and SPO Officer (regional level). - In order to ensure information access of legal requirement are up-to-date, staff are assigned to prepare a contact list "Daftar Kontak Person Updating Peraturan dan Persyaratan Lainnya". - Regular evaluation carried out, once a year – at minimum to ensure consistent implementation of legal compliance. <p>NC Minor: Company has not tracked the changes for anti-corruption laws as required in the RSPO Principle and Criteria 2013, INA NI September 2016 - in company's document "Form Evaluasi Pemenuhan Peraturan dan Persyaratan Lainnya".</p>	NC Minor
<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>			

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<p>2.2.1</p> <p>Documents showing legal ownership or lease, history of land tenure ownership/control, and the actual legal use of the land shall be available.</p> <p>- Major compliance -</p>	<p>PT. Tapian Nadenggan: Establishment deed: Deed of Establishment PT. Tapian Nadenggan No. 30, 1978, dated 7th August 1978 with Endorsement from Ministry of Justice No.Y.A5/315/18, dated 20th September 1978. Renewal due to incorporation PT. Bulungan Sarana Utama and PT. Pratita Laksana Setia into PT. Tapian Nadenggan No.29, dated 26th December 2005, endorsement from Ministry of Justice No.C-34997 HT.01.04.TH 2005.</p> <p>Izin Lokasi: Company obtained a number of location permit for different land parcel: 1.- "Keputusan Kepala Kantor Pertanahan Kabupaten Kutai No.19/PKT/BPN-16.3/UM-16/VII-1997 tentang Pemberian Izin Lokasi untuk Keperluan Pembangunan Perkebunan Kelapa Sawit", dated 2nd July 1997 – awarded for PT. Bulungan Sarana Utama of 11,000 Ha in Muara Wahau District. - "Keputusan Kepala Kantor Pertanahan Kabupaten Kutai No.47/PKT/BPN-16.3/UM-40/IX-1998 tentang Perpanjangan Izin Lokasi untuk Keperluan Perkebunan Kelapa Sawit kepada PT. Bulungan Sarana Utama", dated 26th September 1998 – for 11,000 Ha in Muara Wahau District. - "Keputusan Bupati Kutai Timur No.212/02.188.45/HK/VI/2006 tentang Pembaharuan Izin Lokasi dan Perubahan dari PT. Bulungan Sarana Utama menjadi PT. Tapian Nadenggan untk Keperluan Perkebunan Kelapa Sawit Seluas 8,450 Ha yang Terletak di Desa Jakluay Kecamatan Muara Wahau dan Desa Juk Ayak, Rantau panjang, Batu Redi Kecamatan Telan Kabupaten Kutai Timur", dated 19th June 2006 – for 8,450 Ha. - This parcel of land awarded with Izin Usaha Perkebunan "Keputusan Bupati Kutai Timur No.500/25/EK-I/2006 tentang Persetujuan Izin Usaha Perkebunan atas nama PT. Tapian Nadenggan di Kecamatan Muara Wahau", dated 25th January 2006 – for 8,450 Ha in Jakluay village and Juk Ayak Village, Muara Wahau district.</p> <p>---</p>	<p>Comply</p>

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	<p>2.- “Keputusan Kepala Kantor Pertanahan Kabupaten Kutai No.09/PKT/BPN-16.3/UM-9/III-1999 tentang Pemberian Izin Lokasi untuk Keperluan Perkebunan Kelapa Sawit Pola Kemitraan (KKPA) kepada PT. Pratita Laksana Setia”, dated 16th March 1999 – for 8,900 Ha in Muara Wahau District.</p> <ul style="list-style-type: none"> - “Keputusan Bupati Kutai Timur No.213/02.188.45/HK/VI/2006tentang Pembaharuan Izin Lokasi dan Perubahan dari PT. Pratita Laksana Setia menjadi PT. Tapian Nadenggan untuk Keperluan Perkebunan Kelapa Sawit Seluas 5,950 Ha yang Terletak di Desa Nehes Liang Bing, Karya Bakti, Sidomulyo, Sri Pantun, Khong Beng Indah, Jakluay, Kecamatan Muara Wahau Kabupaten Kutai Timur”, dated 19th June 2006 – for 5,950 Ha. - “Keputusan Bupati Kutai Timur No.243/02.188.45/HK/VI/2007tentang Revisi Izin Lokasi untuk Keperluan Perkebunan Kelapa Sawit kepada PT. Tapian Nadenggan (eks PT. Pratita Laksana Setia) seluas 4,770 Ha yang Terletak di Desa Nehes Laing Bing, Jakluay, Long Wehea, Karya Bhakti, Sri Pantun, Sidomulyo, dan Kongbeng Indah, Kecamatan Muara Wahau Kabupaten Kutai Timur”, dated 14th June 2007 – for 4,770 Ha. - This parcel of land awarded with Izin Usaha Perkebunan “Keputusan Bupati Kutai Timur No.500/26/EK-I/2006 tentang Persetujuan Izin Usaha Perkebunan atas nama PT. Tapian Nadenggan di Kecamatan Muara Wahau”, dated 25th January 2006 – for 5,950 Ha in Jakluay village and Juk Ayak Village, Muara Wahau district. <p>The two land parcel then combined into single Izin Usaha Perkebunan: “Keputusan Bupati Kutai Timur No.188.4.45/160/Eko.1-X/2012 tentang Perubahan Keputusan Bupati Kutai Timur Nomor 500/25/EK-I/2006 DAN 500/26/EK-I/2006 Tanggal 25 Januari 2006 tentang Persetujuan Izin Usaha Perkebunan (IUP) PT. Tapian Nadenggan untuk Keperluan Perkebunan Kelapa Sawit Menjadi Seluas 11,703 Ha yang Terletak di Kecamatan Telen Kecamatan Kongbeng dan Kecamatan Muara Wahau Kabupaten Kutai Timur”, dated 31st October 2012 for 11,703 Ha.</p> <p>The land parcel has been issued with Hak Guna Usaha: Keputusan Kepala Badan Pertanahan Nasional Republik Indonesia No.128/HGU/BPN RI/2009 tentang Pemberian Hak Guna Usaha atas Nama PT. Tapian Nadenggan atas Tanah di Kabupaten Kutai Timur Provinsi Kalimantan Timur”, dated 10th September 2009 – for area of 11,503.48 Ha. Sertifikat Tanah No.025 for 676.90 Ha; Sertifikat Tanah No.026 for 1,776.97 Ha; Sertifikat Tanah No.027 for 5,736 Ha; Sertifikat Tanah No.028 for 3,237.43 Ha; Sertifikat Tanah No.029 for 76.18 Ha.</p>	

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	<p>3.– “Keputusan Bupati Kutai Timur No.188.4.45/425/HK/VIII/2008 tentang Izin Lokasi untuk Keperluan Perkebunan Kelapa Sawit kepada PT. Tapian Nadenggan seluas 2,500 Ha”.</p> <p>Izin Usaha Perkebunan has been issued through “Keputusan Bupati Kutai Timur No.500/032/Eko.2-VI/2008 tentang Pemberian Ijin Usaha Perkebunan (IUP) kepada PT. Tapian Nadenggan untuk Keperluan Perkebunan Kelapa Sawit seluas 2,500 Ha yang Terletak di Desa Long Segar dan Desa Long Noran Kecamatan Telen Kabupaten Kutai Timur”, dated 23rd June 2008 – for 2,500 Ha in Telen district.</p> <p>4.Izin Lokasi for land parcel of 2,500 Ha as in “Keputusan Bupati Kutai Timur No.188.4.45/31/HK/II/2009 tentang Izin Lokasi untuk Keperluan Perkebunan Kelapa Sawit kepada PT. Tapian Nadenggan seluas 2,500 Ha”.</p> <p>Merger of two land parcel and additional land parcel into a single Izin Lokasi, as approved through “Keputusan Bupati Kutai Timur No.188.4.45/738/HK/XI/2009 tentang Perpanjangan dan Penggabungan Keputusan Bupati Kutai Timur No.188.4.45/425/HK/VIII/2008 tentang Izin Lokasi untuk Keperluan Perkebunan Kelapa Sawit kepada PT. Tapian Nadenggan seluas 2,500 Ha dan Keputusan Bupati Kutai Timur No.188.4.45/31/HK/II/2009 seluas 2,500 Ha serta Penambahan Luasan Areal di Hamparan yang Sama Seluas 796 Ha di Desa LongSegar, Di Desa Marah Haloq, Desa Juk Ayak dan Des Long Noran Kecamatan Telen Kabupaten Kutai Timur” – total 5.796 Ha in Telen District.</p> <p>5.Izin Lokasi for another land parcel “Keputusan Bupati Kutai Timur No.525.26/K.464/2010 tentang Izin Lokasi untuk Keperluan Perkebunan Kelapa Sawit kepada PT. Tapian Nadenggan seluas 774 Ha yang Terletak di Desa Long Noran Kecamatan Telen Kabupaten Kutai Timur”, dated 17th May 2010.</p> <p>Merger of two land parcel and additional land parcel into a single Izin Lokasi, as approved through “Keputusan Bupati Kutai Timur No.525.26/K.269/HK/V/2011 tentang Perpanjangan dan Penggabungan Keputusan Bupati Kutai Timur No.188.4.45/738/HK/XI/2009 tentang Perpanjangan dan Penggabungan untuk Keperluan Perkebunan Kelapa Sawit kepada PT. Tapian Nadenggan Seluas 5,796 Ha dan Keputusan Bupati Kutai Timur No.5254.26/K.264/2010 Seluas 774 Ha serta Penambahan Luasan Areal di Hamparan yang Sama Seluas 113 Ha yang Terletak di Desa Juk Ayak, Marah Haloq, Long Segar, Long Noran Kecamatan Telen Kabupaten Kutai Timur”, dated 3rd May 2011 – for 6,683 Ha.</p> <p>---</p>	

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	<p>Izin Usaha Perkebunan for 6,683 Ha, as in "Keputusan Bupati Kutai Timur No.188.4.45/121/Eko.1-XII/2011 tentang Pemberian Izin Usaha Perkebunan (IUP) PT. Tapian Nadenggan untuk Keperluan Perkebunan Kelapa Sawit Seluas 6,683 Ha yang Terletak di Desa Juk Ayak, Marah Haloq, Long Segar, dan Long Noran Kecamatan Telen Kabupaten Kutai Timur", dated 26th December 2011 – for area of 6,683 Ha.</p> <ul style="list-style-type: none"> - "Keputusan Bupati Kutai Timur No.525.26/K.113/HK/II/2013 tentang Perpanjangan Izin Lokasi untuk Keperluan Perkebunan Kelapa Sawit kepada PT. Tapian Nadenggan seluas 6,683 Ha yang Terletak di Kecamatan Telen Kabupaten Kutai Timur", dated 6th February 2013 – for 6,683 Ha. - "Keputusan Bupati Kutai Timur No.525.26/K.452/HK/V/2014 tentang Perpanjangan Izin Lokasi untuk Keperluan Perkebunan Kelapa Sawit kepada PT. Tapian Nadenggan seluas 6,683 Ha yang Terletak di Kecamatan Telen Kabupaten Kutai Timur", dated 22nd May 2014 – for 6,683 Ha. - "Keputusan Bupati Kutai Timur No.525.26/K.695/HK/X/2015 tentang Perpanjangan izin Lokasi untuk Keperluan Perkebunan Kelapa Sawit kepada PT. Tapian Nadenggan seluas 4,658 Ha yang Terletak di Kecamatan Telen Kabupaten Kutai Timur", dated 26th October 2015 – reduced into 4,658 Ha. <p>The land parcel has undergo cadastral measurement as mapped in "Peta Bidang Tanah No.047-16.09-2015", dated 15th September 2015. Company is in progress to obtain Hak Guna Usaha, "Surat Kepala Kantor Badan Pertanahan Nasional No.1392/9-64/BPN/Xi/2016 tentang Expose Permohonan Hak Guna Usaha PT. Tapian Nadenggan – 3,862.67 Ha", dated 25th November 2016.</p>	

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	<p>6. Izin Lokasi for land parcel of 1,300 Ha as in "Keputusan Bupati Kutai Timur No.564/02/188.45/HK/X/2007 tentang Izin Lokasi untuk Keperluan Perkebunan Kelapa Sawit kepada PT. Tapian Nadenggan seluas 1,300 Ha yang Terletak di Desa Jakluay Kecamatan Wahau Kabupaten Kutai Timur", dated 29th October 2007 – for area of 1,300 Ha in Wahau District.</p> <ul style="list-style-type: none"> - "Keputusan Bupati Kutai Timur No.500/030/Eko.2-VI/2008 tentang Pemberian Ijin Usaha Perkebunan (IUP) kepada PT. Tapian Nadenggan untuk Keperluan Perkebunan Kelapa Sawit Seluas 1,300 Ha yang Terletak di Desa Jakluay Kecamatan Muara Wahau Kabupaten Kutai Timur", dated 23rd June 2008 – for area of 1,300 Ha. - "Keputusan Bupati Kutai Timur No.525.5/K.169/2010 tentang Perpanjangan Keputusan Bupati Kutai Timur No.188.4.45/556/HK/2008 tentang Izin Lokasi untuk Keperluan Perkebunan Kelapa Sawit kepada PT. Tapian Nadenggan Seluas 975 Ha yang Terletak di Desa Jakluay Kecamatan Muara Wahau Kabupaten Kutai Timur", dated 25th February 2010 – for area of 975 Ha. - "Keputusan Bupati Kutai Timur No.525.26/K.879/HK/XII/2012 tentang Perpanjangan Izin Lokasi untuk Keperluan Perkebunan Kelapa Sawit kepada PT. Tapian Nadenggan Seluas 975 Ha yang Terletak di Kecamatan Muara Wahau Kabupaten Kutai Timur", dated 3rd December 2012 – for area of 975 Ha. <p>-</p> <p>The land parcel has undergo cadastral measurement as mapped in "Peta Bidang Tanah No.65/PB-64.200/XII/2014", dated 22nd December 2014.</p> <p>HGB: "Sertifikat Hak Guna Bangunan No.01, Register 16.09.02.01.000001", dated 2nd April 2008 for mill compound 102,900 m².</p> <p>Izin Usaha Perkebunan – Pengolahan, as in "Keputusan Bupati Kutai Timur No.500/675/Eko.2-VIII/2009 tentang Izin Usaha Perkebunan Pengolahan (IUP-P), Pabrik Kelapa Sawit (PKS) Atas Nama PT. Tapian Nadenggan Kapasitas 80 Ton TBS/Jam yang Terletak di Desa Jakluay Kecamatan Muara Wahau Kabupaten Kutai Timur", dated 13th August 2009.</p>	

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2.2.2	<p>Legal boundaries shall be clearly demarcated and visibly maintained.</p> <p>- Minor compliance -</p>	<p>Jakluay Estate: Jakluay Estate performed monitoring on HGU poles. Sample seen: PT. TN 123, located in block I10, division 5 – monitored on 25th March 2016, 27th June 2016 and 26th September 2016. PT. TN 124, located in block I10, division V – monitored on 25th March 2016, 27th June 2016 and 26th September 2016.</p> <p>Pantun Mas Estate: Pantun Mas Estate performed monitoring on HGU poles. Sample seen: PT. TN 020, located in block D23, monitored on 27th February 2016, 11th June 2016 and 1st October 2016. Boundary pole code PT. TN 145, located in block B11 – monitored on 27th February 2016, 11th June 2016 and 1st October 2016.</p> <p>All boundary poles are in maintained status – as seen on site.</p>	Comply
2.2.3	<p>In the event that there is a dispute or a dispute has occurred, adequate evidence of legitimate acquisition and compensation or compensation settlement process through conflict resolution which has been received through Free, Prior and Informed Consent by all related parties shall be provided.</p> <p>- Minor compliance -</p>	<p>PT. Tapan Nadenggan: Company already prepared a procedure for land compensation. The procedure available under: "Pedoman Teknis Persiapan Lahan – Ganti Rugi Tanah/Lahan No.SOP/NP/SMART/VII/D&L002", dated 1st July 2010.</p> <p>Another procedure titled "Penerapan Persetujuan atas Dasar Informasi Awal Tanpa Paksaan No.SOP/SMART/SENS-CSR/SADV/I/003" dated 1st July 2014.</p>	Comply
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>PT. Tapan Nadenggan: All land compensation has been completed by company. No further land compensated up to 2nd Annual Surveillance Assessment.</p>	Comply

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2.2.5	For any conflict or dispute over the land, the evidence of the extent of disputed area is mapped out in a participatory way with involvement of affected parties (including neighboring communities and local government where applicable), shall be available. -Minor compliance-	PT. Tapian Nadenggan: All land compensation has been completed by company. No further land compensated up to 2 nd Annual Surveillance Assessment.	Comply
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and/or planned operations. -Major compliance-	PT. Tapian Nadenggan: All land compensation has been completed by company. No further land compensated up to 2 nd Annual Surveillance Assessment.	Comply
Criterion 2.3: Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.			
2.3.1	Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). - Major compliance -	Based on the verification of land tenure documents and interviews with local communities and relevant agencies showed that there was no indication of a land dispute between the companies with other parties including the surrounding communities. The company has developed a mechanism of Implementation of Free Prior informed Consent/FPIC as document No.SOP/SMART/SENS-CSR/SADV/I/003 which describes a process for FPIC included the identification, dissemination, participatory mapping, implementation of the negotiation, compensation formula and implementation of the outcome agreement.	Comply

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<p>2.3.2 Copies of negotiated agreements including the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and these include:</p> <ul style="list-style-type: none"> a. Evidence of consultation b. Statement of transfer of rights. c. Evidence of compensation <p>- Minor compliance -</p>	<p>The company has documented land compensation as recorded by "Dokumen & Liaison (D&L)Departmen". Copies of documents are available in the estate and the original documents are kept in Samarinda representative office.</p> <p>The whole process of the implementation of the compensation set forth in the Joint Agreement and Handover including participatory measurement results. The agreement also provided with a map based on result of participatory mapping is witnessed by local government agencies, receipt of payment, and photograph of payment of compensation as evidence.</p> <p>Based on interviews with village heads and Chairman of the KUD Sidomulyo village, Muara Pantun village confirmed that the company has conducted socialization in the early development of oil palm plantations to the local communities related to the positive impact of plantation development, environmental management to minimize negative impacts and social management to the surrounding community partnerships and programs, including plasma (scheme smallholder) programs.</p> <p>The last land compensation recorded, was dated back in 2009.</p> <p>Sample seen, based on stakeholder communication with "Badan Pertanahan Nasional Kabupaten Kutai Timur" – the national land body Kutai Timur Regency: "Badan Pertanahan Nasional Kabupaten Kutai Timur" noted a conflict in area of PT. Tapian Nadenggan: BPN shows letter No.17.KT.KM/JL-MW/VIII/2016, from "Kelompok Tani Kutai Mandiri" designated to "Kepala Kantor Wilayah Badan Pertanahan Nasional Propinsi Kalimantan Timur", related to objection on cadastral measurement and HGU of PT. Tapian Nadenggan. In short, the complaint letter pleaded to "Badan Pertanahan Nasional Propinsi Kalimantan Timur" to stop processing and issuing "Hak Guna Usaha"/certificate for PT. Tapian Nadenggan.</p> <p>Company demonstrated records on settlement with Kelompok Tani Kutai Mandiri: Meeting has been conducted, as facilitated by Kutai Timur Regency's authority on 1st June 2010. On 2nd June 2010, the solution being agreed as recorded in minute of meeting "Berita Acara Kesepakatan Permasalahan Lahan antara Kelompok Tani Kutai Mandiri dengan PT. Tapian Nadenggan".</p> <p>Upon letter from Kelompok Tani Kutai Mandiri No.17/KT.KM/JL-MW/VIII/2016, PT. Tapian Nadenggan has provided clarification to "Kepala Kantor Wilayah Badan Pertanahan Nasional Kabupaten Kutai Timur" on 2nd September 2016 – complemented with data/information on evidence of settlement.</p> <p>---</p>	<p>Comply</p>

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		"Badan Pertanahan Nasional Kabupaten Kutai Timur has continue tot process the application for land title – "Hak Guna Usaha"/HGU PT. Tapian Nadenggan as in letter No.1131/P-64/IX/2016 dated 27th September 2016, subject: "Permohonan HGU atas nama PT. Tapian Nadenggan terletak di Kabupaten Kutai Timur yang ditujukan kepada Menteri Agraria dan Tata Ruang/Kepala Badan Pertanahan Nasional Republik Indonesia".	
2.3.3	Relevant information shall be available in appropriate forms and languages, including analysis of impacts, proposed benefit sharing, and legal arrangements. -Minor compliance -	Based on interviews with the local communities seen show that they have understood the positive and negative impact of plantation development, environmental management to minimize negative impacts andsocial management to the surrounding community partnerships and programs, including plasma program (scheme smallholder) are now perceived and the program for others local communities still continouing.	Comply
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. -Major compliance -	Methods and technical negotiations in the process of land compensation are set in SOP the FPIC No. SOP/SMART/SENS-CSR/SADV/I/003, consist of preparation for a meeting with representatives of the public community attention to the various elements of community leaders, informal leaders, women, youth, farmers etc. The Company also provides the opportunity for each group to choose a representative in the meeting and the company conducted participatory mapping, takes into account the customary land, forest ban which is an important source of water for residents, acreages for farming, the area reserve development etc. Decision for an agreement is set in the program reports of agreement signed by all parties; Company, village authorities, smallholders representatives and other stakeholders.	Comply
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.			

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<p>3.1.1</p> <p>A documented management plan, a minimum of three years shall be available, including, where appropriate, plan for scheme smallholders.</p> <p>- Major compliance -</p>	<p>PT. Tapian Nadenggan: Company has prepared a budget under "Profitability PT. Tapian Nadenggan". The budget indicating projected FFB production, CPO and PK production, revenue from CPO and PK. The revenue then accrued with estate cost and mill cost. The budget indicating profit/loss and net profit/loss after tax portion.</p> <p>Main assumption has been taken into consideration: exchange rate USD into IDR; inflation rate USD and IDR; technical data for mill with capacity 80 tons FFB/hour; CPO price (FOB Belawan) in US\$ per ton; PK price per kg; A detailed account which builds mill cost and estate cost per annum has also being explained.</p> <p>Jakluay POM: Projected FFB process for a minimum 3 years:</p> <table border="1" data-bbox="659 972 1043 1189"> <thead> <tr> <th>Year</th> <th>FFB</th> <th>CPO</th> <th>PK</th> </tr> </thead> <tbody> <tr><td>2017</td><td>379,318</td><td>95,778</td><td>20,863</td></tr> <tr><td>2018</td><td>343,555</td><td>86,748</td><td>18,896</td></tr> <tr><td>2019</td><td>348,592</td><td>88,019</td><td>19,173</td></tr> <tr><td>2020</td><td>350,611</td><td>88,529</td><td>19,284</td></tr> <tr><td>2021</td><td>350,422</td><td>88,482</td><td>19,273</td></tr> <tr><td>2022</td><td>346,554</td><td>87,505</td><td>19,060</td></tr> <tr><td>2023</td><td>346,554</td><td>87,505</td><td>19,060</td></tr> </tbody> </table> <p>Jakluay Estate: Projected FFB production for a minimum 3 years:</p> <table border="1" data-bbox="659 1274 911 1491"> <thead> <tr> <th>Year</th> <th>Tonnage</th> </tr> </thead> <tbody> <tr><td>2017</td><td>98,775</td></tr> <tr><td>2018</td><td>95,006</td></tr> <tr><td>2019</td><td>94,731</td></tr> <tr><td>2020</td><td>94,590</td></tr> <tr><td>2021</td><td>93,781</td></tr> <tr><td>2022</td><td>92,414</td></tr> <tr><td>2023</td><td>92,414</td></tr> </tbody> </table> <p>Pantun Mas Estate: Projected FFB production for a minimum 3 years:</p> <table border="1" data-bbox="659 1581 911 1798"> <thead> <tr> <th>Year</th> <th>Tonnage</th> </tr> </thead> <tbody> <tr><td>2017</td><td>136,659</td></tr> <tr><td>2018</td><td>80,457</td></tr> <tr><td>2019</td><td>80,531</td></tr> <tr><td>2020</td><td>79,898</td></tr> <tr><td>2021</td><td>79,560</td></tr> <tr><td>2022</td><td>77,951</td></tr> <tr><td>2023</td><td>77,951</td></tr> </tbody> </table> <p>The budget for estate operation has also considering the cost for estate, including upkeep, manuring, harvesting, transport, overhead and depreciation.</p>	Year	FFB	CPO	PK	2017	379,318	95,778	20,863	2018	343,555	86,748	18,896	2019	348,592	88,019	19,173	2020	350,611	88,529	19,284	2021	350,422	88,482	19,273	2022	346,554	87,505	19,060	2023	346,554	87,505	19,060	Year	Tonnage	2017	98,775	2018	95,006	2019	94,731	2020	94,590	2021	93,781	2022	92,414	2023	92,414	Year	Tonnage	2017	136,659	2018	80,457	2019	80,531	2020	79,898	2021	79,560	2022	77,951	2023	77,951	<p>Comply</p>
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Criterion / Indicator		Assessment Findings	Compliance
3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. - Minor compliance -	PT. Tapan Nadenggan has indicated the replanting plan for year 2012 – 2023. However, the plan indicating there will be no planting sooner than year 2023. Jakluay Estate: There will be no planting sooner than year 2023. Pantun Mas Estate: There will be no planting sooner than year 2023.	Comply
Principle 4: Use of appropriate best practices by growers and millers			
Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.			

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4.1.1	<p>Standard Operating Procedures (SOPs) for estates (land clearing to harvesting) and SOP for mills (reception of FFB to dispatch of CPO and PKO) shall be available.</p> <p>- Major compliance -</p>	<p>Procedure of best manufacturing practice operation of Jak Luay Palm Oil Mill is available in document of "SOP Pengolahan Pabrik Kelapa Sawit Management Committee for Mill Development (MCMD)-2013, Standard Operational Procedure of Palm Oil Process PT SMART Tbk revision 6 issued by Head Office. The procedure describes operation instruction from FFB receiving through production, processing (grading, sterilization, threshing, pressing, clarification, nut and kernel processing) and dispatch of CPO and PK. Quality control check, sampling methods including its reporting from reception of FFB up to dispatch of CPO and PK was mentioned in the Laboratory procedure "SOP Control laboratorium SOP/SMART/CONTROL-LAB/PKS Rev Mei 2009".</p> <p>Work Instructions for all station has been developed and posted at work stations within the mill. Records of receiving FFB, sterilization, pressing, clarification and delivery (January – December 2016) were evident.</p> <p>Standard Operating Procedures for Estates were developed in SOP (Standard Operating Procedure) "management committee agronomy and research (MCAR) which revised on 1 September 2012. The procedures were includes new area and replanting planning, nursery, land clearing, preparation before planting, fertilising, upkeep, pest management, road maintenance, peat land management, drainage system, mature and immature upkeep, integrated pest management and harvesting. Other than there were also other procedures for several processes including riparian zone management, application of agrochemical. Procedure also described required PPE and other safe working practices. Hardcopy of procedure are available and controlled. Interviews with the employees indicate satisfactory level of understanding and implementation in relation to their respective job function.</p>	Comply

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	<p>The procedure of estate is available in place from land preparation, such as:</p> <ol style="list-style-type: none"> 1. New Area Investment Planning SOP No: SOP/SMART/MCAR/I/TA-PPA; 2. SOP opening of new land available in No.SOP/SMART/MCAR/IV/TA-PLB; 3. Drainage Work Instruction No: IK/SMART/MCAR/I/TA-PPA/01; 4. SOP Seedling contained in document No.SOP/SMART/MCAR/III/TA-BBT; 5. SOP planting in the document No: SOP/SMART/MCAR/V/TA-TNM; 6. Pest and Disease Control No. SOP/SMART/MCAR/VII/TA-HPT; 7. Weeding - Pengendalian Gulma No. SOP/SMART/MCAR/VIII/TA-PGM; 8. Fertilizing – Pemupukan No. SOP/SMART/MCAR/IX/TA-PPK; 9. Immature Upkeep No. SOP/SMART/MCAR/X/TA-PTB; 10. Harvesting Preparation No. SOP/SMART/MCAR/XI/TA-PMP; 11. Mature Upkeep No. SOP/SMART/MCAR/XII/TA-PTM 12. Harvesting – Panen No. SOP/SMART/MCAR/XIII/TA-PNN 13. FFB Loading and Transport No. SOP/SMART/MCAR/XIV/TA-PPT 14. SOP replanting plan in No: SOP/SMART/MCAR/II/TA-PRP 15. Palm planting activity in work instructions No.IK/SMART/MCAR/IV/TA-TNM/07 16. Palm census activity in work instructions No: IK/SMART/MCAR/IV/TA-TNM/08 17. SOP harvesting implementation is available in the document No: SOP/SMART/MCAR/XIII/TA-PNN 	

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<p>4.1.2 Checking or monitoring of operations procedures is conducted at least once a year.</p> <p>- Minor compliance -</p>	<p>Jakluay POM: The organisation has well implemented internal checking and monitoring processes that check and report on the implementation of the Management Guidelines. These include independent checks of the Mill by the corporate internal audit, which is:</p> <ul style="list-style-type: none"> - OIA (Operation Internal Audit) Mill, programmed twice a year. Operational Internal Audit has been performed to check consistent implementation of the procedures and work instructions. Internal audit covering operational activities of mill include the mill administration, finance, material stock, mill operation, personalia, etc. The last audit performed on 23-29th August 2016, report of OIA can be demonstrated in "Laporan OIA No. 43/III-JLYM/10/16 MDH/22OIA/XI/2016 dated 14th November 2016. - OIA Mill Laboratorium, programmed twice a year. Audit has been performed to check consistent implementation of the procedures and work instructions in laboratorium. Internal audit covering laboratorium activity, sampling method, calculation to check loses and quality of palm product, etc. - Internal audit RSPO. Covering audits of sustainability in all parts of plantation and mill operational. Last audit performed in <p>Pantun Mas Estate:</p> <ul style="list-style-type: none"> - OIA (Operation Internal Audit), programmed twice a year. Operational Internal Audit has been performed to check consistent implementation of the procedures and work instructions. Internal audit covering operational activities of plantations and mill include the maintenance of palm oil crop (maintenance, fertilization, and pesticide use), harvesting and other supporting activities such as administration, road infrastructure, FFB transport and mill process. The last audit for Pantun mas estates was performed within 15 – 23rd April 2016. report of OIA can be demonstrated in "Laporan OIA No. 28/II-PMSE/06/16. While audit for Jakluay Estate performed within 3 – 10th December 2016, report No. 68/III-JLYE/12/16. - Harvesting Audit programmed annually, covering operational harvesting checks starts from standard crop harvest, loses and harvest discipline. Also available is a response or explanation from the auditee and the recommendations from the auditors as well as corrective action plan. Last audit performed in 23th November 2016 in Pantun Mas Estate, Report No. 42/OIA/HVT/11/16; while in Jakluay estate performed in 25th November 2016. <p>---</p>	<p>Comply</p>

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	<p>HCV Management monitoring: Signboard placement and maintenance, it was observed during field audit signboard has install in the strategic place and easy to read both in Jakluay and Pantun Mas Estate; Socialization to employee and surrounding community, latest conducted on 14th May and 4th October 2016 to PMSE employee, on 24th September 2016 to JLYE employee and on 23rd November 2016 to surrounding community.</p> <p>For HCV 1.1, 1.3 and 4.1: marking and maintenance of boundary markers HCV (conducted on 3 monthly presented in "Form Pemeliharaan Tanda Batas KBKT F/SMART/BCOS-EHSD/SADV/002/005" based on field visit in JLYE and PMSE it was observed that boundary markers has well installed in the riparian zone 50m left and right side); signs of no-spraying boundary mark in riparian zone, manual upkeep in riparian zone; rehabilitation and planting vetiver grass (in JLYE block E/F21 as 20 trees on March 2016, in PMSE block C28 as 100 trees on January 2016), bamboo and local species; HCV patrol each week (latest monitoring in JLYE and PMSE shown that there was no disturbance in HCV area).</p>	

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<p>4.1.3 Records of monitoring and any follow-up actions shall be available.</p> <p>- Minor compliance -</p>	<p>Jakluay POM: Record of monitoring operational mill presented in "Laporan OIA No. 43/III-JLYM/10/16 MDH/22OIA/XI/2016 dated 14th November 2016. Follow up action also presented in the report, such as:</p> <ul style="list-style-type: none"> - Berita Acara penghapusan stok material (BASOPM) for solar stock and stock in transit is not clear, follow up and addressed by solar stock sounding once a week, routine internal calibration for diesel fuel flow meter each week, monitoring progress BASOPM. - Oil loses calculation in fibre and heavy phase sludge decanter consider to use Arithmetic Average method. <p>Record of monitoring also presented in Mill daily breakdown report, followed up by repairing which documented in Job workshop, i.e on 23rd January 2017 report from operator kernel station regarding elevator kernel breakdown, it follow up by mechanic workshop to conducted repairing weth shel elevator and check cut LTDC.</p> <p>Report Asisstant process contain daily processing report and corrective action that should be done in processing activity. For example on 31st October 2016, start proses delay due to FFB incoming waiting and condensate pipe repair.</p> <p>"Monitoring pengukuran dan perhitungan stock CPO", dated 31st October 2016.</p> <p>Jakluay and Pantun Mas Estate: OIA (operation internal audit) as a monitoring tools has raised some finding. It found 10 findings from OIA November 2016, estate has followed up and done the corrective action such as:</p> <ul style="list-style-type: none"> - In the drain foundpalm frondfromharvesting, corrected bycleaning the scuper drain, palm frond ex-harvestingformed L shape around palm oil plants. - Material upkeep in division material settles more than one week, division follow-up by monitor material needs on a daily basis in order to avoid the old stock in the warehouse division. - Still found unripe fruit harvesting in division, unit strike to implementing harvest discipline by harvest penalty for unripe FFB harvesting. <p>Harvest audit findings and it correction and corrective action: Loose fruit was not collected on several points, followed by penalty implementation on employees and IPD speksi patterns will be changed and the discipline and management of the harvest will be improved.</p>	<p>Comply</p>

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<p>4.1.4 Records of the origins of all third-party FFB sourced (collector, deliver, Cooperative, Farmers Association and outgrower) shall be available.</p> <p>- Major compliance -</p>	<p>Jakluay POM: Jakluay POM has "Daftar Kebun Supplier TBS ke Jakluay Mill 2017", indicating the non-certified FFB source: Jakluay Plasma, Pantun Mas Plasma, Bukit Subur Plasma, KSU Pantun Jaya, Koperasi Prima Pantun, Koperasi Sejahtera Harapan Jaya and PT. Sabhantara Rawi Sentosa. Record of FFB received in Jakluay POM period Jan-Dec 2016 is available. Jakluay POM received 71,241 tons non-certified FFB.</p> <p>Work agreement with Koperasi Prima Pantun No.001/KOP-PP/X/2013, signed on 15th October 2013 evident. The work agreement, verse 6, stating: "Kebun Swadaya yang akan dimitrakan harus memenuhi syarat sebagai berikut: "tidak dalam sengketa, tidak dalam proses penjaminan dengan pihak lain, tidak tumpang tindih dengan peruntukan lainnya, berada dalam kawasan Budidaya Non Kehutanan atau Alokasi Penggunaan Lain (APL), dan tidak sedang dalam proses kemitraan dengan perusahaan lain, memiliki SHM atau SKT atau dokumen sejenis" – the land not under dispute, not under collateral with other party, not overlapping with other designation, located in non-forest area, not under partnership agreement with other company, can demonstrate land ownership certificate or land statement or equivalent.</p> <p>In order to trace FFB onto its source, company is implementing traceability program "100% Traceable to Plantation". Traceability program covering flow process of Traceability, Evaluation of FFB supplier, receiving of FFB, Identification of FFB supplier, requirement of supplier's traceability, traceability data collection, verification of traceability data, processing of traceability data, calculation of traceability data, declaration and reporting of traceability.</p> <p>The phases in traceability program consist of: traceability team establishment, training for surveyor team, socialization of traceability program to mill and onto FFB supplier and cooperatives, continued with field survey to farmer's estate and dealer. It will be followed up with verification and evaluation with DSDV team. The time frame for the program started in January up to July 2017.</p> <p>The traceability data in "tally sheet survey data petani" including: name of farmer, name of manager, contact number, address, type of management, status on legal ownership of the land, planting year, FFB production per month, survey date, GPS location and map of estate.</p> <p>Record seen: "Notulen Training dan Pembahasan Budget dan Program Kerja Traceability to Plantation Kaltim 2017", dated 10th January 2017.</p>	<p>Comply</p>

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<p>Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>		
<p>4.2.1 A record of SOP implementation to maintain soil fertility that ensures optimal and sustained yield, shall be available - Major compliance -</p>	<p>Jakluay and Pantun Mas Estate: Procedures for maintaining soil fertility are available, e.g. fertilization of cover crops is done based on the age and type of Legum crops. Dosage and fertilizing schedule stipulated in the document No: IK/SMART/MCAR/IX/TA-CO/02. Dosage, type of inorganic fertilizer for immature plantation described herein No.IK/SMART/MCAR/IX/TA-CO/03 and organic fertilizer activities carried out by the application of EFB set in the document No. IK/SMART/MCAR/IX/TA-CO/04. In plant mature upkeep procedures and the harvest is also emphasized to maintain and retain soil fertility, among others: - Be selective weed control (to maintain soil moisture and pest predators) - Preparation of palm frondstacking on daed market and between the trees and spread evenly to cover the ground, it is also useful for soil moisture to sustain, and also as organic fertilizer/compost (as the palm frond rotting).</p>	<p>Comply</p>

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<p>4.2.2 Records of fertiliser inputs shall be available.</p> <p>- Minor compliance -</p>	<p>Jakluay and Pantun Mas Estate: The company always carry leaves and soil analysis in determining the type and dose of fertilizer. Analysis of leaves or leaf sampling unit (LSU) conducted once a year and the soil analysis or Soil Sampling Unit (SSU) was performed on five years at each plant age. Fertilizers application, dosage, recommendation and actual fertilizer application was recorded in "Rekomendasi dan Aplikasi Pemupukan" Dosage and actual fertilizers application in 2016 Jakluay Estate:</p> <ul style="list-style-type: none"> - Urea (dosage 1 – 1.5 kg/palm tree) total application semester I-2016 was 177.30 tons and 40.45 tons in semester II-2016; - Rock Phospate (dosage 0.75 – 1 kg/palm tree) total application semester I is 99.9 tons and 129.95 tons in semester II-2016; - MOP (dosage 1.00 – 2.25 kg/palm tree) total application is 203.36 tons in semester I and 262.95 tons in semester II-2016; - Super Dolomite (dosage 1.00 – 1.25 kg/palm tree) total application 53.75 tons in semester I and 229.70 tons in semester II-2016; - TSP (dosage : 0.755 – 1.25 kg/palm tree) total application in semester I is 76 tons; - Kieserite powder (dosage 1.00 kg/palm tree) total application is 14.45 tonsin semester I-2016; <p>Pantun Mas Estate:</p> <ul style="list-style-type: none"> - Urea (dosage 0.75 – 1.75 kg/palm tree) total application in semester I-2016was 544.55 tons and 544.55 tons in semester II-2016; - Rock Phospate (dosage 0.75 – 1 kg/palm tree dosage) total application in semester I-2016 was 103.05 tons, and 103.05 tons in semester II-2016; - TSP (dosage : 1.25 – 1.5 kg/palm tree) total application in semester I-2016was 529.7 tons and 529.7 tons in semester II-2016; - MOP (dosage 1.75 – 2.25 kg/palm tree) total application in semester I was 760.4 tons and 760.4 tons in semester II-2016; - Super Dolomite (dosage 0.5 – 1.00 kg/palm tree) total application 259.15 tons in semester I and 259.15 ton in semester II-2016; - Kieserite powder (dosage 1.00 kg/palm tree) total application 21.7 tons in semester I and 21.7 tons in semester II-2016 <p>---</p>	<p>Comply</p>

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		<ul style="list-style-type: none"> - Kieserite granular (dosage 0.375 – 1.0 kg/palm tree) total application 161.3 tons in semester I and 161.3 tons in semester II-2016 - HGFB (Dosage 0.05 kg/palm tree) total application 33.191 tons in semester I-2016 and semester II no application; <p>Fertilizers application in 2016 was achieved 100% as recommendation dosage. Documentation and evidence presented in "MRP fertilizer – Actual Aplikasi".</p>	
4.2.3	<p>Records of periodical leaf, soil and visual analysis shall be available.</p> <p>- Minor compliance -</p>	<p>The company has conducted soil and leaf sampling on a regular basis, leaf and soil sampling has been carried out for the last fertilizer recommendation in 2016.</p> <p>Jakluay Estate: Leaf Sampling Unit (LSU) carried out on February 2016 and LSU analyse result were evident:</p> <ul style="list-style-type: none"> - Ref#156/DAUN/LAB-SMARTRI/IV/2016 dated 30th April 2016, sample taken 76; - Ref#229/DAUN/LAB-SMARTRI/VI/2016 dated 7th June 2016, sample size 36. <p>The last soil analysis based on document reference No.007/RFC_KALTIM/Lab-T/8/2013 for 264 samples on 17th April 2013.</p> <p>Pantun Mas Estate: LSU carried out on January 2016 and LSU analyse result were evident:</p> <ul style="list-style-type: none"> - Ref#192/DAUN/LAB-SMARTRI/V/2016 dated 21st May 2016, sample size 59; - Ref#174/DAUN/LAB-SMARTRI/V/2016 dated 13th May 2016, sample size 71; <p>The last soil analysis based on document reference :</p> <ul style="list-style-type: none"> - Ref#008/RFC_kaltim/Lab-T/8/2013 for 14 block samples (168 point sample) on 22 – 24th April 2013. By lab Smartri; - Ref#009/RFC_kaltim/Lab-T/8/2013 for 10 block samples (120 point sample) on 25th April 2013. <p>Ref#024/RFC_kaltim/Lab-T/9/2012 for 46 block samples (108 point sample).</p>	Comply

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4.2.4	<p>A nutrient recycling strategy is recorded, including use of Empty Fruit Bunches (EFB), land application, and palm residues after replanting.</p> <p>- Minor compliance -</p>	<p>Empty fruit bunches (EFB) were applied as nutrients. EFB were applied based on the recommendation from SMARTRI in terms of dosage per ha and location. EFB were applied in Tanah Mas Estate by manually and mechanical using tractor. EFB were not applied nearby housing and water spring. Realisation of EFB application was well recorded. Good evidence of EFB application.</p> <p>Pantun Mas Estate: EFB application with dosage 30 ton/Ha, applied in division I and III, total application in 2016 division I is 10,715 ton with area applied 391.30 Ha and in division III applied 24,615 ton EFB with area 835.87 Ha.</p> <p>Jakluay Estate: EFB application with dosage 30 ton/Ha, applied in division I, II, III, IV and V; total application in 2016 is 51,588.997 ton.</p> <p>Land application in Jakluay Estate; as permit for palm oil mill effluent use in plantation, as in "Keputusan Bupati Kutai Timur No.660/K.146/2016 tentang Perpanjangan Izin Pemanfaatan Air Limbah pada Tanah Perkebunan Kelapa Sawit PT. Tapian Nadenggan di Desa Jakluay Kecamatan Muara Wahau Kabupaten Kutai Timur", dated 11th February 2016 and valid for two (2) years. "Data produksi limbah dan luasan aplikasi" – land application monitoring for period 2016 is available. The data shows total palm oil mill effluent applied to the plantation is 206,783 m³ for 547.04 Ha, average 378 m³/Ha/annum.</p>	Comply
<p>Criterion 4.3: Practices minimise and control erosion and degradation of soils.</p>			

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Criterion / Indicator		Assessment Findings	Compliance																																																												
4.3.1	<p>Maps of any fragile soils shall be available.</p> <p>- Major compliance -</p>	<p>Jakluay Estate:</p> <p>Semi-detailed soil maps (Land Suitability Class, Datum WSS'84, scale 1:50,000) shown a type of soil in Jakluay Estate including fragile soil. Soil type and characteristic in Jakluay Estate was presented in table below:</p> <table border="1"> <thead> <tr> <th>Soil Type</th> <th>Hectare (ha)</th> <th>% total area</th> </tr> </thead> <tbody> <tr> <td>Typic endoaquepts</td> <td>46.59</td> <td>1.2</td> </tr> <tr> <td>Aquic hapludults</td> <td>23.30</td> <td>0.6</td> </tr> <tr> <td>Aquic hapludults</td> <td>182.49</td> <td>4.7</td> </tr> <tr> <td>Typic haplorthods</td> <td>7.77</td> <td>0.2</td> </tr> <tr> <td>Typic hapludults</td> <td>2,217.12</td> <td>57.1</td> </tr> <tr> <td>Typic hapludults</td> <td>1,153.21</td> <td>29.7</td> </tr> <tr> <td>Typic hapludults</td> <td>66.01</td> <td>1.7</td> </tr> <tr> <td>Typic hapludults inklusi</td> <td>197.43</td> <td>23.30</td> </tr> <tr> <td>Typic hapludults</td> <td>163.08</td> <td>4.2</td> </tr> <tr> <td>Total area</td> <td>3,882.87</td> <td>100</td> </tr> </tbody> </table> <p>There were fragile soil found in Jakluay Estate namely sandy soil classified as Typic haplorthods in Block 15 division V with area 7.77 Ha. Estate has implemented management plan to maintain fragile soil by EFB application to improve soil texture and fertility and planting land cover crop to minimize soil erosion.</p> <p>Pantun Mas Estate:</p> <p>Based on a semi-detailed soil maps (Land Suitability Class, Datum WSS'84, scala 1:50,000), it was found that type of soil for pantun mas Estate:</p> <table border="1"> <thead> <tr> <th>Soil Type</th> <th>Hectare (ha)</th> <th>% total area</th> </tr> </thead> <tbody> <tr> <td>Typic endoaquepts</td> <td>173.47</td> <td>3.4</td> </tr> <tr> <td>Typic distrudepts</td> <td>107.86</td> <td>2.1</td> </tr> <tr> <td>Typic hapludults</td> <td>2,533.68</td> <td>49.7</td> </tr> <tr> <td>Typic hapludults</td> <td>478.65</td> <td>9.4</td> </tr> <tr> <td>Typic hapludults</td> <td>197.43</td> <td>3.9</td> </tr> <tr> <td>Typic hapludults</td> <td>1,257.53</td> <td>24.7</td> </tr> <tr> <td>Typic hapludults</td> <td>347.57</td> <td>6.8</td> </tr> <tr> <td>Total area</td> <td>5,096.19</td> <td>100</td> </tr> </tbody> </table> <p>Effective solum average from 50 – 100 cm and > 100 cm. Soil texture consist of dusty clays, sandy clay loam, and sandy loam. There were no fragile soil identified in Pantun Mas Estate.</p>	Soil Type	Hectare (ha)	% total area	Typic endoaquepts	46.59	1.2	Aquic hapludults	23.30	0.6	Aquic hapludults	182.49	4.7	Typic haplorthods	7.77	0.2	Typic hapludults	2,217.12	57.1	Typic hapludults	1,153.21	29.7	Typic hapludults	66.01	1.7	Typic hapludults inklusi	197.43	23.30	Typic hapludults	163.08	4.2	Total area	3,882.87	100	Soil Type	Hectare (ha)	% total area	Typic endoaquepts	173.47	3.4	Typic distrudepts	107.86	2.1	Typic hapludults	2,533.68	49.7	Typic hapludults	478.65	9.4	Typic hapludults	197.43	3.9	Typic hapludults	1,257.53	24.7	Typic hapludults	347.57	6.8	Total area	5,096.19	100	Comply
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Criterion / Indicator	Assessment Findings	Compliance
<p>4.3.2 A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific).</p> <p>- Minor compliance -</p>	<p>The company has established procedure to manage plantation on some class of slope. The procedure describes management strategy for minimising and controlling erosion. In the terrace work instruction No. IK/SMART/MVAR/I/TA-PPA/03 on the stage of the determination of the need terrace should be designed in such a way in hilly areas with a slope of 9°-22° (15%-40%) with a width 3 - 4.5 meters. The slope of more than 40% or 22° is not recommended for planting.</p> <p>When the slope area was planted, system for planting on slopes area is provided by considering soil and climate specific through terracing, determining of base line, levelling of terrace, and determining of planting space.</p> <p>Jakluay Estate: There were no slope more than 40% in Jakluay Estate. Soil topography in Jakluay Estate consist of 0 – 21%. Most of the soil topography in Jakluay Estate was 3 – 9 %. For slope area 15%-21% estate has create terracing with a width 3 - 4.5 meters.</p> <p>To minimize erosion in sloping area estate has planting land cover crop (<i>Mucuna bracteata</i>). Estate also conducted monitoring erosion in slope area by install erosion pegs in slope area. Erossion pegs monitored each month, latest monitoring in December 2016 shown that erosion level is 0.00.</p> <p>Pantun Mas Estate: There were slope area found in Pantun Mas Estate with slope > 40%, the area is 6.8% from total area or 347.57 ha. It is confirmed that no planting with slopes of more than 40% during field visit in Pantun Mas Estate.</p> <p>To minimize erosion in sloping area estate has planting land cover crop (<i>Mucuna bracteata</i>). Estate also conducted monitoring erosion in slope area by install erosion pegs in block C-33. Erossion pegs monitored each month. During January – December 2016 shown that erosion level is 0.00.</p>	<p>Comply</p>

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Criterion / Indicator		Assessment Findings	Compliance
4.3.3	<p>A road maintenance programme shall be in place.</p> <p>- Minor compliance -</p>	<p>Procedure for road maintenance has been established. have established road maintenance programme for main road, collection road and access road by manual and mechanical maintenance. Road maintenance includes manual, mechanical and road hardening. Mechanical road maintenance uses heavy equipment – motor grader and compactor. The mechanical road maintenance programme was provided for all division. Manual and mechanical road maintenance realisation was recorded including complex area maintained, distance of road maintained, diesel fuel consumption and quantity of gravel/laterite.</p> <p>Pantun Mas Estate: Road hardening budget for 2016 has been observed including the realisation, i.e: road maintenance in 2016: using heavy equipment (motor graders) and Hardening of the road as long as 419.356 km. Total material (gravel/laterit) used for road hardening in 2016 was 19,583.63 m³. During field observation, it was noted that roads passed are in good condition and well maintained.</p> <p>Jakluay Estate: Road hardening budget for 2016 has been observed including the realisation, i.e: road grading as long as 2,341 km; road maintenance/repair as long as 627.04 km and total material (gravel/laterit) used for road hardening in 2016 was 6,115 m³. During field observation, it was noted that roads passed are in good condition and well maintained.</p>	Comply
4.3.4	<p>Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.</p> <p>- Minor compliance -</p>	<p>Pantun Mas Estate and Jakluay Estate: Based on a semi-detailed soil maps (Land Suitability Class), it is not identified the presence of peat soils in the area of the company.</p>	N/A
4.3.5	<p>Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.</p> <p>- Minor compliance -</p>	<p>Jakluay Estate and Pantun Mas Estate: Based on a semi-detailed soil maps (Land Suitability Class), it is not identified the presence of peat soils in the area of the company.</p>	N/A

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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>Jakluay Estate: Estate has a management strategy to maintain fragile soil. There were sandy soil classified as Typic haplorthods found in Jakluay Estate in Block 15 division V with area 7.77 Ha. Estate has implemented management plan to maintain fragile soil by EFB application to improve soil texture and fertility and planting land cover crop to minimize soil erosion.</p> <p>Pantun Mas Estate: No fragile soil was identified within the Pantun Mas Estate areas.</p>	Comply
<p>Criterion 4.4: Practices maintain the quality and availability of surface and ground water.</p>			

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.1 An implemented water management plan shall be in place.</p> <p>- Minor compliance -</p>	<p>The Company has a water management document, both in the estate and mill. Monitoring the implementation of water management has been implemented on a regular basis, such as surface water quality monitoring are available in the report of RKL / RPL.</p> <p>Procedure SOP/SPO/SMART/LH-05 has been established to maintain the quality and availability of water. Procedures SOP/SPO/SMART/LH-06 and SOP/SPO/SMART/LH-07 was also established for protection and management of riparian buffer zones at or before replanting. Procedure mentioned that in 50 m on the left and right side of riparian buffer zones, Estates are prohibited to apply agrochemical, used manual manuring and river bank was planted by erosion barrier crop (planting of "vetiver" grass).The organisation also has policy "Memo #002/SMD Ops/I/2009" that prohibits Estates for planting in 50 m on the left and right side of riparian buffer zones at or before replanting. Warning board placed regarding prohibition to apply agrochemicals and fertiliser in the buffer zone. Procedure 03/VPA-RSPO/03/2010 "Management of Riparian Area" has been established to control area around riparian. Riparian buffers of small natural water courses were 50 metres wide on both sides of the rivers. Several evidence of maintaining quality and availability of water were evident, such as plan and realisation of riparian management, installation of warning boards, planting erosion prevention plan (e.g. <i>Swietenia</i> sp. and vetiver grass) and checking of water quality.</p> <p>The organisation has described water management by monitoring the water consumption; if there is above the average, then efficiency of water use will conducted by reduce the water consumption, water savings from sochlet water recycle in the Mill laboratory and reuse of turbine water coolant.</p> <p>In Estate, water efficiency conducted by water reuse from cleaning ex pesticide package.Program to manage wetland covered cleaning of main and collection drain and making of field drain. The program was provided in Jakluay Estate and Pantun Mas Estate. Ditch was managed based on programme or ditch condition which was monitored regularly. Programme of ditch management using heavy equipment was also established, includes cleaning of main and collection drain and making of field drain. Result of ditch management using heavy equipment was recorded. Program and realization of cleaning of main drain, collection drain and making of field drain was clear to which block area cleaned.</p> <p>---</p>	<p>Comply</p>

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Criterion / Indicator	Assessment Findings	Compliance
	<p>There evident to ensure local communities, workers and their families have access to adequate, clean water for drinking, cooking, bathing and cleaning purposes.</p> <p>As the required government regulation related to water quality shall be refer to Regulation the ministry of health (Permenkes) No. 492/2010.</p> <p>Mill and estate has conducted analysis and measurement of surface water, ground water and consumed water (consumed by employees and local people) periodically (every semester and annually).</p>	

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.2 Protection of water courses and wetlands, including securing and maintaining appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated.</p> <p>- Major compliance -</p>	<p>Jakluay POM, Jak Luay Estate and Pantun Mas Estate: Organization has been established procedure to maintain and monitor the riparian area. Riparian management regarding: no pesticide application in riparian zone, construct the boundary of riparian use red paint, communicated the riparian protection to worker, plant the wood tree and local species. Organization was also constructed the riparian protection sign.</p> <p>Field observation on riparian zone of Jakluay Estate Block C28/29 and Pantun Mas Estate in Block J12/13 Division V was sighted that the riparian zone has well managed, the following was activity to maintain riparian zone such as:</p> <ul style="list-style-type: none"> - Boundary markers placement in 5 rows of palm trees (50 m) related restrictions spraying of chemicals and chemical fertilizers in the area of 50 m side of the river. During field observation, it was evidence that riparian zone was well maintain and no contamination of chemical usage and fertilizer - Warning sign-boards placed which contain information about restrictions of pesticide usage and chemical fertilizers in the riparian area. - Riparian rehabilitation by planting a shade trees and barriers to erosion trees, e.g. Angsana (<i>Pterocarpus indicus</i>), Sungkai (<i>Peronema canescens</i>), etc. There was the evidence of plan and realization for riparian rehabilitation, its observed Angsana and Sungkai was planted and grow well in both side of the river. - Monitoring water quality in Pantun river every semester. Latest monitoring result by Testing laboratory PT Mutu Agung Lestari on 10th November 2016 shown that surface water quality in upstream and downstream Pantun river was met with Perda Prov kaltim No. 02 Lamp V Kelas II Tahun 2011. Evident analyse result certificate No. 4010 dan 4006-SL/XI/2016. - Monitoring surface water usage from Pantun River each month by using flowmeter. Total water usage in 2016 by PT. Tapian Nadenggan was 193,760.40 m³. <p>Protection of wetlands have been made by the company with the following way:</p> <ul style="list-style-type: none"> - Cleaning of main and collection drain and making field drain. Heavy equipment (Excavator PC-200) is used to clean main and collection drain and make field drain. Realization of cleaning of main drain, collection drain and making of field drain was well recorded. - No chemical application both fertilizer and herbicide spraying a long side the drains. 	<p>Comply</p>

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<p>4.4.3</p> <p>Records for monitoring of effluent especially BOD (<i>Biochemical Oxygen Demand</i>) and efforts to comply with legal requirements, shall be available (see criteria 2.1 and 5.6).</p> <p>- Minor compliance -</p>	<p>Jakluay POM: Jakluay POM monitors the BOD and COD level on each month. Palm oil mill effluent samples were sent to third party laboratory, PT. Mutuagung. The analysis result shows that the analysis result meet parameter under "Keputusan Menteri Lingkungan Hidup No.28 tahun 2003 tentang Pedoman Teknis Pengkajian Pemanfaatan Air Limbah dari Industri Minyak Sawit".</p> <p>Analysis result seen:</p> <table border="1"> <thead> <tr> <th>Parameter</th> <th>Apr 16</th> <th>May 16</th> <th>Jun 16</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>7.29</td> <td>7.33</td> <td>7.30</td> </tr> <tr> <td>BOD</td> <td>334.77</td> <td>247.12</td> <td>79.77</td> </tr> <tr> <td>COD</td> <td>7,813.4</td> <td>4,599.2</td> <td>5,409.9</td> </tr> <tr> <td>Oil and grease</td> <td>4</td> <td>1</td> <td>8</td> </tr> <tr> <td>Zn</td> <td>0.34</td> <td>0.17</td> <td>0.23</td> </tr> <tr> <td>Cd</td> <td><0.01</td> <td><0.01</td> <td>0.02</td> </tr> <tr> <td>Cu</td> <td><0.003</td> <td>0.04</td> <td>0.05</td> </tr> <tr> <td>Pb</td> <td>0.19</td> <td>0.38</td> <td>0.36</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Parameter</th> <th>Jul 16</th> <th>Aug 16</th> <th>Sep 16</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>7.51</td> <td>7.75</td> <td>7.57</td> </tr> <tr> <td>BOD</td> <td>111.2</td> <td>190.58</td> <td>382.59</td> </tr> <tr> <td>COD</td> <td>6,089.2</td> <td>4,406.9</td> <td>6,201</td> </tr> <tr> <td>Oil and grease</td> <td>1</td> <td>2</td> <td>2727</td> </tr> <tr> <td>Zn</td> <td>0.17</td> <td>0.14</td> <td>2.86</td> </tr> <tr> <td>Cd</td> <td><0.01</td> <td><0.01</td> <td><0.01</td> </tr> <tr> <td>Cu</td> <td>0.01</td> <td>0.01</td> <td>0.13</td> </tr> <tr> <td>Pb</td> <td><0.01</td> <td>0.4</td> <td>0.52</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Parameter</th> <th>Oct 16</th> <th>Nov 16</th> <th>Dec 16</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>7.25</td> <td>7.17</td> <td>7.35</td> </tr> <tr> <td>BOD</td> <td>1,912.6</td> <td>207.43</td> <td>112.2</td> </tr> <tr> <td>COD</td> <td>2,643.5</td> <td>18,637</td> <td>6,094.83</td> </tr> <tr> <td>Oil and grease</td> <td>7</td> <td>198</td> <td>7</td> </tr> <tr> <td>Zn</td> <td><0.002</td> <td>0.03</td> <td>0.09</td> </tr> <tr> <td>Cd</td> <td><0.01</td> <td><0.01</td> <td><0.01</td> </tr> <tr> <td>Cu</td> <td>0.01</td> <td>0.01</td> <td>0.004</td> </tr> <tr> <td>Pb</td> <td><0.1</td> <td><0.01</td> <td>0.4</td> </tr> </tbody> </table>		Parameter	Apr 16	May 16	Jun 16	pH	7.29	7.33	7.30	BOD	334.77	247.12	79.77	COD	7,813.4	4,599.2	5,409.9	Oil and grease	4	1	8	Zn	0.34	0.17	0.23	Cd	<0.01	<0.01	0.02	Cu	<0.003	0.04	0.05	Pb	0.19	0.38	0.36	Parameter	Jul 16	Aug 16	Sep 16	pH	7.51	7.75	7.57	BOD	111.2	190.58	382.59	COD	6,089.2	4,406.9	6,201	Oil and grease	1	2	2727	Zn	0.17	0.14	2.86	Cd	<0.01	<0.01	<0.01	Cu	0.01	0.01	0.13	Pb	<0.01	0.4	0.52	Parameter	Oct 16	Nov 16	Dec 16	pH	7.25	7.17	7.35	BOD	1,912.6	207.43	112.2	COD	2,643.5	18,637	6,094.83	Oil and grease	7	198	7	Zn	<0.002	0.03	0.09	Cd	<0.01	<0.01	<0.01	Cu	0.01	0.01	0.004	Pb	<0.1	<0.01	0.4	<p>Comply</p>
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<p>4.4.4</p>	<p>Monitoring of mill water use per ton of FFB shall be recorded</p> <p>- Minor compliance -</p>	<p>Jakluay POM: Jakluay POM recording the mill water use per tonne FFB. The record of water use available in "Rekap Monitoring Pemakaian Air Jakliay Mill 2016". The budget of water use for FFB process sets at 0.931 m³/ton FFB processed. The water for process consist of water for boiler and process (incl. cleaning and dillution). Record for year 2016 seen:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>FFB Processed (tons)</th> <th>Water usage (m³)</th> <th>Water usage (m³/ton FFB)</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>33,206</td><td>25,800</td><td>0.78</td></tr> <tr><td>Feb</td><td>23,069</td><td>18,618</td><td>0.81</td></tr> <tr><td>Mar</td><td>21,974</td><td>18,480</td><td>0.84</td></tr> <tr><td>Apr</td><td>23,741</td><td>17,959</td><td>0.76</td></tr> <tr><td>May</td><td>22,459</td><td>17,609</td><td>0.78</td></tr> <tr><td>Jun</td><td>17,048</td><td>13,307</td><td>0.78</td></tr> <tr><td>Jul</td><td>16,665</td><td>14,308</td><td>0.87</td></tr> <tr><td>Aug</td><td>17,405</td><td>17,892</td><td>1.03</td></tr> <tr><td>Sep</td><td>28,573</td><td>26,277</td><td>0.92</td></tr> <tr><td>Oct</td><td>37,353</td><td>30,579</td><td>0.82</td></tr> <tr><td>Nov</td><td>41,147</td><td>30,665</td><td>0.75</td></tr> <tr><td>Dec</td><td>32,373</td><td>26,322</td><td>0.81</td></tr> <tr><td></td><td>315,012</td><td>257,816</td><td>0.82</td></tr> </tbody> </table> <p>There was a deviation in August 2016, due to hydrostatic tests.</p>	Month	FFB Processed (tons)	Water usage (m ³)	Water usage (m ³ /ton FFB)	Jan	33,206	25,800	0.78	Feb	23,069	18,618	0.81	Mar	21,974	18,480	0.84	Apr	23,741	17,959	0.76	May	22,459	17,609	0.78	Jun	17,048	13,307	0.78	Jul	16,665	14,308	0.87	Aug	17,405	17,892	1.03	Sep	28,573	26,277	0.92	Oct	37,353	30,579	0.82	Nov	41,147	30,665	0.75	Dec	32,373	26,322	0.81		315,012	257,816	0.82	<p>Comply</p>
Month	FFB Processed (tons)	Water usage (m ³)	Water usage (m ³ /ton FFB)																																																								
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Feb	23,069	18,618	0.81																																																								
Mar	21,974	18,480	0.84																																																								
Apr	23,741	17,959	0.76																																																								
May	22,459	17,609	0.78																																																								
Jun	17,048	13,307	0.78																																																								
Jul	16,665	14,308	0.87																																																								
Aug	17,405	17,892	1.03																																																								
Sep	28,573	26,277	0.92																																																								
Oct	37,353	30,579	0.82																																																								
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	315,012	257,816	0.82																																																								
<p>Criterion 4.5:</p> <p>Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>																																																											

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.5.1 Monitoring of Integrated Pest Management (IPM) plan implementation shall be available.</p> <p>- Major compliance -</p>	<p>SOP control of pests and diseases is available in the document No.SOP/SMART/MCAR/VII/TA- HPT. The process includes activities in controlling pest detection, census, pest HCV (High Conservation Value), control recommendations, control and evaluation.</p> <p>Detection of palm leaf-eating caterpillars listed in the work instruction No.IK/SMART/MCAR/VII/TA-HPT/01-02, some of its provisions, namely: exercising detection when no attack performed every 2 months. At the moment there are no longer carried out the attack but with direct census conducted after the control and detection can be controlled then performed once a month until the situation is completely safe (3 times the detection is not found the existence of leaf-eating caterpillar).</p> <p>Pantun Mas Estate: Estate has defined the Integrated pest management program, consist of:</p> <ul style="list-style-type: none"> - Planting and upkeep beneficial plant as host plants for biological control agents such as: <i>Turnera subulata, Antigonon leptopus and cassia cobanensis</i> (budget 4,364.91 Ha). - Early warning system/early detection caterpillar (UPDKS), conducted each month with rotation once a year each block. Detection conducted by census takers. It was observed from census and detection result between January – December 2016 there was no pest attack especially caterpillar. - Rat census, conducted each 3 month. In April 2016 there was rat attack in Division VII Block G41 with level attack 5.7% (above threshold 5%), Estate conduct pest control by application Rolikum (Brodifakum). - Development and maintenance of owls as a natural enemy of rats. Currently in Pantun Mas Estate has 10 active barn owl boxes. <p>Jakluay Estate: Estate has defined the Integrated pest management program, consist of:</p> <ul style="list-style-type: none"> - Early warning system/early detection caterpillar (UPDKS), conducted each 2 month with rotation once a year each block. It was observed from census and detection result between January – December 2016 there was no pest attack especially caterpillar above threshold. - Rat census, conducted each 3 month. In Januari 2016 there was rats attack in Division II Block A17, B18, B19, C19, B16, C15, D17 with attack level > 5% (above threshold). Estate conduct pest control by application <i>Rolikum</i> (Brodifakum). - Development and maintenance of owls as a natural enemy of rats. Currently in Jakluay Estate has 35 Gufon which 8 active barn owl boxes. <p>---</p>	<p>excellence a habit.™ Page 62 of 145</p>

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Criterion / Indicator		Assessment Findings	Compliance																												
		- Planting and upkeep beneficial plant as host plants for biological control agents such as: <i>Turnera subulata</i> , <i>Antigonon leptopus</i> and <i>cassia cobanensis</i> long main road and collection road.																													
4.5.2	Training records of Integrated Pest Management (IPM) shall be available. - Minor compliance -	Jakluay Estate: Training IPM has been carried out in JLYE by SMARTRI on 27 th January 2016. There were 17 participant from division involved in the training. Pantun Mas Estate: Training PHT has been performed by PMSE on 19 th January 2017 together with Leaf Sampling Unit training. Training covered explanation regarding detection and census UPDKS (caterpillar), census animal pest attack, field practice. Evidence of training can be demonstrated, list of attendance shown that there were 13 participant involved on that training.	Comply																												
Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment																															
4.6.1	Documented evidence shall be available to show that pesticide used based on regulations and the use of pesticide is specific to target species with appropriate dosage which have minimal impact on non-target species. - Major compliance -	The use of pesticides has been described in the pest control procedures, including the type of target (pests and weeds) that corresponds to the type of active ingredient and the dosage that has been done justification by SMARTRI. Agrochemicals use was well recorded in "Recapitulation of agrochemical use" including active ingredients used, area treated, amount applied per ha and number of applications. The documents were also recorded dosage of agrochemical use, target species. It was noted that dosage applied and application rotation was in accordance to budget. Register of Pesticide/herbicide used by Jakluay and Pantun Mas Estate: <table border="1"> <thead> <tr> <th>Trade mark</th> <th>Active ingredient</th> <th>Target</th> <th>Register number</th> </tr> </thead> <tbody> <tr> <td>Erkafuron 20EG</td> <td>Metsulfuron methyl 20%</td> <td>Broadleaf weeds</td> <td>RI.01030120062405</td> </tr> <tr> <td>Rolifos 150 SL</td> <td>Glufosinate ammonium 150 g/l</td> <td>Broadleaf weeds</td> <td>RI.01030120103683</td> </tr> <tr> <td>Rolikum 0.005 BB</td> <td>Brodifacum 0.005%</td> <td>Rats tree (<i>Rattus tiomanicus</i>)</td> <td>RI.01120120113993</td> </tr> <tr> <td>Roll Up 480 SL</td> <td>Isopropil Amina Glifosat 480 g/l</td> <td>Broadleaf weeds and narrow-leaved weeds</td> <td>RI.01030120042133</td> </tr> <tr> <td>Garlon 67 EC</td> <td>Triclopyr Butoxy Ethyl Ester 670 g/l</td> <td>Broadleaf weeds</td> <td>RI.0103011984695</td> </tr> <tr> <td>Starane</td> <td>Flouroxypir methyl heptyl estser 290 g/l</td> <td>Broadleaf weeds</td> <td>RI.0103011988854</td> </tr> </tbody> </table>	Trade mark	Active ingredient	Target	Register number	Erkafuron 20EG	Metsulfuron methyl 20%	Broadleaf weeds	RI.01030120062405	Rolifos 150 SL	Glufosinate ammonium 150 g/l	Broadleaf weeds	RI.01030120103683	Rolikum 0.005 BB	Brodifacum 0.005%	Rats tree (<i>Rattus tiomanicus</i>)	RI.01120120113993	Roll Up 480 SL	Isopropil Amina Glifosat 480 g/l	Broadleaf weeds and narrow-leaved weeds	RI.01030120042133	Garlon 67 EC	Triclopyr Butoxy Ethyl Ester 670 g/l	Broadleaf weeds	RI.0103011984695	Starane	Flouroxypir methyl heptyl estser 290 g/l	Broadleaf weeds	RI.0103011988854	Comply
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4.6.2	<p>Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be available.</p> <p>- Major compliance -</p>	<p>Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) have been provided. Pesticides used were well recorded in "Recapitulation of Agrochemical use". The documents were also recorded dosage of agrochemical use, target species.</p> <p>Jakluay Estate: Below are the record of pesticide use in Jakluay Estate 2016:</p> <table border="1"> <thead> <tr> <th>Trade mark</th> <th>Active ingredient</th> <th>Total usage</th> <th>Total usage /ha</th> <th>LD50 (mg/kg)</th> <th>Toxicity unit</th> </tr> </thead> <tbody> <tr> <td>Erkafuron 20EG</td> <td>Metsulfuron methyl 20%</td> <td>125.7 kg</td> <td>0.04 g/Ha</td> <td>5,000</td> <td>0.4 x 10⁻⁵</td> </tr> <tr> <td>Rolifos 150 SL</td> <td>Glufosinate ammonium 150 g/l</td> <td>2,314.2 L</td> <td>0.4 L/Ha</td> <td>2,000</td> <td>0.2472 x 10⁻⁵</td> </tr> <tr> <td>Roll Up 480 SL</td> <td>Isopropil Amina Glifosat 480 g/l</td> <td>1,735.6 L</td> <td>0.2 L/ha</td> <td>5,000</td> <td>0.42 x 10⁻⁴</td> </tr> <tr> <td>Garlon 67 EC</td> <td>Triclopyr Butoxy Ethyl Ester 670 g/l</td> <td>243.5 L</td> <td>0.7 L/ha</td> <td>5,000</td> <td>0.8 x 10⁻⁵</td> </tr> <tr> <td>Starane</td> <td>Flouroxypir methyl hepthyl estser 290 g/l</td> <td>315.3 L</td> <td>0.1 L/ha</td> <td>2,000</td> <td>0.9 x 10⁻⁵</td> </tr> </tbody> </table> <p>Pantun Mas Estate: Below are the record of pesticide use in Pantun Mas Estate 2016:</p> <table border="1"> <thead> <tr> <th>Trade mark</th> <th>Active ingredient</th> <th>Total usage</th> <th>Total usage /ha</th> <th>LD50 (mg/kg)</th> <th>Toxicity unit</th> </tr> </thead> <tbody> <tr> <td>Erkafuron 20EG</td> <td>Metsulfuron methyl 20%</td> <td>186.42 Kg</td> <td>0.043 Kg/ha</td> <td>5,000</td> <td>0.007413 x 10⁻⁸</td> </tr> <tr> <td>Rolifos 150 SL</td> <td>Glufosinate ammonium 150 g/l</td> <td>2,654.89 L</td> <td>0.608 L/ha</td> <td>2,000</td> <td>0.197942 x 10⁻⁸</td> </tr> <tr> <td>Rolikum 0.005 BB</td> <td>Brodifacum 0.005%</td> <td>653.91 kg</td> <td>0.149 kg/ha</td> <td>5,000</td> <td>0.000007 x 10⁻⁸</td> </tr> <tr> <td>Roll Up 480 SL</td> <td>Isopropil Amina Glifosat 480 g/l</td> <td>1,831.64 L</td> <td>0.419 L/ha</td> <td>5,000</td> <td>0.149307 x 10⁻⁸</td> </tr> <tr> <td>Garlon 67 EC</td> <td>Triclopyr Butoxy Ethyl Ester 670 g/l</td> <td>1,184.87 L</td> <td>0.271 L/ha</td> <td>5,000</td> <td>0.140402 x 10⁻⁸</td> </tr> <tr> <td>Starane</td> <td>Flouroxypir methyl hepthyl estser 290 g/l</td> <td>77.303 L</td> <td>0.0177 L/ha</td> <td>2,000</td> <td>0.011143 x 10⁻⁸</td> </tr> </tbody> </table>	Trade mark	Active ingredient	Total usage	Total usage /ha	LD50 (mg/kg)	Toxicity unit	Erkafuron 20EG	Metsulfuron methyl 20%	125.7 kg	0.04 g/Ha	5,000	0.4 x 10 ⁻⁵	Rolifos 150 SL	Glufosinate ammonium 150 g/l	2,314.2 L	0.4 L/Ha	2,000	0.2472 x 10 ⁻⁵	Roll Up 480 SL	Isopropil Amina Glifosat 480 g/l	1,735.6 L	0.2 L/ha	5,000	0.42 x 10 ⁻⁴	Garlon 67 EC	Triclopyr Butoxy Ethyl Ester 670 g/l	243.5 L	0.7 L/ha	5,000	0.8 x 10 ⁻⁵	Starane	Flouroxypir methyl hepthyl estser 290 g/l	315.3 L	0.1 L/ha	2,000	0.9 x 10 ⁻⁵	Trade mark	Active ingredient	Total usage	Total usage /ha	LD50 (mg/kg)	Toxicity unit	Erkafuron 20EG	Metsulfuron methyl 20%	186.42 Kg	0.043 Kg/ha	5,000	0.007413 x 10 ⁻⁸	Rolifos 150 SL	Glufosinate ammonium 150 g/l	2,654.89 L	0.608 L/ha	2,000	0.197942 x 10 ⁻⁸	Rolikum 0.005 BB	Brodifacum 0.005%	653.91 kg	0.149 kg/ha	5,000	0.000007 x 10 ⁻⁸	Roll Up 480 SL	Isopropil Amina Glifosat 480 g/l	1,831.64 L	0.419 L/ha	5,000	0.149307 x 10 ⁻⁸	Garlon 67 EC	Triclopyr Butoxy Ethyl Ester 670 g/l	1,184.87 L	0.271 L/ha	5,000	0.140402 x 10 ⁻⁸	Starane	Flouroxypir methyl hepthyl estser 290 g/l	77.303 L	0.0177 L/ha	2,000	0.011143 x 10 ⁻⁸	Comply
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<p>4.6.3</p>	<p>Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines.</p> <p>- Major compliance -</p>	<p>The use of pesticides has been minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. Use of pesticides in the field was always lower than the planned budget. It also shows the company's commitment to always reduce pesticide usage and give priority to the prevention of mechanical, biological and integrated pest management.</p> <p>There was no evidence of prophylactic use of pesticides, all pesticides only used for certain targets of weeds or pests accordance to the plan and best agriculture practice.</p> <p>Jakluay Estate: Below are the trend of pesticide/herbicide usage in Jakluay Estate :</p> <table border="1"> <thead> <tr> <th>Trade mark</th> <th>2014</th> <th>2015</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Rolifos (L)</td> <td>-</td> <td>-</td> <td>2,314.2</td> </tr> <tr> <td>Rolixone (L)</td> <td>1,355</td> <td>1,391</td> <td>-</td> </tr> <tr> <td>Erkafuron (kg)</td> <td>71</td> <td>78.76</td> <td>125.7</td> </tr> <tr> <td>Roll up (L)</td> <td>2,422</td> <td>1,856</td> <td>1,735.6</td> </tr> <tr> <td>Starane (L)</td> <td>267</td> <td>400</td> <td>315.3</td> </tr> <tr> <td>Garlon (L)</td> <td>137</td> <td>433</td> <td>243.5</td> </tr> <tr> <td>Rolikum (kg)</td> <td>1,391</td> <td>236</td> <td>0</td> </tr> </tbody> </table> <p>Pantun Mas Estate: Below are the trend of pesticide/herbicide usage in Pantun Mas Estate:</p> <table border="1"> <thead> <tr> <th>Trade mark</th> <th>2014</th> <th>2015</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Rolifos (L)</td> <td></td> <td></td> <td>2,654.90</td> </tr> <tr> <td>Rolixone (L)</td> <td>2,042.79</td> <td>1,663.24</td> <td>0</td> </tr> <tr> <td>Erkafuron (kg)</td> <td>104.04</td> <td>93.29</td> <td>186.42</td> </tr> <tr> <td>Roll up (L)</td> <td>1,365.95</td> <td>1,931.56</td> <td>1,831.64</td> </tr> <tr> <td>Starane (L)</td> <td>223.38</td> <td>466.61</td> <td>77.30</td> </tr> <tr> <td>Garlon (L)</td> <td>286.18</td> <td>599.35</td> <td>1,184.87</td> </tr> <tr> <td>Rolikum (kg)</td> <td>4,658.00</td> <td>2,473.26</td> <td>653.92</td> </tr> </tbody> </table>	Trade mark	2014	2015	2016	Rolifos (L)	-	-	2,314.2	Rolixone (L)	1,355	1,391	-	Erkafuron (kg)	71	78.76	125.7	Roll up (L)	2,422	1,856	1,735.6	Starane (L)	267	400	315.3	Garlon (L)	137	433	243.5	Rolikum (kg)	1,391	236	0	Trade mark	2014	2015	2016	Rolifos (L)			2,654.90	Rolixone (L)	2,042.79	1,663.24	0	Erkafuron (kg)	104.04	93.29	186.42	Roll up (L)	1,365.95	1,931.56	1,831.64	Starane (L)	223.38	466.61	77.30	Garlon (L)	286.18	599.35	1,184.87	Rolikum (kg)	4,658.00	2,473.26	653.92	<p>Comply</p>
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<p>4.6.4</p>	<p>The evidence shall be available to demonstrate that use of Pesticides, categorized in Class 1A or 1B by World Health Organization, or those are listed in the Stockholm and Rotterdam Conventions, and paraquat are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p>- Minor compliance -</p>	<p>The company has had a regulation relate the usage of paraquat, based on "Memorandum President DirectorNo.032/PD//VIII/2015", dated 13th August 2015, that is: The preparation of the budget in 2017 the use of paraquat is eliminated and replaced by using the active ingredient "ammonium glufosinate".</p> <p>Jakluay Estate: Here is a reduction in the use of paraquat and brodifakum in 2012 - 2016 in JLYE:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Paraquat</th> <th>Brodifakum</th> </tr> </thead> <tbody> <tr> <td>2012</td> <td>2,436</td> <td>1,791</td> </tr> <tr> <td>2013</td> <td>2,090</td> <td>1,363</td> </tr> <tr> <td>2014</td> <td>1,486</td> <td>1,268</td> </tr> <tr> <td>2015</td> <td>1,391</td> <td>236</td> </tr> <tr> <td>2016</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>Pantun Mas Estate: Here is a reduction in the use of paraquat and brodifakum in 2012 - 2016 in PMSE:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Paraquat</th> <th>Brodifakum</th> </tr> </thead> <tbody> <tr> <td>2012</td> <td>3,364.60</td> <td>1,764.06</td> </tr> <tr> <td>2013</td> <td>2,288.40</td> <td>6,462.23</td> </tr> <tr> <td>2014</td> <td>2,042.79</td> <td>4,658.00</td> </tr> <tr> <td>2015</td> <td>1,663.24</td> <td>2,473.26</td> </tr> <tr> <td>2016</td> <td>0</td> <td>653.92</td> </tr> </tbody> </table>	Year	Paraquat	Brodifakum	2012	2,436	1,791	2013	2,090	1,363	2014	1,486	1,268	2015	1,391	236	2016	0	0	Year	Paraquat	Brodifakum	2012	3,364.60	1,764.06	2013	2,288.40	6,462.23	2014	2,042.79	4,658.00	2015	1,663.24	2,473.26	2016	0	653.92	<p>Comply</p>
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<p>4.6.5</p> <p>Evidence of pesticide application by trained person and in accordance with application guidelines in product label and storage guidelines shall be available. Appropriate safety equipment shall be provided and utilized. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>- Major compliance -</p>	<p>Jakluay Estate: All workers involved in the handling of pesticides and apply pesticides in the field have been trained on a regular basis. For example sprayer workers on behalf Marselina Ona, Yusnita and Siti Rohani has been trained Handling agrochemical on 6th August 2016 by Assistant Division.</p> <p>Pantun Mas Estate: All workers involved in the handling of pesticides and apply pesticides in the field have been trained on a regular basis. Sprayer workers on behalf Samingin, Rusdiani and Aminah has been trained Handling agrochemical on 7th October 2014 by pesticide commission Ministry of Agriculture. Certificate of training can be demonstrated No. 02/KP3/KT/XII/2012 (Samingin), No. 04/KP3/KT/X/2014 (Aminah), No. 05/KP3/KT/X/2014 (Rusdiani).</p> <p>Interview with spraying workers in JLYE and PMSE shown that all of them have a good knowledge regarding the pesticide usage and its material usage and toxicity. All the workers has used the personal protective equipment meet with the safety rules and work instruction such as: apron, safety goggles, chemical mask, hand gloves (2 type: cotton inside and rubber outside) and safety shoes. All precautions attached to the products properly observed, applied, and understood by workers. All applications of agrochemicals were in accordance with the product label and storage instruction. MSDS of all pesticides were available and understood by spraying workers</p>	<p>Comply</p>

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<p>4.6.6 Storage of pesticides shall be according to recognised best practices. All pesticides containers shall be properly managed according to the existing regulations and or instructions enclosed on the containers (see criterion 5.3).</p> <p>- Major compliance -</p>	<p>Jakluay Estate and Pantun Mas Estate: Agrochemicals were stored in the determined area separated from fertiliser and other chemicals. Agrochemicals storage was provided in each Division of Jakluay Estate and Pantun Mas Estate. Agrochemicals storage was locked areas with limited access. The storage was ventilated. Material Safety Data Sheet and hazard symbol label were provided nearby of agrochemicals. Emergency shower and eyewash were also provided to anticipate in case of an emergency of agrochemical handling. Personal Protective Equipment for handling of chemicals were provided including boots, apron, safety glass, respiratory mask and hand gloves. The possible spill was managed. Secondary containment was provided around the chemical storage area. Spill kit was also provided in the area.</p> <p>Handling of agrochemical containers was described in work instruction No.IK/SMART/LBH/01. All agrochemical containers were triple rinsed and then returned to the supplier. Every six months the organisation is required to submit, i.e.: data of location, coordinates and area for optimise agrochemical use, optimise activity and reuse of water from optimise activity at site, receipt note of agrochemical containers to supplier and measurement result of quality of water from optimise activity. Records of chemical containers quantity that has been rinsed and disposed to supplier were evident.</p> <p>Pesticide waste handling procedures is available, which explained that empty container pesticides rinsed 3 times before being stored in the warehouse B3 and subsequently disposed the collector register which been approved by the Ministry of the Environment. Records of Hazardous waste, including the Empty Container Pesticides, such as:</p> <ul style="list-style-type: none"> - Manifest of delivery Hazardous waste - Report of hazardous waste quarterly to the relevant agencies. - Hazardous waste logbook; and <p>-Balancing stock of hazardous waste.</p>	<p>Comply</p>
<p>4.6.7 Application of pesticides shall be by proven methods that minimize risk and negative impacts.</p> <p>- Minor compliance -</p>	<p>Jakluay Estate and Pantun Mas Estate: Based on filed visit and interviews with workers who are involved in pesticide, e.g. Sprayers found that they apply pesticides in the right way according to the instructions on the label and guidelines as contained in the procedure.</p> <p>Personnel interviewed can clearly explain the type of work including work methods and targets, materials used (pesticides) including the dosage and danger, personal protective equipment and first aid. Several BKM of circle weeding spray using agrochemicals was sighted.</p>	<p>Comply</p>

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4.6.8	<p>Pesticides may only be applied aerially where there is a documented justification. Surrounding communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.</p> <p>- Major compliance -</p>	<p>Jakluay Estate and Pantun Mas Estate: No any pesticides applied aerally</p>	Comply
4.6.9	<p>Evidence of training on handling pesticide for workers and scheme smallholder (if any) shall be available</p> <p>- Minor compliance -</p>	<p>Jakluay Estate: All workers involved in the handling of pesticides and apply pesticides in the field have been trained on a regular basis. For example sprayer workers on behalf Marselina Ona, Yusnita and Siti Rohani and Mulya has been trained Handling agrochemical on 6th August 2016 by Assistant Division. Evident of training such as; minutes of training and list of attendance can be demonstrated.</p> <p>Pantun Mas Estate: All workers involved in the handling of pesticides and apply pesticides in the field have been trained on a regular basis. Sprayer workers on behalf Samingin, Rusdiani and Aminah has been trained Handling agrochemical on 7th October 2014 by pesticide commission Ministry of Agriculture. Certificate of training can be demonstrated No. 02/KP3/KT/XII/2012 (Samingin), No. 04/KP3/KT/X/2014 (Aminah), No. 05/KP3/KT/X/2014 (Rusdiani).</p>	Comply
4.6.10	<p>Proof that pesticide waste has been handled as per legal regulations and understood by worker and manager, shall be demonstrated</p> <p>- Minor compliance -</p>	<p>Jakluay Estate and Pantun Mas Estate: Procedure pesticide waste handling was established and implemented, SOP/SPO/SMART/LH-09. Waste management by reduce, reuse and disposal and zero burning was described in the procedure to avoid and reduce pollution. The organisation also established waste management program which covered handling of organic, non organic, domestic and hazardous waste. Based on interviews with workers who are involved in handling of hazardous waste including pesticide waste, it was found that they understood and able to demonstrate handling of hazardous waste as regulated in the company's procedures.</p>	Comply

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<p>4.6.11 Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available.</p> <p>- Major compliance -</p>	<p>Organization has been performed medical check-up periodically per semester to all workers which exposed pesticide regarding operator, warehouse officer of store and supervisor (Mandor). The result from medical check-up has been communicated back to each worker. The medical status of said worker was monitored and follow up action taken.</p> <p>Jakluay Estate: Latest medical checkup carried out on 26th August 2016 for 43 sprayer workers including fertilizer workers, agrochemical store keeper and upkeep mandor. Medical checkup covered enzim cholinesterase and spirometri. Result of MCU shown that there were 2 workers indicated mild poisoning on behalf Menciana Ndae (cholinesterase 62,5%) dan Agustinus Mingguraka (cholinesterase 62,5%). Normal cholinesterase level is 75 – 100%. Estate has followed up and perform action to transfer the 2 workers job for 14 days to work without chemicals based on the recommendation of a doctor. This can be proven workers already transferred his work become "dongkel anak kayu" – woody disposal (based BKM 1st September 2016).</p> <p>Pantun Mas Estate: Latest medical checkup carried out on 22 – 25th November 2016 for 54 sprayer workers including fertilizer workers, agrochemical store keeper and upkeep mandor. Medical checkup covered enzim cholinesterase and spirometri. Result of MCU shown that there were 7 workers indicated mild poisoning (with enzim cholinesterase level < 70% on behalf Sumbani, Kimtiah, Wakiah, Hironimus Kewa, Jufri, Rahmah, Rahmat. This possibility can be caused by not wear a mask, use an inhaler/mosquito sprayer. While this was followed up with a job transfer to another section and a re-examination at the next special examination.</p>	<p>Comply</p>

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4.6.12	<p>Records shall be available to show that spraying is not conducted by pregnant or breast-feeding women.</p> <p>- Major compliance -</p>	<p>Jakluay Estate and Pantun Mas Estate: List of menstruated female workers was established and monitored. 2 days-off are given to those women in the list without any salary deduction. Pesticide female workers are checked periodically and recorded in the medical record. Pesticide female workers are prohibited to do their job during pregnancy as stated in company policy while no mother with breast feeding period was identified during the audit. In that case, those workers are relocated to another job station with low risk level. No negative case was found in regard with reproduction rights of female workers during past years as interviewed with female workers and gender committee. Based on interview with female worker, its confirmed that no pregnant and/or breast-feeding involved in chemical/pesticides, they are transferred to other duties Company also issued circular letter No. 001/SE-ADH3/BNJO/01/2010 dated 2nd January 2010 regarding Workers pregnant and breastfeeding women are not allowed to work as a sprayer personnel.</p>	Comply
<p>Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:</p>			

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<p>4.7.1 A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p>- Major compliance -</p>	<p>The organization has established the Occupational health and safety policy under “Kebijakan Keselamatan dan Kesehatan Kerja”, signed by Managing Director of PT SMART Tbk, on 1st November 2013.</p> <p>The policy was communicated to all employees and displayed at strategic locations of Mill and Estates and communicated to employees including contractor workers.</p> <p>e.g: socialization on 21stOctober 2016 location in Jakluay Mill, attended by 18 workers and on 13 – 14th June 2016 location in Pantun Mas Estate, attendance list is available.</p> <p>The procedure for critical activities was established, SOP/PSMK3/SMART/LH-21. The procedure was covering OHS control for working in confined space (e.g. cleaning of storage tank), working at height and welding. Work permit system was established and implemented for these works. It was noted that measurement of adequacy of oxygen and availability of dangerous gas were required before entering confined space and it was mentioned in the work permit; the portable gas detector was sighted during this audit.</p> <p>The company has “Health and Safety”, OHS plan is implemented where the company has OHS committee, Ahli K3 (OHS trained). The OHS Program in 2017 such as:</p> <ul style="list-style-type: none"> - Safety committee meeting (monthly basis), and three monthly report of safety committee (P2K3) - Training and socialization of first aider, welder, MSDS, emergency response, etc). - Medical Checkup (initial, general and special checkup for high risk); - PPE inspection - Evaluation and update the applicable of regular and other requirement <p>The three monthly report of P2K3 was conducted by safety committee to government in Sanggata Regency (Dinas Tenaga Kerja dan Tranmigrasi) e.g: for period October – December 2016, reported on 12th January 2017.</p> <p>Safety sign for using PPE was provided at these areas. It was noted here that workers appear to have a good discipline in wearing this PPE. Chemical factors measurement at workplace has been measured for mill; the sample taking location was properly performed. Chemical factors measurements for estates have been performed e.g. chemical store and fertilizer store.</p> <p>---</p>	<p>Comply</p>

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		<p>In general, housekeeping at Mill and Estates (office estate, storage, and workshop) was good. Access for workers to workplace in general also good e.g. stair was provided with hand rail and platform at height was provided with border to prevent fall risk. Vertical stair in general has been provided with cover as well.</p> <p>Periodic Medical Check Up was conducted on 9th May 2016, followed by all staff, employees, maintenance, electrical, security. Performed by polyclinic region Kaltim-2.</p> <p>Special Medical Check Up, covering: spirometry, audiometry and cholinesterase, conducted on 29th August 2016. Performed by polyclinic region kaltim-2.</p>	
4.7.2	<p>A documented risk assessment shall be available and its implementation shall be recorded.</p> <p>- Major compliance -</p>	<p>OHS risk assessment procedure SOP/SMK3/SMART/LH-02, revision 00 dated 1st July 2014 under "SOP Identifikasi Sumber Bahaya, Penilaian dan Pengendalian Risiko" was established and implemented for Mill and Estates activities both routine and non-routine activities. Hierarchy of control was considered for planning of risk control. According to the procedure, at least OHS risk assessment document must be reviewed once a year.</p> <p>Risk Assessment was reviewed on 6th January 2017, for January – December 2017. Some activities were examined in regard to risk assessment including for boiler operation, sterilizer operation, generator set operation, loading ramp activity, cleaning of CPO storage tank, chemical mixing, fertilizer warehouse, herbicide and pesticide sprayer, harvesting, road maintenance, waste water treatment, etc. The company has conducted HIRADC for all areas and it was observed that the workers understood MSDS.</p>	Comply

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<p>4.7.3</p> <p>Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.</p> <p>-</p>	<p>The company has conducted OHS training for workers and preparing PPE appropriately, during field visit, it was confirmed that workers using PPE based on risk assessment. Training record and program related to OHS were sighted and verified during this audit, e.g. boiler certificate and license for boiler operator, license for operator of generator set, license of heavy equipment operator, pesticide training for sprayers, "Hiperkes" training for medical doctor and paramedics, welder certificate and basic OHS training performed internally. OHS training has been programmed and provided appear balanced with OHS hazard and risk at Mill and Estates.</p> <p>Sample taken: The record of OHS training, such as:</p> <ul style="list-style-type: none"> - Training of awareness to OHS, PPE, high risk workplace, conducted on 7th December 2016. - Training for first aider, conducted on 5th December 2016 - Training of MSDS, on 27th June 2016, attended by 26 workers - Handover of PPE (booth), on 10th January 2016 for harvester, supervisor in division 1 (16 boots). - Report of PPE inspection on 10th December 2016, location in Pantun Estate at division II. Reported that 4 sprayers was not used gloves and 32 harvesters was not used glasses. All finding was followed up. <p>Operator permit/lisence (SIO) from "Dinas Tenaga Kerja dan Transmigrasi Kabupaten Kutai Timur" was available and can demonstrates, i.e:</p> <ul style="list-style-type: none"> - Sertifikat Juru Las, No.560/54.WLD/PTKT.04/2012, valid until 1st September 2016. - Sertifikat Operator Pesawat Uap; under name Rinto Siang, No. 2940-OPK3-PUBT-B.1/VIII/2012, valid until 3rd August 2017. - SIO on behalf of Yosep Keda (Loader operator), No. 12.10089-OPK3-PAA/IV/2012, valid up to 27th April 2017. - SIO on behalf of Asep Kusmita (Loader operator), No.1-2.10090-OPK3-PAA/IV/2012, valid until 27th April 2017. <p>Based on field visit and worker interview, all worker are using appropriate PPE. Sprayer: using masker, goggle, apron, hand glove, overall, gum boot. Harvester: using helmet, goggle, shoes and sickle cover.</p>	<p>Comply</p>

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<p>4.7.4 The responsible person(s) for occupational health and safety shall be identified and there shall be records of periodical meetings on health and safety issues</p> <p>- Major compliance -</p>	<p>OHS Organization (P2K3) has established and approved by "Dinas Tenaga Kerja dan Transmigrasi" Sanggatta Region, in each operation unit, e.g:</p> <ul style="list-style-type: none"> - Jakluay POM: OHS committee as approved by Manpower and Transmigration Kutai Timur District No.566/1473/P2K3/Was, dated 13th October 2015; - Pantun Mas Estate: OHS committee as approved by Manpower and Transmigration Kutai Timur District No.566/569/P2K3/Was, dated 2nd April 2015. - Jak Luay Estate: OHS committee as approved by Manpower and Transmigration Kutai Timur District No.566/646/P2K3, dated 11th March 2014. <p>The dedicated person who is responsible in OHS is formed in "Organizational chart for OHS Committee" as "Ahli K3", e.g:</p> <ul style="list-style-type: none"> - namely Mr. Hasarudin Tombalisa; approval letter from Manpower and Transmigration Ministry No.KEP.7627/M/ DJPPK/VII/2014 (valid until 15th July 2017) - namely Mr. Rendy Fandika; approval letter from Manpower and Transmigration Ministry No.KEP.7630/M/DJPPK/VII/2014 (valid until 16th July 2017) - namely Mr. Beny Sahat Martua Panjaitan; approval letter from Manpower and Transmigration No.KEP.P.992/NAKER-BINWAS K3/VI/2016 (valid until 10th June 2019). <p>OHS Organization (P2K3) has established and approved by "Dinas Tenaga Kerja dan Transmigrasi" Sanggatta Region, in each operation unit, e.g:</p> <ul style="list-style-type: none"> - Jakluay POM: OHS committee as approved by Manpower and Transmigration Kutai Timur District No.566/1473/P2K3/Was, dated 13th October 2015; - Pantun Mas Estate: OHS committee as approved by Manpower and Transmigration Kutai Timur District No.566/569/P2K3/Was, dated 2th April 2015. - Jak Luay Estate: OHS committee as approved by Manpower and Transmigration Kutai Timur District No.566/646/P2K3, dated 11th March 2014. <p>The dedicated person who is responsible in OHS is formed in "Organizational chart for OHS Committee" as "Ahli K3", e.g:</p> <ul style="list-style-type: none"> - Mr. Hasarudin Tombalisa; approval letter from Manpower and Transmigration Ministry No.KEP. 7627/M/ DJPPK/VII/2014 (valid until 15th July 2017) - Mr. Rendy Fandika; approval letter from Manpower and Transmigration Ministry no. KEP.7630/M/DJPPK/VII/2014 (valid until 16th July 2017) - Mr. Beny Sahat Martua Panjaitan; approval letter from Manpower and Transmigration No.KEP.P.992/NAKER-BINWAS K3/VI/2016 (valid until 10th June 2019) 	<p>Comply</p>

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4.7.5	<p>A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas.</p> <p>- Minor compliance -</p>	<p>Emergency procedure is available under SOP Peanganan Kecelakaan Kerja dan Penyakit Akibat Kerja no. SOP/SMART/UMUM/SADV/I/005, revision 00 tanggal 1st July 2014.</p> <p>Accident report is documented in "Record Kecelakaan Kerja" and Form "Investigasi Kecelakaan Kerja" also available. Accident reports are reviewed and corrective action is done to prevent repetition of accident in the future.</p> <p>First aider training was conducted on 5 December 2016, the documentation and attendance list are available, those who have a license, such as:</p> <ul style="list-style-type: none"> - Mr. Ibnu Shaleh, license No. 17/P3K/III/2015, valid until 19th March 2018 - Muhammad Zainudin license No. 18/P3K/II/2015, valid until 29th March 2018. <p>First aid boxes are available in all operation units appropriately and also supervisor brings first aid box to the field during operation, e.g. harvesting and spraying activities. First aid equipment for both mill and estates was available at worksites and several workers have been trained to use it.</p>	Comply
4.7.6	<p>All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).</p> <p>- Minor compliance -</p>	<p>All workers for both mill and estates were provided by accident insurance from government. Regular health surveillance health surveillance was conducted for employee once in a year.</p> <p>Based on document review confirmed that the company has registered all their employees in social insurance program, namely BPJS. Payment social insurance (BPJS-Kesehatan) is paid to the "BPJS" monthly, verified; payment December 2016.</p> <p>Record seen:</p> <ul style="list-style-type: none"> - Document of Payment Application for BPJS Ketenagakerjaan SKU PMSE December 2016, No. OGP: 150/581/5. - Deposit Slip for BPJS Ketenagakerjaan dated 15th December 2016, amounts Rp.124,508,040 covering 572 workers in Pantun Mas Estate. - Deposit Slip for BPJS Kesehatan dated 16th December 2016, amount Rp.63.091.196, covering 553 workers. - Deposit Slip for BPJS Kesehatan dated 10th January 2017, amount Rp.20,025,000 covering 324 workers including their families. - Deposit Slip for BPJS Ketenagakerjaan dated 30th December 2016, amount Rp.37,218,888 covering 165 workers. - Deposit Slip for BPJS Ketenagakerjaan dated 5th January 2017, amount Rp.111,597,904 covering 530 workers. - Deposit Slip for BPJS Kesehatan dated 5th January 2017, amount Rp.63.450.575, covering 515 workers; 	Comply

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4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -	<p>Safety performance for both mill and estates was calculated using LTA metric. The Lost Time Accident Rate was also recorded zero in yearly basis.</p> <p>There was observed that during 2016 in Jakluay Mill there are 3 accidents on January, February dan May 2016, lost time by accident is 19 man days. Sample taken: on 4th May 2016, on behalf of Mr. SYR due to he had been exposed to incandescent welding in the hand and has made treatment for 3 days (LTA).</p> <p>In Pantun Mas Estate during 2016 there are 4 accidents with total of lost time accident 22 man days. e.g: on 5th February 2016 namely Mr. A, he has been exposed palm frond and suffered injuries to his shoulder and hand, LTA 2 man days.</p> <p>In Jak Luay Estate: Based on the Annual document FR and SR 2016, 0. Based on the recapitulation Accidents November 2016 there were 10 occurrences of accidents by 10 working days are lost.</p>	Comply
<p>Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.</p>			

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<p>4.8.1</p> <p>Records of training program related to the aspects of RSPO Principles and Criteria shall be available.</p> <p>- Major compliance -</p>	<p>Assessment of training needs was performed using Training Need Matrix Identification "Matriks Identifikasi Kompetensi personal" January – December 2016 by SPO region. The assessment was conducted once in a year and the records of assessment were maintained properly. All functions were included in this training identification from mill manager, estate manager, assistant head, group leader, operator at mill, sprayer, welder, boiler operator including for contractor (civil, mechanic and transporter). The training needs identified appear sufficient and complete, this including training related to OHS, environmental, social, training required by regulations, and training related to operation of mill and estate.</p> <p>The training program was created annually based on training assessment to improve the workers skill and competency as documented in "Rencana dan Realisasi Pelatihan".</p> <p>Jakluay POM: Training programme 2016 and 2017 were sighted, the training programme is established based on the training needs identification and covered all aspects of the RSPO criteria such as safety,environment, social, best practice, human rights, HCV and ethical.Some trainings have beenconducted, such as:</p> <ul style="list-style-type: none"> - P3K training - MSDS Training - Training SOP and WI for each station and operator - Training K3 awareness, PPE usage, high risk job and HIRARC - Training Technical Agriculture oil - Triaining sludge centrifuge <p>Jakluay Estate and Pantun Mas Estate: Training Program PMSE and JLYE presented in "Rencana Kegiatan Training Periode 2016" among others:</p> <ul style="list-style-type: none"> - Fire fighting techniques - Training waste and hazardous waste (LB3) control - Training OHS Policy, ISBPR, PPE - Training First Aid (P3K) - Training herbicide handling and MSDS 	<p>Comply</p>

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<p>4.8.2 Records of training for each employee shall be maintained.</p> <p>- Minor compliance -</p>	<p>Jakluay POM: Report of realization training 2016 was available in "Dokumentasi dan Notulen Training" and can be shown, such as:</p> <ul style="list-style-type: none"> - P3K training in 5th December 2016; - MSDS Training in 27th January 2016; - Training SOP and WI for each station and operator in 5th - 6th December 2016; - Training K3 awareness, PPE usage, high risk job and HIRARC in 6th December 2016; - Training Technical Agriculture oil in 30th November 2016; - Training sludge centrifuge in 3rd August 2016; <p>The evidence of record of training for each employee was shown, e.g. record of training for Rinto Siangi (Boiler operator), Simon Taruk Lawa (Analisis), Sumarna (Tipler operator), Nahar (Press operator), Sailinah (grading operator).</p> <p>Jakluay Estate: Report of realization training 2016 was available in "Dokumentasi dan Notulen Training" and can be shown, such as:</p> <ul style="list-style-type: none"> - P3K training in 6th August 2016; - Training Best Practise semprot 6th August 2016; - Sosialisasi kebijakan K3 tanggal 17th November 2016; <p>The evidence of record of training for each employee was shown, e.g. Marselina Ona, Yusnita, Siti Rohani, Mulya (sprayer workers), Agus, Arifin, (Census HPT), Yusnir (Upkeep).</p> <p>Pantun Mas Estate: Report of realization training 2016 was available in "Dokumentasi dan Notulen Training" and can be shown, such as:</p> <ul style="list-style-type: none"> - Fire fighting techniques on 2nd September 2016; - Training waste and hazardous waste (LB3) control on 23rd June 2016; - Training OHS Policy, ISBPR, PPE on 23rd January 2016; - Training First Aid (P3K) on 13th June 2016; 	<p>Comply</p>
<p>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity</p>		
<p>Criterion 5.1:</p> <p>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.</p>		

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5.1.1	<p>Environmental impact assessment document(s) shall be available.</p> <p>- Major compliance -</p>	<p>PT. Tapian Nadenggan Jakluay POM and Mill: Environmental impact assessment refer to AMDAL documents, its consist of EIA document, Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL).The company has EIA documents which have been approved by Bupati of Kutai Timur, the last updated due to changes of mill capacity from 60 tonnes FFB/hour become 80 tonnes FFB/hour as Izin Lingkungan (Environmental Licence) from Bupati of Kutai Timur No.662/K.312/2012, dated 22nd April 2013 within scope mill and plantation area 11.503,48 Ha.</p> <p>The company also has EIA documents (UKL/UPL) as regulated by government for company operation areas < 3,000 ha for Pantun Mas Estate, approved by "AMDAL commission of Kutai timur District" No. 660/617/3-BLH/V/2010, dated 14th May 2010 (975 Ha) and Loming Estate No. 660/612/3-BLH/V/2012, dated 15th May 2012 (560 Ha).</p>	Comply

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<p>5.1.2 Environment management plan document to prevent negative impacts, its implementation report and revision (if the identification of impact requires changes in current company's practices) shall be available. The company's management shall appoint the responsible person(s) for the implementation of the document.</p> <p>- Minor compliance -</p>	<p>Jakluay POM and Estate: Environment management plan document presented in Document "Rencana Pengelolaan Lingkungan" as part of AMDAL document. Environment management plan to prevent negative impact such as:</p> <ul style="list-style-type: none"> - To prevent air quality decrease, company performed action: Reduce exhaust emissions from the engines by maintenance routine engine, the use of anti-dust mask continuously for workers who are near the source of pollutants that exceed the threshold. - To prevent water quality decrease, maintaining green areas along the river banks, do not logging in the river banks area, planting land cover crop on the cliffs and prone to erosion areas, the use of wastewater for Land Application, solid waste utilization plant (shell, fibre) for fuel. - To prevent erosion: land clearing mechanically, land clover crop planting, terracing in slope. - To prevent wildlife habitat disturbance, place signboard to prohibit illegal hunting in conservation area and around estate, awareness to employee and surrounding community to save the protected species. - To increased job opportunities, provide employment opportunities to the local community, the provision of supporting infrastructure for public economic activities, providing employment opportunities information to the public. - The increase in public revenues, maximize the use of local labor, involving the local community as business partners. <p>Company appoint Staff EHS PT Tapian Nadenggan (Mr. Ali Maskan) to control and ensure the document RKL implementation. RKL implementation report is submitted to the government every 6 months, latest Environmental Management Report for Semester II (July – December 2016) has submitted to Environmental Ministry on 6th January 2017 and BLH Kutai Timur on 12th January 2017, BLH Provinsi Kalimantan Timur on 16th January 2017.</p>	<p>Comply</p>

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<p>5.1.3</p> <p>Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.</p> <p>- Minor compliance -</p>	<p>Jakluay POM and Estate: Environment monitoring plan document presented in ""Rencana Pemantauan Lingkungan"" as part of AMDAL document. Its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) available in ""Laporan Pengelolaan dan Pemantauan Lingkungan"". Environment monitoring plan such as:</p> <ul style="list-style-type: none"> - The decline in air quality, monitoring the ambient air quality (based PP No. 41 of 1999) and emission (genset - PermenLH No. 13 of 2009, boiler - KepMenLH No. 07 of 2007) every 6 months, the latest analysis results semester II 2016 was met the standard, noise monitoring station Nut & Kernel, clarifier, press, sterilizer, workshops, monitoring physical and chemical factor odor threshold value, vibration monitoring and lighting. - The decline in water quality, monitoring surface water quality each semester as per ""Peraturan DaerahProvinsi Kalimantan Timur No. 2 tahun 2011"" (latest analysis result semester II 2016 was met with the standards, but to exceed the quality standard parameters chlorine (> 0.03 mg / L) the company has been evaluating and improvements such as wastewater management applications for land, empty bunch application to land, creation of septic tanks in each house). Monitoring of wastewater each month, latest analysis result semester II 2016 was met with the standard ""Keputusan Menteri Lingkungan Hidup No. 29 tahun 2003"". - Increasing the rate of erosion, monitoring erosion each month by install erosion pegs in each estate of 3 units (up, mid and down at the site slope>15%). - Social, economic and culture component - Improved community job opportunities, conduct interviews with workers regarding to the origin of the area and the level of wages. Local labor that works in PT. Tapian Nadenggan are now 257 people by wages paid in accordance with the applicable UMR, the public perception is also positive for the company's existence. The increase in community income conducted by monitoring directly to the local community, generally, people's income increases with the workers in the company, the company's cooperation with the community in terms of transportation of FFB, infrastructure project like bridges, drainage, culverts, etc. <p>---</p>	<p>Comply</p>

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Criterion / Indicator		Assessment Findings	Compliance
		RKL implementation report is submitted to the government every 6 months, latest Environmental Management Report for Semester II (July – December 2016) has submitted to Environmental Ministry on 6 th January 2017 and BLH Kutai Timur on 12 th January 2017, BLH Provinsi Kalimantan Timur on 16 th January 2017.	
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.			
5.2.1	Record(s) on the results of High Conservation Value (HCV assessment) that includes both the planted area and the relevant wider landscape-level considerations (such as wildlife corridors) shall be available - Major compliance -	Pantun Mas Estate: HCV identification was conducted by “Biodiversity and Conservation Section – Sustainability Division” with detail assessor as below: The HCV identification is conducted refer to the “Indonesian HCV Toolkit, 2008”. HCV assessment survey conducted in two phase. Phase 1 field survey in 20 – 24 th August 2011, presentation of survey result in 25 th August 2011, Phase II Public consultation in 11 th April 2013. Report has reviewed by Siswoyo (independent consultant). HCV assessment includes both the planted area and the relevant wider landscape-level considerations such as karst ecosystem in Kombeng mountain. The company has appointed the responsible person in HCV management each estate, e.g. in Jak Luay estate (Mr. Adi Fransisco Saragih as appointment letter No.05/UH/JLYE-SPO/02/2014, dated 25 th February 2014, Pantun Mas Estate; Mr. Fegi Teguh Setiawan (appointment letter No. 09/UH/PMSE-SPO/03/14, dated 1 st March 2014).	Comply

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Criterion / Indicator	Assessment Findings	Compliance																																																																																					
<p>5.2.2 Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, an appropriate measures that are expected to maintain or enhance them shall be implemented through a management plan.</p> <p>- Major compliance -</p>	<p>Jakluay Estate and Pantun Mas Estate: Based on Identification of HCV, it was found HCV areas and RTEs in Jakluay Estate and Pantun Mas Estate as below:</p> <table border="1" data-bbox="667 539 1227 1167"> <thead> <tr> <th rowspan="2">Type of HCV</th> <th colspan="2">HCV area</th> <th colspan="2">Hectare (Ha)</th> </tr> <tr> <th>JLYE</th> <th>PMSE</th> <th>JLYE</th> <th>PMSE</th> </tr> </thead> <tbody> <tr> <td>1.1, 1.3, 4.1</td> <td>Riparian bank river</td> <td>Pantun</td> <td>59.78</td> <td>70.49</td> </tr> <tr> <td>1.1, 1.3, 4.1</td> <td>-</td> <td>Riparian bank anak sungai Pantun</td> <td>-</td> <td>20.13</td> </tr> <tr> <td>1.1, 1.3, 4.1</td> <td></td> <td>Riparian bank Kombeng river</td> <td></td> <td>29.53</td> </tr> <tr> <td colspan="3">Total area</td> <td>59.78</td> <td>120.15</td> </tr> <tr> <td rowspan="7">HCV 1.2</td> <td colspan="2">JLYE</td> <td colspan="2">PMSE</td> </tr> <tr> <td>Beruk (Macaca nemestrina)</td> <td>(Macaca)</td> <td>Macan Akar (Felis bengalensis)</td> <td></td> </tr> <tr> <td>Elang Bondol (Haliastur indus)</td> <td>(Haliastur indus)</td> <td>Beruang (Helarctos malayanus)</td> <td>Madu</td> </tr> <tr> <td>Alap-alap (Elanus caerulus)</td> <td>(Elanus caerulus)</td> <td>Orang Utan (Pongo pygmaeus morio)</td> <td></td> </tr> <tr> <td>Beo/Tiong (Gracula sp)</td> <td></td> <td>Elang Bondol (Haliastur indus)</td> <td></td> </tr> <tr> <td></td> <td></td> <td>Elang tikus (Elanus caerulus)</td> <td></td> </tr> <tr> <td></td> <td></td> <td>Beo/Tiong (Gracula sp)</td> <td></td> </tr> </tbody> </table> <p>The HCV area in PT. Tapian nadenggan was identified/overlapping with the planted area and infrastructure area.</p> <table border="1" data-bbox="659 1279 1219 1599"> <thead> <tr> <th rowspan="2">Estate</th> <th colspan="3">HCV Area</th> </tr> <tr> <th>On planted (Ha)</th> <th>On Infrastructure (Ha)</th> <th>Total HCV (Ha)</th> </tr> </thead> <tbody> <tr> <td>Jakluay Estate</td> <td>10.83</td> <td>48.95</td> <td>59.78</td> </tr> <tr> <td>Pantun Mas Estate</td> <td>36.72</td> <td>83.43</td> <td>120.15</td> </tr> <tr> <td>Long Buluh Estate</td> <td>153.38</td> <td>163.38</td> <td>316.76</td> </tr> <tr> <td>Bukit Subur Estate</td> <td>0.28</td> <td>137.58</td> <td>137.86</td> </tr> <tr> <td>Total</td> <td>201.21</td> <td>433.34</td> <td>634.55</td> </tr> </tbody> </table> <p>Jakluay and Pantun Mas Estate has established Management plan for HCV area, including:</p> <ul style="list-style-type: none"> - HCV 1.2: Wildlife/animal monitoring presented in "Laporan Pemantauan Jenis satwa/tumbuhan F/SMART/BCOS-EHSD/SADV/002/021" for example: <ul style="list-style-type: none"> - Jakluay Estate: monitoring result January 2017 observed Burung Kuntul (Bubulcus ibis), Biawak (Varanus salvator), ular piton (Phyton reticulatus) di Blok C/D 19, 17, 12 dan E21/22. <p>---</p>	Type of HCV	HCV area		Hectare (Ha)		JLYE	PMSE	JLYE	PMSE	1.1, 1.3, 4.1	Riparian bank river	Pantun	59.78	70.49	1.1, 1.3, 4.1	-	Riparian bank anak sungai Pantun	-	20.13	1.1, 1.3, 4.1		Riparian bank Kombeng river		29.53	Total area			59.78	120.15	HCV 1.2	JLYE		PMSE		Beruk (Macaca nemestrina)	(Macaca)	Macan Akar (Felis bengalensis)		Elang Bondol (Haliastur indus)	(Haliastur indus)	Beruang (Helarctos malayanus)	Madu	Alap-alap (Elanus caerulus)	(Elanus caerulus)	Orang Utan (Pongo pygmaeus morio)		Beo/Tiong (Gracula sp)		Elang Bondol (Haliastur indus)				Elang tikus (Elanus caerulus)				Beo/Tiong (Gracula sp)		Estate	HCV Area			On planted (Ha)	On Infrastructure (Ha)	Total HCV (Ha)	Jakluay Estate	10.83	48.95	59.78	Pantun Mas Estate	36.72	83.43	120.15	Long Buluh Estate	153.38	163.38	316.76	Bukit Subur Estate	0.28	137.58	137.86	Total	201.21	433.34	634.55	<p>Comply</p>
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Criterion / Indicator	Assessment Findings	Compliance	
	<ul style="list-style-type: none"> - Pantun Mas Estate: monitoring result December 2016 observed Kuntul kerbau (<i>Bubulcus ibis</i>), tiung lampu (<i>Eurystomus orientalis</i>), Kutilang (<i>Picnonotus aurigaster</i>) and Biawak (<i>Varanus salvator</i>) in block D31, C30, D29, E33, C3. - Signboard placement and maintenance, it was observed during field audit signboard has install in the strategic place and easy to read both in Jakluay and Pantun Mas Estate; Socialization to employee and surrounding community, latest conducted on 14 May and 4 October 2016 to PMSE employee, on 24 September 2016 to JLYE employee and on 23 November 2016 to surrounding community. <p>HCV 1.1, 1.3 and 4.1: marking and maintenance of boundary markers HCV (conducted on 3 monthly presented in "Form Pemeliharaan Tanda Batas KBKT F/SMART/BCOS-EHSD/SADV/002/005" based on field visit in JLYE and PMSE it was observed that boundary markers has well installed in the riparian zone 50m left and right side); signs of no-spraying boundary mark in riparian zone, manual upkeep in riparian zone; rehabilitation and planting vetiver grass (in JLYE block E/F21 as 20 trees on March 2016, in PMSE block C28 as 100 trees on January 2016), bamboo and local species; HCV patrol each week (latest monitoring in JLYE and PMSE shown that there was no disturbance in HCV area).</p>		
<p>5.2.3</p>	<p>Program(s) to socialize the status of protected, rare, threatened or endangered (RTE) to all workers shall be available, including records of appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance -</p>	<p>Organization has been established management program of HCV regarding annually educate about the status and protection of the RTE species to worker and community around estate. Public Consultation and dissemination of information to local communities has been carried out on 23rd November 2016 to Jak Luay villages head and community.</p> <p>All staff and employees was informed about HCV areas and RTE species. Object of educate program regarding the status of the RTE species, list of protection species in area, management of RTE species, protection of RTE species. Educate to worker through socialization conducted continuously through master morning and minimum twice a year. Latest socialization in JLYE conductd on 24thSeptember 2016 and in PMSE on 14th May2016 and 4thOctober 2016. Documentation and minutes of socialization can be demonstrated.</p> <p>Based on field visit and interview with workers and local communities it was found no any capture, harm, collect or kill RTEs.</p>	<p>Comply</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>5.2.4 Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available, and the results of monitoring are to be used to follow-up on the improvement of the management plan.</p> <p>- Minor compliance -</p>	<p>Jakluay Estate and Pantun Mas Estate: HCV and wildlife/animal monitoring continuously conducted in a regular basis. Secondary monitoring conducted each month and primary monitoring conducted twice a year. Monitoring of animal/wildlife performed by HCV officer and field workers, result of monitoring presented in "Laporan Pemantauan Jenis Satwa/tumbuhan F/SMART/BCOS-EHSD/SADV/002/021". Report of Management and Monitoring for HCV and RTEs is reported every 6 months and review is conducted regularly to ensure that monitoring is effective. Reports first half 2016 period can be demonstrated. Results of monitoring was evaluated using trend evaluation. Monitoring RTE species in January – June 2016 observed 24 kind species of bird which protected such as: Raja udang meninting (<i>Alcedo meninting</i>), Kangkareng hitam (<i>Anthracoseros sp</i>), toing lampu (<i>Euristomus orientalis</i>), Bondol Kalimantan (<i>Loncura fuscans</i>), Alap-alap sapi (<i>Falco moluccensis</i>), burung madu sriganti (<i>Nectarinia jugularis</i>); 7 kind of mamal such as: macan akar (<i>Prionailurus bengalensis</i>), Monyet ekor panjang (<i>Macaca fascicularis</i>), Tupai (<i>Ratufa affinis</i>) and 7 kind of reptile such as: Biawak (<i>Varanus salvator</i>), Tokek (<i>Gecko sp</i>).</p> <p>Company also cionducted the survey of Orangutan (<i>Pongo pygmaeus</i>) existence on December 2015 and January 2016 by Dr. Kunkun Jaka Gurmaya and Firmansyah and team. The result of survey observed and found several nest of orangutan (6 nests) inin the border area of forest and dision 4Long Buluh Estate. Nests were found already damaged and quite long, but found sign of orangutans. Monitoring will be carried out continuously and survey predicted number of population. Result of monitoring gives the feedback into the management plan improvement. The results from monitoring of wildlife, environmental, and socio-cultural services gives feedback advice and recommendations to the management plan.</p>	<p>Comply</p>
<p>5.2.5 Where HCV areas overlapped with an identified local community's land, there shall be evidence of a negotiated agreement that optimally safeguard their HCVs and the local community's rights</p> <p>- Minor compliance -</p>	<p>Jakluay Estate and Pantun Mas Estate: No any HCV areas in existing local community rights</p>	<p>Comply</p>

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<p>Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		
<p>5.3.1</p>	<p>A documented identified source of all waste and pollution, shall be available.</p> <p>- Major compliance -</p> <p>PT. Tapian Nadengan The source of pollution, type and control method of waste was documented on procedure SOP/SPO/SMART/LH-09 waste management. The Mill and Estates have identified and documented all wastes and sources of pollution from their activities. Result of identification was recorded in "Form identifikasi dan Evaluasi Aspek Lingkungan F/SMART/LEMS-EHS/SAV/001/001" last update in January 2016, update for 2017 will be conducted in February 2017.</p> <p>Jakluay POM: Source of waste and pollution in mill i.e:</p> <ul style="list-style-type: none"> - Waste water and solid waste (fiber, shell, EFB) results from processing FFB; - Oil spills from vehicle in activity FFB receiving, grading; - Oil spills from transfer carriage, used oil from hydraulic pump loading ramp station; - ex Sacks results from the use of soda ash, ex packaging chemicals from laboratory activities; - Used oil from genset machine, ex diesel fuel results from maintenance workshop; <p>Jakluay Estate and Pantun Mas Estate: The waste products were defined as follows:</p> <ul style="list-style-type: none"> - Empty Agrochemicals containers, ex chemicals rinsed waters discharge and land application flatbed, etc.; - Medical waste, such as: drugs, needles, cottons, etc.; - Solids organics and inorganics waste; - Domestic waste water. 	<p>Comply</p>

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Criterion / Indicator	Assessment Findings	Compliance																
<p>5.3.2</p> <p>There shall be evidence that all chemicals and their empty containers are disposed of responsibly.</p> <p>- Major compliance -</p>	<p>Jakluay POM: Jak Luay Mill has build the hazardous waste temporary which has permit from government based on "Keputusan Bupati Kutai Timur No.660/K.819/2013 tentang Pemberian izin Tempat Penyimpanan Sementara Limbah B3 kepada PT. Tapan Nadenggan Lokasi Jak Luay Mill Kecamatan Muara Wahau Kabupaten Kutai timur" dated 11th September 2013 valid until 5 years. Permits storage for 90 days. Hazardous waste resulted from Jakluay Estate and Pantun Mas Estate also stored in this storage.</p> <p>The Company has a partnership with a licensed collector PT. Karunia Lumasindo Pratama based on "Nota Kesepakatan No. 001/KLP-TN/SMRO/16 dated 25th November 2016" valid until 31st December 2018. The type of waste transported:</p> <ul style="list-style-type: none"> - Used Oil waste - Used batteries waste - Ex fuel filter and hise waste - Contaminated majun and its kind - Ex catridge and toner waste - Ex TL lamp waste - Medical waste - empty agrochemical packaging waste <p>Permit for the collection of used oil PT karunia Lumasindo Pratama based on "Keputusan Menteri Lingkungan Hidup No.143 tahun 2012" dated 25th June 2012 valid 5 years. Permit for the collection of another hazardous waste based on "Keputusan Gubernur Kalimantan Timur Nomor 658.31/K.838/2013" dated 30th December 2013 valid 5 years. Permit for transportation of hazardous waste based on "Keputusan Direktur Jenderal Perhubungan Darat No.SK.1093/AJ.309/DJPD/2016" dated 25th February 2016 valid until 3rd March 2021. Record of hazardous waste is maintained, the record is updated 3 monthly basis in "Neraca Limbah B3/Hazardous Waste Balancing Stock" and its reported to the local government (BLH Kab. Kutim, BLH Kaltim, KLH and PPE region Kalimantan) 3 monthly, last reported in 12th January 2017 for period October – December 2016. e.g. record per 31st December 2016:</p> <table border="1" data-bbox="667 1720 1233 1910"> <thead> <tr> <th>Type of hazardous waste</th> <th>Amount (ton)</th> </tr> </thead> <tbody> <tr> <td>Used oil</td> <td>3.899</td> </tr> <tr> <td>Used oil filter</td> <td>1,266</td> </tr> <tr> <td>Used battery</td> <td>0</td> </tr> <tr> <td>Medical waste</td> <td>0.038</td> </tr> <tr> <td>Contamination goods</td> <td>0.050</td> </tr> <tr> <td>Ex TL lamp</td> <td>0</td> </tr> <tr> <td>Ex Agrochemical container</td> <td>0.212</td> </tr> </tbody> </table>	Type of hazardous waste	Amount (ton)	Used oil	3.899	Used oil filter	1,266	Used battery	0	Medical waste	0.038	Contamination goods	0.050	Ex TL lamp	0	Ex Agrochemical container	0.212	<p>Comply</p>
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		<p>Disposed hazardous waste based on BA penyerahan Limbah B3 F/SMART/LEMS-EHSD/SADV/002/004 on 22nd January 2017 and 16th December 2016 :</p> <table border="1"> <thead> <tr> <th>Disposal date</th> <th>Type of Hazardous Waste</th> <th>Quantity</th> <th>Manifest no.</th> </tr> </thead> <tbody> <tr> <td rowspan="5">22 January 2017</td> <td>oli bekas</td> <td>12 drum</td> <td>00002756</td> </tr> <tr> <td>majun terkontaminasi</td> <td>1 drum</td> <td>00002755</td> </tr> <tr> <td>filter oli bekas</td> <td>2 drum</td> <td>00002755</td> </tr> <tr> <td>emasan agrochemical</td> <td>90 kg</td> <td>00002753</td> </tr> <tr> <td>limbah medis</td> <td>6 kg</td> <td>00002754</td> </tr> <tr> <td rowspan="5">16 December 2016</td> <td>oli bekas</td> <td>10 drum</td> <td>0002620</td> </tr> <tr> <td>majun terkontaminasi</td> <td>1 drum</td> <td>0002619</td> </tr> <tr> <td>filter oli bekas</td> <td>5 drum</td> <td>0002618</td> </tr> <tr> <td>emasan agrochemical</td> <td>158 kg</td> <td>0002613</td> </tr> <tr> <td>limbah medis</td> <td>38 kg</td> <td>0002614</td> </tr> </tbody> </table>	Disposal date	Type of Hazardous Waste	Quantity	Manifest no.	22 January 2017	oli bekas	12 drum	00002756	majun terkontaminasi	1 drum	00002755	filter oli bekas	2 drum	00002755	emasan agrochemical	90 kg	00002753	limbah medis	6 kg	00002754	16 December 2016	oli bekas	10 drum	0002620	majun terkontaminasi	1 drum	0002619	filter oli bekas	5 drum	0002618	emasan agrochemical	158 kg	0002613	limbah medis	38 kg	0002614	
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5.3.3	<p>A documented waste management plan to avoid or reduce pollution and its implementation shall be available.</p> <p>- Minor compliance -</p>	<p>Jakluay POM and Estate: The company has waste management plan waste in "Identifikasi dan Evaluasi Aspek Lingkungan, consist of: Source of waste, type of pollutant, impact, legal regulatory, document control (SOP), waste management. "Rencana Pengelolaan Limbah", e.g."Tujuan sasaran dan program pengelolaan lingkungan 2016".</p> <ul style="list-style-type: none"> - Domestic waste, managed by segregation of organic and inorganic waste; - Liquid domestic waste, managed by providing septic tank; - Limbah cair domestik, penyediaan septic tank, create drainage and trench each house; - Solid waste resulted from mill such as: shell and fiber used as boiler fuel, EFB applied to plantation used as mulched and organic fertilizer; - Liquid waste from mill managed by application to plantation as fertilizer (Land application); - Hazardous waste resulted from mill and estate managed by store in the temporary storage which has licensed and delivered to licensed transporter and collector; - Waste of used goods/scrap, collect and sell to vendors; - Air emission, water and soil pollutant managed by dust collector installation; 	Comply																																				
Criterion 5.4:																																							
Efficiency of fossil fuel use and the use of renewable energy is optimised.																																							

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Criterion / Indicator		Assessment Findings	Compliance																
5.4.1	<p>A plan for improving efficiency of the use of fossil fuels and to optimize renewable energy shall be in place and monitored.</p> <p>- Minor compliance -</p>	<p>Jakluay POM: Jakluay POM is using 100% fiber and nut shell for power generation during FFB processing. The fiber and nut shell is by-product from CPO production. Jakluay POM has calculated the total energy required for process, based on FFB tonnage x steam required to process one ton FFB x energy required to generate one kg steam. Jakluay POM has also calculated the potential energy generated from using fiber and nut shell. From calculation it was known that there is energy surplus, whereby used as power generation when mill is in operation but not processing FFB (electricity source, cleaning, etc.). From this point, Jakluay POM can identify the equivalent diesel fuel being use to generate similar energy, and calculate the efficiency.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>FFB Process (ton)</th> <th>Energy generated (Kcal)</th> <th>Diesel Fuel efficiency (liters)</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>497,193</td> <td>281,165,635</td> <td>775,873</td> </tr> <tr> <td>2015</td> <td>439,231</td> <td>208,600,857</td> <td>792,866</td> </tr> <tr> <td>2016</td> <td>315,012</td> <td>149,429,425</td> <td>513,274</td> </tr> </tbody> </table>	Year	FFB Process (ton)	Energy generated (Kcal)	Diesel Fuel efficiency (liters)	2014	497,193	281,165,635	775,873	2015	439,231	208,600,857	792,866	2016	315,012	149,429,425	513,274	Comply
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<p>Criterion 5.5: Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>																			
5.5.1	<p>Records of land clearing with zero burning shall be available, referring to the ASEAN Policy on Zero Burning (2003) or other recognised techniques based on the existing regulations.</p> <p>- Major compliance -</p>	<p>Jakluay Estate and Pantun Mas Estate: The company has zero burning policy documented in "Kebijakan Sosial dan Lingkungan, November 2011" and it was not found open burning during audit, included in land preparation or replanting. Zero burning policy also presented in "Surat Edaran No.071/SMDOPS/IX/2007 dated 4th September 2007 regarding "Larangan Membuka Lahan dengan Cara Membakar" refer to "Surat Menteri Pertanian RI No. 184/LB.130/M/8/2007". Latest Land clearing performed in 2011 (Jakluay Estate) mechanically by heavy equipment. Zero burning policy also was described in MCAR Book Chapter 5. MCAR Book mentioned that land preparation was performed by overthrowing and chipping.</p>	Comply																
5.5.2	<p>Where fire has been used for eradication of pest during replanting, the records of the analysis of the use of fire and permit from the authorised agency shall be available.</p> <p>- Minor compliance -</p>	<p>Jakluay Estate and Pantun Mas Estate: No fire was used during land preparation or replanting.</p>	Comply																

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<p>Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>			
<p>5.6.1</p>	<p>Document(s) assessing pollution and emission sources, including gaseous, particles, soot emissions and effluent, shall be available (see Criterion 4.4) - Major compliance -</p>	<p>Jakluay POM: Jakluay POM has identified the source of GHG emission under "Sumber-sumber Emisi Gas Rumah Kaca (GRK) Jakluay Mill". The list consist of moving source: vehicle and wheel loader; non-moving source: boiler, genset, Palm Oil Mill Effluent; Boiler chemical: N22310, N2811, N3273, N8507, Effluent treatment WTP: aluminum sulphate, N8173; Claybath: Calcium carbonate (CaCO₃).</p>	<p>Comply</p>
<p>5.6.2</p>	<p>Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance</p>	<p>PT. Tapian Nadenggan: "Program Mitigasi dan Pengurangan Gas Rumah Kaca PT. Tapian Nadenggan 2016", identifies: Use of fossil fuel: substitute diesel fuel with renewable energy (shell and fiber); Monitoring diesel fuel use: calculating diesel fuel use and analyze the root cause should increase of diesel fuel use identified, optimizing actual KWh produced from shell and fiber usage; Communicating to FFB transport contractor to maximize dump truck capacity to reduce diesel fuel use inefficiency; Monitoring KWh per ton product in mill from renewable energy. Monitoring trend in three years span: monitoring energy generated from shell and fiber per ton FFB, monitoring energy generated from shell and fiber per ton CPO, analyze the trend in use of renewable energy source for 5 years time. Use of fertilizer: fertilizer application in line with recommendation from SMARTRI (in correct time and dosage). To provide alternative soil nutrient in form of EFB and land application. Record fertilizer application, monitoring land application, maintain flatbed and pipe network (reduce leakage), maintain flowmeter. Use of pesticide: implementing integrated pest management; monitoring pest population, monitoring use of pesticide and the target species, applying pesticide in accordance to SMARTRI recommendation, determining economic threshold for each pest, implementing best management practice for the use of pesticide. Use of electricity: cutting electricity during rest time of 23:00 – 04:00 AM, change bulb lamp/tube lamp into SL for office use. Company planning to develop methane capture technology, and utilize as alternative energy source.</p>	<p>Comply</p>

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5.6.3	<p>A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available.</p> <p>- Minor compliance -</p>	<p>PT. Tapian Nadenggan Company has calculated the GHG emission from estate and mill operation. The result presented in Appendix I.</p> <p>NC Minor: The baseline data being used in PalmGHG ver.3.0 and data available in Jakluay POM; related to volume of FFB processed in Jakluay POM was different causing the GHG calculation to be inaccurate.</p> <p>Objective Evidence: Company has calculated the GHG emission from estate and mill operation using RSPO PalmGHG ver.3.0. However, audit team finds discrepancy in data source being used, causing the GHG calculation to be inaccurate. The baseline data being used in PalmGHG ver.3.0 and data available in Jakluay POM; related to volume of FFB processed in Jakluay POM was different.</p> <ul style="list-style-type: none"> - FFB processed from Jakluay Estate in PalmGHG ver.3.0: 74,332.86 tons; data FFB processed from Jakluay Estate in Jakluay POM: 74,323.86 tons - discrepancy of 9 tons; - FFB processed from Pantun Mas Estate in PalmGHG ver.3.0: 71,111.19 tons; data FFB processed from Pantun Mas Estate in Jakluay POM: 70,598.75 tons - discrepancy of 512.44 tons; - FFB processed from Long Buluh Estate in PalmGHG ver.3.0: 66,675.48 tons; data FFB processed from Long Buluh Estate in Jakluay POM: 63,675.48 tons - discrepancy of 3,000 tons; - FFB processed from Bukit Subur Estate in PalmGHG ver.3.0: 36,283.42 tons; data FFB processed from Bukit Subur Estate in Jakluay POM: 36,379 tons - discrepancy of (-) 95.58 tons; 	NC Minor
<p>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers</p>			
<p>Criterion 6.1:</p> <p>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.</p>			

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Criterion / Indicator		Assessment Findings	Compliance
6.1.1	<p>A social impact assessment (SIA) including records of meetings shall be documented.</p> <p>- Major compliance -</p>	<p>The company has conducted Social Impact Assessment as incorporated in AMDAL/ SEIA, it has been approved, "Izin Lingkungan" No. 662/K.312/2012, dated 22nd April 2013 and no. 660/E.162/2013, dated 27th February 2013 for Bukit Subur estate.</p> <p>The Environmental Management and Monitoring report is reported every six months to the local government, covering in report of RKL-RPL.</p> <p>The company also has shown the document of social impact assessment (SIA) for mill and all estates and it was established in January 2014.</p> <p>During Social Impact Assessment, the company conducted stakeholders meeting with surrounding local communities which affected the project, e.g. Public consultation on 12th March 2014 involved representative from 8 villages and attended 66 participants. Record of the meeting has been documented, such as:</p> <ul style="list-style-type: none"> - Documentation of survey the social impact assessment PT. Tapan Nadenggan; - Questionnaire of social impact assessment, dated 18th June 2013. Eg: namely Mr Komang S, Mr Warzin, dst - Attendance list of public consultation and stakeholders dated 12th March 2014 attended by 56 participants, on 11th March 2014 attended by 9 participants. The minute of meeting with Stakeholder is available in the attached document SIA. 	Comply
6.1.2	<p>There shall be evidence that the assessment has been done with the participation of affected parties.</p> <p>- Major compliance -</p>	<p>The company has mechanisms to update the Social Impact Improvement Plan, including input from local communities, the company improving relationships with both internal and external stakeholders that allow the company to identify and focus on the key social issues.</p> <p>During Social Impact Assessment, the company conducted stakeholders meeting with surrounding local communities which affected the project, e.g.</p> <ul style="list-style-type: none"> - Documentation of survey the social impact assessment PT. Tapan Nadenggan; - Questionnaire of social impact assessment, dated 18th June 2013. E.g.: namely Mr Komang S, Mr Warzin, etc. - Attendance list of public consultation and stakeholders dated 12th March 2014 attended by 56 participants, on 11th March 2014 attended by 9 participants. The minute of meeting with Stakeholder is available in the attached document SIA. 	Comply

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Criterion / Indicator		Assessment Findings	Compliance
6.1.3	<p>Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, through consultation with the affected parties, shall be available, documented and timetabled, including responsibilities for implementation.</p> <p>- Major compliance -</p>	<p>The Social Impact Assessment Plan is referred to the AMDAL recommendation that should be done by company to minimize negative impact and promote positive impact from social impact management. The company also showed the Environmental Impact Management Plan, as stated in the Social Impact Assessment document 2014 Chapter V, as follows:</p> <ol style="list-style-type: none"> 1. Sub Section 5.3.1. Negative Impact Management Plan recommendations, as follows: <ul style="list-style-type: none"> - Socialization Program of SOP of communication and consultation as the action plan of the negative impact of the Company's response to the proposals that are considered too long in approval process. - Corporate Program for evaluation and identification of community needs, as the action of the negative impact of CSR programs that are already running are considered not optimum by the community. - Program to make an announcement about the recruitment as the action of the negative impact related to the allocation and transparency of local labor for the surrounding community. 2. The recommendation of improve the Positive impact, e.g: increased the support for infrastructure development as the action of a positive impact. 	Comply
6.1.4	<p>The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.</p> <p>- Minor compliance -</p>	<p>The company has conducted social-environmental management and monitoring, as lined out in the AMDAL, RKL and RPL. The result of management and monitoring on social aspects have been reviewed and reported into "Laporan RKL/RPL", every six months.</p>	Comply

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Criterion / Indicator		Assessment Findings	Compliance
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	<p>The social impact assessment covering develop of plasma (Scheme Smallholders).Company provides management training for cooperatives.</p> <p>The company has "Plasma Program" for local communities surrounding company's area. The company also has established "Schema Smallholders Department" to manage smallholder plantation area.</p> <p>Based on documents review, the company has developed oil palm plantation for smallholders as follows:</p> <ol style="list-style-type: none"> 1. Plasma Koperasi Sawit Prima Jaya (987.14 Ha) 2. Plasma Koperasi Perkebunan Karya Baru, Koperasi Sawit Rantau Sejahtera, Koperasi Serba Usaha Petsotsang Wehea (1,921.59 Ha) 3. Plasma Koperasi Sawit Bukit Subur Abadi (668.70 Ha). <p>Sample taken:</p> <ul style="list-style-type: none"> - Agreement letter No.001/KOP-PP/IX/2013 on partnership agreement smallholders and the company in cooperation for infrastructure facilities and operational facilities (Koperasi Prima Pantun) - Report of training documentation on awareness RSPO Training for smallholders, conducted on 17th November 2016, was attended by 40 farmers. - Empowerment of independent smallholders through the acceptance or purchase of FFB; <p>The company also has program to prepare seedling and fertilizer for independent smallholders and also preparing best practices training.</p>	Comply
<p>Criterion 6.2:</p> <p>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	Consultation and communication procedures shall be documented. - Major compliance -	<p>PT Tapan Nadenggan has Procedure of consultation and communication is documented under "SOP Komunikasi dan Konsultasi No.SOP/SMART/UMUM/I/004", revision 00, dated 1st July 2014.</p> <p>The procedure has communicated and implemented in Jak Luay Mill, Jak Luay Estate and Pantun Mas Estate.</p>	Comply

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6.2.2	The company shall have official(s) who is responsible for consultation and communications with parties. - Minor compliance -	The company has nominated person to responsible in consultation and communication with local communities and others stakeholders, e.g; 1. Jak Luay Mill (Mr. Ridho Widiyanto – mill unit head), as nominated letter No.027/PC/KALTIM-SPO/IX/2015, dated 26 th September 2015. 2. Jak Luay Estate (Mr. Nurbadri) as nominated letter No.001/TM/RCKT2-SPO/02/14, dated 20 th February 2014. 3. Pantun Mas Estate (Mr. Budiyanto – Unit Head) as nominated letter No.01/SK-RC/01/2016, dated 26 th January 2016.	Comply
6.2.3	The company shall have a list of stakeholders, records of communications, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders. - Minor compliance -	A list stakeholder is available and updated regularly, the last updated on 20 th January 2017. The list stakeholders consist of 8 local governments in regency level, 13 local governments in district and village level, labour union, gender committee, etc. Based on review of “Buku Komunikasi dan Konsultasi”. In 2016 and up to January 2017 there are 91 incoming communication and consultation was recorded. Person in charge, action taken, and the target have been recorded in every communication. In Jakluay Estate, based on review of “Buku Komunikasi dan Konsultasi dengan Stakeholder”, for 2016 and January 2017 there are 33 types communication were recorded. E.g: in 22 nd December 2016, from Mr. Beng (Jak luay village) the communication related to application for borrowing the chairs, status approved on 23 rd December 2016. See also criterion 1.1.2.	Comply
Criterion 6.3:			
There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.			
6.3.1	The mechanism, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested, as long as that information is supported with adequate initial evidence. - Major compliance -	The company has complaint and grievances procedure as documented in SOP-IK Sustainability Palm Oil “SOP Penanganan Keluhan dan Ketidakpuasan” No. SOP/SMART/SIGS/SADV/I/00, dated 1 st July 2014. The procedure is how to handling complaint and grievances, the company keeps confidential complainer and whistleblower. Complaint and grievances is recorded in log Book and in “Formulir Pencatatan Keluh Kesah dan Ketidakpuasan”.	Comply

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6.3.2	<p>There shall be records of process and outcome of dispute resolution.</p> <p>- Major compliance –</p>	<p>The company has recorded complaints, grievancies and disputes in log book “Monitoring Penanganan Keluh Kesah”. Based on the review of log book, there were noted that all complaints has been responded timely manner. Sample taken:</p> <ol style="list-style-type: none"> 1. Monitoring grievance in Jakluay Mill, in 2016 there are 6 type grievances recorded, e.g: on 26th December 2016, from Mr. Dedi has complained that the bathroom tub leaked, complaints have been dealt with cementing. Closed on 30th December 2016. 2. Based on verification of the record of grievances in Jakluay esate, in 2016 there are 2 type grievances, e.g: on 13th April 2016 from Mr. I Wayan Utama request related toilet repair in G2 housing, the request has been followed up. Status closed on 29th April 2016. 3. Based on the verification of registration of form complaints and dissatisfaction, in Pantun Mas estate, in January 2017, there is one complaint on 10th January 2017 on behalf of Mrs. DPS, related to the car pool to posyandu is late (not specified hour), complaints have been followed up on 26th January 2017, which will be arranged pick-up at 15:00 pm and as a technical assistant in charge. <p>---</p>	Comply

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	<p>Sample seen, based on stakeholder communication with "Badan Pertanahan Nasional Kabupaten Kutai Timur" – the national land body Kutai Timur Regency: "Badan Pertanahan Nasional Kabupaten Kutai Timur" noted a conflict in area of PT. Tapian Nadenggan: BPN shows letter No.17.KT.KM/JL-MW/VIII/2016, from "Kelompok Tani Kutai Mandiri" designated to "Kepala Kantor Wilayah Badan Pertanahan Nasional Propinsi Kalimantan Timur", related to objection on cadastral measurement and HGU of PT. Tapian Nadenggan. In short, the complaint letter pleaded to "Badan Pertanahan Nasional Propinsi Kalimantan Timur" to stop processing and issuing "Hak Guna Usaha"/certificate for PT. Tapian Nadenggan.</p> <p>Company demonstrated records on settlement with Kelompok Tani Kutai Mandiri: Meeting has been conducted, as facilitated by Kutai Timur Regency's authority on 1st June 2010. On 2nd June 2010, the solution being agreed as recorded in minute of meeting "Berita Acara Kesepakatan Permasalahan Lahan antara Kelompok Tani Kutai Mandiri dengan PT. Tapian Nadenggan".</p> <p>Upon letter from Kelompok Tani Kutai Mandiri No.17/KT.KM/JL-MW/VIII/2016, PT. Tapian Nadenggan has provide clarification to "Kepala Kantor Wilayah Badan Pertanahan Nasional Kabupaten Kutai Timur" on 2nd September 2016 – complemented with data/information on evidence of settlement.</p> <p>"Badan Pertanahan Nasional Kabupaten Kutai Timur has continue tot process the application for land title – "Hak Guna Usaha"/HGU PT. Tapian Nadenggan as in letter No.1131/P-64/IX/2016 dated 27th September 2016, subject: "Permohonan HGU atas nama PT. Tapian Nadenggan terletak di Kabupaten Kutai Timur yang ditujukan kepada Menteri Agraria dan Tata Ruang/Kepala Badan Pertanahan Nasional Republik Indonesia".</p>	
<p>Criterion 6.4: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>		

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6.4.1	<p>A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be available, referring to decision of the Constitution Court.</p> <p>- Major compliance -</p>	<p>PT. Tapan Nadenggan has established SOP Implementation of FPIC (Free Prior Informed Consent) No.SOP/SMART/SENS-CSR/SADV/I/003, revision 00 dated 1st July 2014, which describes a process for the preparation of FPIC, identification, dissemination, participatory mapping, implementation of the negotiation, compensation formula, etc.</p> <p>The company also has established the policy of Social and Environmental-GAR, dated 8th September 2015. Where stated in point 2.1. Respect to PADIATAPA (Persetujuan Atas Dasar informasi Awal Tanpa Paksaan), local communities as well as an understanding of the need for food security in areas of newly developed communities.</p>	Comply
6.4.2	<p>A procedure for calculating and distributing fair compensation shall be established, implemented, monitored and evaluated in a participatory way. Corrective actions are taken as a result of this evaluation.</p> <p>- Minor compliance -</p>	<p>PT. Tapan Nadenggan has shown the SOP of FPIC (Free Prior Informed Consent) No. SOP/SMART/SENS-CSR/SADV/I/003, revision 00 dated 1st July 2014.</p> <p>The procedure was described preparation for a meeting with representatives of the public community attention to the various elements of community leaders, informal leaders, women, youth, farmers, etc.</p> <p>The company also gives opportunity for each group to choose a representative in the meeting. Participatory mapping and agreement involving various stakeholders in compensation to the local communities.</p>	Comply

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<p>6.4.3 Compensation claims, process and outcome of any negotiated agreements shall be documented, with evidence of the participation of affected parties.</p> <p>- Major compliance -</p>	<p>The compensation records, such as: "Berita Acara", maps for land land compensation, minutes meeting, meeting attendance list, etc, e.g. land compensation documents for Karya Bhakti villagers: minutes of meeting between company and representatives of villagers, dated 9th October 2013, Company letter to the Bupati of Kutai Timur related mediation by local government No.171.10/D&L-TN/KT/2013, dated 9th October 2013, "Berita Acara Penyelesaian Komplain" on 21st October 2013, compensation documents signed by both parties and "Berita Acara" compensation on 9th January 2014.</p> <p>There was no noted land disputes since the last audit.</p> <p>The status on dispute over land has been made clear. For cases that has been settled, company been able to demonstrate evidence of dispute resolution.</p> <p>Sample seen, based on stakeholder communication with "Badan Pertanahan Nasional Kabupaten Kutai Timur" – the national land body Kutai Timur Regency: "Badan Pertanahan Nasional Kabupaten Kutai Timur" noted a conflict in area of PT. Tapian Nadenggan: BPN shows letter No.17.KT.KM/JL-MW/VIII/2016, from "Kelompok Tani Kutai Mandiri" designated to "Kepala Kantor Wilayah Badan Pertanahan Nasional Propinsi Kalimantan Timur", related to objection on cadastral measurement and HGU of PT. Tapian Nadenggan. In short, the complaint letter pleaded to "Badan Pertanahan Nasional Propinsi Kalimantan Timur" to stop processing and issuing "Hak Guna Usaha"/certificate for PT. Tapian Nadenggan.</p> <p>Company demonstrated records on settlement with Kelompok Tani Kutai Mandiri: Meeting has been conducted, as facilitatted by Kutai Timur Regency's authority on 1st June 2010. On 2nd June 2010, the solution being agreed as recorded in minute of meeting "Berita Acara Kesepakatan Permasalahan Lahan antara Kelompok Tani Kutai Mandiri dengan PT. Tapian Nadenggan".</p> <p>Upon letter from Kelompok Tani Kutai Mandiri No.17/KT.KM/JL-MW/VIII/2016, PT. Tapian Nadenggan has provide clarification to "Kepala Kantor Wilayah Badan Pertanahan Nasional Kabupaten Kutai Timur" on 2nd September 2016 – complemented with data/information on evidence of settlement.</p> <p>"Badan Pertanahan Nasional Kabupaten Kutai Timur has continue to process the application for land title – "Hak Guna Usaha"/HGU PT. Tapian Nadenggan as in letter No.1131/P-64/IX/2016 dated 27th September 2016, subject: "Permohonan HGU atas nama PT. Tapian Nadenggan terletak di Kabupaten Kutai Timur yang ditujukan kepada Menteri Agraria dan Tata Ruang/Kepala Badan Pertanahan Nasional Republik Indonesia".</p>	<p>Comply</p>

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<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>		
<p>6.5.1</p>	<p>Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.</p> <p>- Major compliance -</p> <p>Employees' pay rates was made by the organization and was documented on list of monthly wage payment including basic salary, overtime calculation, functional allowance, employment period benefits. Workers have received wage according to minimum wage refers to "Surat Keputusan Gubernur Kalimantan Timur No. 561/K.773/2015 tentang Penetapan Upah Minimum tahun 2016 untuk Kabupaten Kutai Timur di Provinsi Kalimantan Timur", of Rp. 2,276,316. SK Upah Minimum 2017 refers to "Surat Keputusan Gubernur Provinsi Kalimantan Timur No. 561/K.573/2016, of Rp. 2,339,556,37/month" dated 27th October 2016.</p> <p>The company also established the minimum wages payment, based on "Surat Keputusan Direktur No. 320/CEO-3/PSM3/01/2017". Permanent worker/SKU-H with status of less than one working yearentitled to Rp. 2,465,108/month, and permanent worker/SKU-H with status more than one working year entitled toRp. 2,470,108/month.</p> <p>Based on interview with representative worker and head of worker union it was noted that there was no worker wage deduction. Worker wage list per Januari 2017 as indicated that the pay was delivered in according related regulation. Payments for workers were determined according to daily attendance register and over time shit appropriate to related regulation. Daily attendance for workers was recorded and controlled manually by the each Assistant.Sample taken: PaySlip in Desember 2016: 1. Namely Mr. L*** S***** Title: Supervisor Basic Salary: Rp. 2,256,812; Overtime: Rp. 3,597,905; Other: Rp 90,000; BPJS TK: Rp.161,350; BPJS Kesehatan: Rp. 93,672; Other: Rp. 378,665; Gross salary: Rp. 6,587,322; Net salary: Rp. 6,071,374. 2. Namely Mr. S***** K***** Title : admin office Basic salary: Rp. 2,089,889; Overtime: Rp. 149,076; Other: Rp. -; BPJS TK: Rp. 157,252; BPJS Kesehatan: Rp. 91,292; Other: Rp. 45,760; Gross salary: Rp. 2,533,283; Net Salary: Rp. 2,118,447</p>	<p>Comply</p>

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<p>6.5.2</p> <p>Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to the worker.</p> <p>- Major compliance -</p>	<p>There is a work agreement - "Kontrak Kerja" which signed by workers and company's representatives, the contract each worker is available in premises, the contract covering working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, period of notice, etc. Based on interview with workers, they understood the contract.</p> <p>The company and workers have arranged mutual working agreements – "Perjanjian Kerja Bersama/PKB" as described in PKB document (created in 2015) which is expected to be updated every 2 years, the PKB is period 2014-2016. Rights and obligation between two parties seems to be implemented accordingly. Some items were regulated in the PKB (2014 version), such as working hours, holiday entitlement, wage, over time, sickness, leave, maternity leave, work accident, etc. PKB only applies to SKU employees. Direct contract was established for manuring activities with third parties.</p> <p>The latest agreement - PKB dated 10th January 2015, the validity period starting 10th January 2015-10th January 2017.</p> <p>At this time the company and worker representative has agreed to review and renew work collective work agreement/PKB, as recorded in the Minutes dated 14th November 2016, which agreed between SPM and PT. Tapian Nadenggan that agreed to an extension of 1 year ahead, and has been established on 17th December 2016, was attended by 16 members.</p> <p>PT. Tapian Nadenggan responded to the issue of promotion of temporary worker into permanent worker: Company has fulfilled the mechanism for the promotion of temporary worker into permanent worker. The mechanism does mentioned that once the administrative requirement completed, promotion can be done. A number of temporary worker has yet to be promoted due to incomplete administrative requirement (i.e. identity card, "Surat Kelakuan Baik dari Kepolisian", etc.). For temporary workers that have fulfilled the administrative requirements, is currently in process of promotion. In addition, company treated the benefit for temporary worker and permanent worker in similar manner. There is no difference in benefit provided.</p> <p>---</p>	<p>Comply</p>

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Criterion / Indicator	Assessment Findings	Compliance
	<p>PT. Tapan Nadenggan responded to the issue of high harvesting target base: Company has a system called "premi panen" (category of harvesting) based on height of oil palm tree, started from mature up to replanting. Each category of harvesting cascaded into target base, should the harvester meet the target base they will receive "basis borong"; and additional harvest will be calculated as "lebih borong". The changes in category of harvesting is regulated, whereby by the end of each fiscal year – plantation will census the oil palm tree height. Should the changes in height meet the requirement, proposal for management to adjust the harvesting category is made.</p>	
<p>6.5.3</p> <p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where such public facilities are unavailable or inaccessible.</p> <p>- Minor compliance –</p>	<p>Company provides facility and social amenities for all employees i.e. housing, day care (Balai Penitipan Anak- BPA), electricity and water supply, clinics, sport facilities, worker hall (Balai karyawan), etc. The list of public facility such as:</p> <p>Jakluay Palm Oil Mill: Housing (G10= 8 units, G2=10 units and G1= 8 units), mosque (1 unit), Sport facilities (football, volley ball, badminton) and employee hall.</p> <p>Jakluay Estate: In Pondok 1 = (G10: 10 units), (G6: 5 units), (G4: 3 units), total 132 units, In Pondok 2 = (G10: 14 units), (G6: 1 unit), total 146 pintu In Pondok 3 = (G10: 6 units), (G6: 7 units), G4: 1 unit dan G1: 4 units), total 110 pintu Support facilities, e.g: children care (2 units), mosque (3 units), employee hall (3 units), Sport facilities (football, volley ball, badminton) and Posyandu (1 unit)</p> <p>Pantun Mas Estate: Housing (G1=22 units, G2= 12 units, G10= 47 units, G12= 1 units), Mosque (5 units), Church (1 unit), employee hall (5 units), BPA (5 units), school bus (2 units), P3K room (2 units and Sport facilities (football, volley ball, badminton).</p> <p>Based on field visit to worker housing, no clogged drain found, no water ponding found and grass mowed down.</p>	<p>Comply</p>

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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>Worker receives rice by organization that was distributed twice a month. This was mentioned in the "Collective Work Agreement" (PKB) dated back 2014 between employees and the organization. Moreover, organization has provided especial area in place for local market. Local market provides food for worker.</p>	Comply
<p>Criterion 6.6:</p> <p>The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>			
6.6.1	<p>A record of the company's policy in understandable language recognising freedom of association, shall be available</p> <p>- Major compliance -</p>	<p>The company has freedom of association "Kebijakan Kebebasan Berserikat" No. 104/CEO3- SE/07/2010, dated 16th July 2010.</p> <p>The labour union has been established in each unit production, e.g.SPM – Jakluay Mill registered by Disnakertrans, Kutai Timur No.10/02/SP-SB/Nakertrans/- HIJ/III/2014, 8th April 2014 and "LKS Bipartit" registration No.Kep. 560/1193/HIJ.</p> <p>Based on interview with labour union (SPM), the company has provided facilities and support programs of SPM.</p>	Comply
6.6.2	<p>Records of meetings with labor unions or workers representatives shall be available.</p> <p>- Minor compliance -</p>	<p>Record of meeting between company and labour union is conducted regularly, e.g.</p> <ol style="list-style-type: none"> 1. Minute of meeting Labor Union (SPM), on 30th January 2016, on socialization of minimum wage in 2016, was attended by 13 members 2. On 26 March 2016, discussed on planning of fooging (eradication of mosquitoes in emplacement area), was attended by 12 members. 3. On 1st October 2016, related to request to repair tents inventory of SPM Pantun Mas Estate changes in organizational structure and membership LKS Bripartit. Attended by 14 members. <p>Attendance list dan documentation are available.</p>	Comply
<p>Criterion 6.7:</p> <p>Children are not employed or exploited.</p>			

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6.7.1	<p>There shall be documented evidence that minimum age requirements are met.</p> <p>- Major compliance -</p>	<p>Sustainability palm oil Policy, point 3, dated on 1st May 2009 concerning the minimum age limit of recruitment are 18 years old. Based on a list of labour period January 2016 in Estate and Mill, there was no employee under the age of 18 years, and also based on document review of list of employees, field visit and interview with stakeholders, there is no employee is hired less than 18 year as regulated by government and company's policy.</p> <p>Review of "Daftar Karyawan" confirmed that the youngest employee is Mr. H*** S***** born on 14th December 1997 (19 years and 1 month old) in Jakluay Mill, and namely Mr. Kawa*****, born on 1st October 1996 (20 years and 3 months old), in Jakluay Estate.</p>	Comply
<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 company's policy on equal opportunity and treatment for work shall be available and documented.</p> <p>- Major compliance -</p>	<p>Policy for anti-discrimination was established by the organisation, and all discrimination is prohibited for all area in the Mill and Estates as regulated in Sustainability Palm Oil Policy, dated 1st May 2009, point 2. "Perjanjian Kerja Bersama" – collective work agreement, has also mentioned ban of discrimination for all worker in the organization. This policy has been communicated to worker. These policy describe the organization recognize and respect to the rights of local, migrant or urban worker.</p> <p>Record seen: PT. Tapian Nadenggan has shown the circular letter No.300/CEO3-SE/08/2015, related to the Implementation of Industrial Relations in the unit, dated 26th August 2015 which states that in order to realize harmonious industrial relations, dynamic and just then each unit of work to realize the industrial relations without distinction of race, caste, ethnicity, religion, disability, gender, sexual orientation, union membership, political affiliation and age. Signed by CEO-3.</p>	Comply
6.8.2	<p>Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated.</p> <p>- Major compliance -</p>	<p>Worker register for mill and estates mentioned that all workers came from different backgrounds (race, religion, gender, etc). Ethnical diversity of worker and also during interview with workers, no discrimination was identified based on religion, ethnic, gender. No evidence of discrimination found during the audit.</p> <p>Working tools was provided by company to the workers, relevant to the nature of the work performed.</p>	Comply

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6.8.3	Records of evidence that equal opportunity and treatment for work shall be available - Minor compliance -	All discrimination was prohibited for all area in estate and mill. PKB also mentioned ban of discrimination for all workers in the organization. Procedure for worker recruitment was available and mentioned there was no discrimination treatment during recruitment. Based on interviews with the Estate and Mill Manager, that there is no recruitment of new employees in the period January - December 2016 in both the estate and mill. The organization has shown the document of list employes which could have shown a graph comparing the number of employees based on the rate as of December 2016, i.e: Dayak tribe (6%), Kutai (5%), Javanese 36%, Bugis 17%, Timur 12%. Total employee in Jakluay Mill 165 workers. PMSE: Male (90%), female (10%), Moslem (80%), Catholic (7%0, Chistian (13%), Hindu (0,2%), Javanese (34%), Bugis (21%), Kutai (4%), with total of employee 575 workers.	Comply
Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.			
6.9.1	A policy to prevent sexual and all other forms of harassment and violence, shall be documented, implemented and communicated to all levels of the workforce. - Major compliance -	The company's policy relating to the prohibition of 'action' sexual harassment, recorded in the Director Memo, No.114/HR-PSM-6/08/2011, dated 1 st August 2011 (which is the latest circular letter to complement previous circulars). The policy has been disseminated to all employees on 23 rd August 2016, in Jakluay Estate, attended by 16 members; and on 2 nd March 2016 in Jakluay Mill, attended by 46 participants; on 3 rd January 2017 in Pantun Mas Estate, attended by 10 members.	Comply
6.9.2	A policy to protect the reproductive rights, shall be documented, implemented and communicated to all levels of the workforce. - Major compliance -	The company's policy relating to the prohibition of 'action' sexual harassment, recorded in the Director Memo, No.114/HR-PSM-6/08/2011, dated 1 st August 2011 (which is the latest circular letter to complement previous circulars). The policy has been disseminated to all employees on 3 rd January 2017.	Comply

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6.9.3	<p>A specific grievance mechanism which respects anonymity of complainants where requested, and as long as they are supported with adequate information, shall be documented, implemented, and communicated to all workforce.</p> <p>- Minor compliance -</p>	<p>Policies that have been made by companies related to the protection of women's rights such as;</p> <ol style="list-style-type: none"> The company has provided menstrual leave for female employee in accordance with the recommendation from paramedic in clinic, and this is in line with "Perjanjian Kerja Bersama" and applicable regulations. The company has granted the right for maternity leave the women who gave birth in accordance with the applicable rules and "Perjanjian Kerja Bersama". The company has consistently perform pregnancy tests to women workers who worked as a fertilizer and spraying every 1 month. The company has a policy of not hiring female labor during pregnancy or breast-feeding for the kind of work that endanger such as fertilizer or spraying by temporarily moving the work force to other types of work. The company has consistently perform regular health checks for sprayers every six months. <p>The company has conducted training and socialization prevention of sexual harassment in the workplace to the Committee members for example gender socialization on 3rd January 2017, on "Sosialisasi Pelecehan Seksual dan Kebijakan Hak Reproduksi", was attended by 10 members.</p>	Comply
<p>Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.</p>			
6.10.1	<p>Current and past prices paid for Fresh Fruit Bunches (FFB), shall be publicly available.</p> <p>- Minor compliance -</p>	<p>The FFB pricing is determined based on "Tim Penetapan Harga Pembelian TBS Kelapa Sawit Provinsi Kalimantan Timur" as determined in contract, the FFB price is circulated by the company to supplier/smallholders once any updated monthly bases, e.g.</p> <ol style="list-style-type: none"> FFB price in December 2016 for age planting is 9 year is Rp. 1,691.18/Kg. FFB price in January 2017 for age planting is 9 year is Rp. 1,849.00/Kg. 	Comply
6.10.2	<p>Pricing mechanisms for Fresh Fruit Bunches (FFB) and inputs/services shall be explained and documented (where these are under the control of the mill or plantation).</p> <p>- Major compliance -</p>	<p>Based on interview with cooperative, KUD Sawit Prima Jaya, Desa Pantun Mas confirmed that smallholders understand the FFB price mechanism as regulated by government and payment for incoming FFB from smallholders as regulated by the government.</p> <p>Sample taken: "Berita Acara Hasil Rapat Tim Penetapan Harga Pembelian TBS Kelapa Sawit Produksi Pekebun di Propinsi Kalimantan Timur" for period January 2017. Dated 30th December 2016.</p>	Comply

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6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	Based on interview with local contractors confirmed that contract understood by them and made fairly, legal and transparent. Sample taken: - Contract FFB supplier with KSU Pantun Jaya No.001/TBS/TN-KPJ/XII/2015, dated 26 th December 2015. - Contract FFB supplier with PT. Equalindo Makmur Alam Sejahtera No. 001/TBS/TN-EMA/II/2015, dated 23 rd February 2015, In term and condition of contract regulated FFB pricing will refer to the FFB Pricing by government, payment mechanism, etc.	Comply
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	Evident of payment to the contractor is reviewed during audit and was seen that the company has paid timely manner, e.g. 1. Koperasi Prima Jaya: - Yield recapitulation of FFB smallholders in December 2016, for "Koperasi Prima Jaya", total area 988,12 Ha. - Report of harvest cost, collection and operational in December 2016, dated 5 th January 2017; - Payment record, dated 24 th January 2017, Rp. 988,000,000. Untuk 247 members. BRI Unit Kongbeng Tanjung Redep 2. Koperasi Sawit Karya Baru: - Yield recapitulation of FFB smallholders in December 2016, for "KoperasiSawit Karya Baru", total area 1,206 Ha - Report of harvest cost, collection and operational in December 2016, dated 5 th January 2017. - Payment record, dated 24 th January 2017, Rp. 301,500,000. BRI Unit Kongbeng Tanjung Redep	Comply
<p>Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.</p>			

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Criterion / Indicator	Assessment Findings	Compliance
<p>6.11.1 Records of contributions to local development based on the results of consultation with local communities shall be available.</p> <p>- Minor compliance –</p>	<p>The company has CSR program updated annually, the local contribution in CSR report. In 2016, eg:</p> <ol style="list-style-type: none"> 1. Educational Program, <ul style="list-style-type: none"> - Revitalization of educational facilities (Rp. 1,530,000 for painting at elementary school - SDN 04 Muara Wahau- and repair the facilities of kindergartenin in Long Noran village); - Scholarships Yayasan Budha Sinarmas Rp. 2,000,000 for 100 students; - Teaching aid for teachers Rp.19.756.001 for 100 teachers; 2. Health Program In 2016 Rp. 18,150,000 for social service clean and healthy lifestyle, fogging, providing additional nutrients and donations to health centers in Telen district; 3. Economy Program <ul style="list-style-type: none"> - Empowerment of local contractor Rp. 1,365,040,252 (especially for transport FFB, transport EFB, transport employes,); - Empowerment of local supplier to meet the operational needs Rp. 179,762,440 for 6 supplier; 	<p>Comply</p>
<p>6.11.2 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>The company has "Plasma Program" for local communities surrounding company's area. The company also has established "Schema Smallholders Department" to manage smallholder plantation area.</p> <p>Based on documents review, the company has developed oil palm plantation for smallholders as follows:</p> <ol style="list-style-type: none"> 1. Plasma Koperasi Sawit Prima Jaya (987.14 Ha) 2. Plasma Koperasi Perkebunan Karya Baru, Koperasi Sawit Rantau Sejahtera, Koperasi Serba Usaha Petsotsang Wehea (1,921.59 Ha) 3. Plasma Koperasi Sawit Bukit Subur Abadi (668.70 Ha). <p>Sample taken:</p> <ul style="list-style-type: none"> - Agreement letter No.001/KOP-PP/IX/2013 on partnership agreement smallholders and the company in cooperation for infrastructure facilities and operational facilities (Koperasi Prima Pantun) - Report of training documentation on awareness RSPO Training for smallholders, conducted on 17th November 2016, was attended by 40 farmers. - Empowerment of independent smallholders through the acceptance or purchase of FFB; <p>The company also has program to prepare seedling and fertilizer for independent smallholders and also preparing best practices training.</p>	<p>Comply</p>

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Criterion / Indicator	Assessment Findings	Compliance	
Criterion 6.12: No forms of forced or trafficked labour are used.			
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	Mill and all estates: No form of trafficked labour was noted during assessment.	Comply
6.12.2	It shall be demonstrated that no contract substitution has occurred. - Minor compliance –	Mill and all estates: Based on document review with workers and labour union, confirmed that no contract substitution was noted.	Comply
6.12.3	Where migrant/foreign/honorary workers are employed, a special worker policy and procedures and the evidence of implementation shall be available. - Major compliance -	Mill and all estates: The agreement for temporary workers is available and signed by them, there is no migrant worker is hired by the company.	Comply
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. - Major compliance -	PT. Tapan Nadenggan (Jakluay POM, Jakluay Estate and Pantun Mas Estate) has human rights policy as documented in “Kebijakan Sosial dan Lingkungan GAR”, dated 8 th September 2015 which stated that the company “Menghormati Hak – Hak Asasi Manusia” (the human rights respectfully). Sample taken: The company has conducted a socialization and communication these policy to all employes, e.g: - On 5 th September 2016, was attended by 41 workers; - On 29 th August 2016, attended by 28 workers; - On 10 th September 2016, was attended by 16 workers; - On 30 th September 2016, was attended by 11 workers; - On 23 th September 2016, was attended by 186 workers; Attendance list and documentation are available.	Comply
Principle 7: Responsible development of new plantings			

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<p>Criterion 7.1: A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</p>		
<p>7.1.1</p>	<p>An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented.</p> <p>- Major compliance -</p> <p>The company has conducted Social Impact Assessment as incorporated in AMDAL/ SEIA, it has been approved, "Izin Lingkungan" No. 662/K.312/2012, dated 22nd April 2013 and no. 660/E.162/2013, dated 27th February 2013 for Bukit Subur estate.</p> <p>The Environmental Management and Monitoring report is reported every six months to the local government, covering in report of RKL-RPL.</p> <p>The company also has shown the document of social impact assessment (SIA) for mill and all estates and it was established in January 2014. During Social Impact Assessment, the company conducted stakeholders meeting with surrounding local communities which affected the project, e.g. Public consultation on 12th March 2014 involved representative from 8 villages and attended 66 participants. Record of the meeting has been documented, such as:</p> <ul style="list-style-type: none"> - Documentation of survey the social impact assessment PT. Tapan Nadenggan; - Questionnaire of social impact assessment, dated 18th June 2013. Eg: namely Mr. Komang S, Mr. Warzin, etc. - Attendance list of public consultation and stakeholders dated 12th March 2014 attended by 56 participants, on 11th March 2014 attended by 9 participants. The minute of meeting with Stakeholder is available in the attached document SIA. 	<p>Comply</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>7.1.2</p> <p>Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts.</p> <p>- Minor compliance -</p>	<p>The Social Impact Assessment Plan is referred to the AMDAL recommendation that should be done by company to minimize negative impact and promote positive impact from social impact management. The company also showed the Environmental Impact Management Plan, as stated in the Social Impact Assessment document 2014 Chapter V, as follows:</p> <p>1. Sub Section 5.3.1. Negative Impact Management Plan recommendations, as follows:</p> <ul style="list-style-type: none"> - Socialization Program of SOP of communication and consultation as the action plan of the negative impact of the Company's response to the proposals that are considered too long in approval process. - Corporate Program for evaluation and identification of community needs, as the action of the negative impact of CSR programs that are already running are considered not optimum by the community. - Program to make an announcement about the recruitment as the action of the negative impact related to the allocation and transparency of local labor for the surrounding community. <p>2. The recommendation of improve the positive impact, e.g: increased the support for infrastructure development as the action of a positive impact.</p>	<p>Comply</p>

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<p>7.1.3 Where the development includes an outgrower scheme (<i>skema kemitraan</i>), the impacts of the scheme and the implications of the way it is managed shall be given particular attention.</p> <p>- Minor compliance -</p>	<p>The company has "Plasma Program" for local communities surrounding company's area. The company also has established "Schema Smallholders Department" to manage smallholder plantation area.</p> <p>Based on documents review, the company has developed oil palm plantation for smallholders as follows:</p> <ol style="list-style-type: none"> 1. Plasma Koperasi Sawit Prima Jaya (987.14 Ha) 2. Plasma Koperasi Perkebunan Karya Baru, Koperasi Sawit Rantau Sejahtera, Koperasi Serba Usaha Petsotsang Wehea (1,921.59 Ha) 3. Plasma Koperasi Sawit Bukit Subur Abadi (668.70 Ha). <p>Sample taken:</p> <ul style="list-style-type: none"> - Agreement letter No.001/KOP-PP/IX/2013 on partnership agreement smallholders and the company in cooperation for infrastructure facilities and operational facilities (Koperasi Prima Pantun) - Report of training documentation on awareness RSPO Training for smallholders, conducted on 17th November 2016, was attended by 40 farmers. - Empowerment of independent smallholders through the acceptance or purchase of FFB; <p>The company also has program to prepare seedling and fertilizer for independent smallholders and also preparing best practices training.</p>	<p>Comply</p>
<p>Criterion 7.2:</p> <p>Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</p>		

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<p>7.2.1</p> <p>Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations.</p> <p>- Major compliance -</p>	<p>Jakluay Estate:</p> <p>Semi-detailed soil maps (Land Suitability Class, Datum WSS'84, scale 1:50,000) shown a type of soil in Jakluay Estate including fragile soil. Soil type and characteristic in Jakluay Estate was presented in table below:</p> <table border="1" data-bbox="667 600 1228 922"> <thead> <tr> <th>Soil Type</th> <th>Hectare (ha)</th> <th>% total area</th> </tr> </thead> <tbody> <tr> <td>Typic endoaquepts</td> <td>46.59</td> <td>1.2</td> </tr> <tr> <td>Aquic hapludults</td> <td>23.30</td> <td>0.6</td> </tr> <tr> <td>Aquic hapludults</td> <td>182.49</td> <td>4.7</td> </tr> <tr> <td>Typic haplorthods</td> <td>7.77</td> <td>0.2</td> </tr> <tr> <td>Typic hapludults</td> <td>2,217.12</td> <td>57.1</td> </tr> <tr> <td>Typic hapludults</td> <td>1,153.21</td> <td>29.7</td> </tr> <tr> <td>Typic hapludults</td> <td>66.01</td> <td>1.7</td> </tr> <tr> <td>Typic hapludults inklusi</td> <td>197.43</td> <td>23.30</td> </tr> <tr> <td>Typic hapludults</td> <td>163.08</td> <td>4.2</td> </tr> <tr> <td>Total area</td> <td>3,882.87</td> <td>100</td> </tr> </tbody> </table> <p>There were fragile soil found in Jakluay Estate namely sandy soil classified as Typic haplorthods in Block 15 division V with area 7.77 Ha. Estate has implemented management plan to maintain fragile soil by EFB application to improve soil texture and fertility and planting land cover crop to minimize soil erosion.</p> <p>Pantun Mas Estate:</p> <p>Based on a semi-detailed soil maps (Land Suitability Class, Datum WSS'84, scala 1:50,000), it was found that type of soil forPantun Mas Estate:</p> <table border="1" data-bbox="667 1294 1228 1568"> <thead> <tr> <th>Soil Type</th> <th>Hectare (ha)</th> <th>% total area</th> </tr> </thead> <tbody> <tr> <td>Typic endoaquepts</td> <td>173.47</td> <td>3.4</td> </tr> <tr> <td>Typic distrudepts</td> <td>107.86</td> <td>2.1</td> </tr> <tr> <td>Typic hapludults</td> <td>2,533.68</td> <td>49.7</td> </tr> <tr> <td>Typic hapludults</td> <td>478.65</td> <td>9.4</td> </tr> <tr> <td>Typic hapludults</td> <td>197.43</td> <td>3.9</td> </tr> <tr> <td>Typic hapludults</td> <td>1,257.53</td> <td>24.7</td> </tr> <tr> <td>Typic hapludults</td> <td>347.57</td> <td>6.8</td> </tr> <tr> <td>Total area</td> <td>5,096.19</td> <td>100</td> </tr> </tbody> </table> <p>Effective solum average from50 – 100 cm and > 100 cm. Soil texture consist of dusty clays, sandy clay loam, and sandy loam. There were no fragile soil identified in Pantun Mas Estate.</p>	Soil Type	Hectare (ha)	% total area	Typic endoaquepts	46.59	1.2	Aquic hapludults	23.30	0.6	Aquic hapludults	182.49	4.7	Typic haplorthods	7.77	0.2	Typic hapludults	2,217.12	57.1	Typic hapludults	1,153.21	29.7	Typic hapludults	66.01	1.7	Typic hapludults inklusi	197.43	23.30	Typic hapludults	163.08	4.2	Total area	3,882.87	100	Soil Type	Hectare (ha)	% total area	Typic endoaquepts	173.47	3.4	Typic distrudepts	107.86	2.1	Typic hapludults	2,533.68	49.7	Typic hapludults	478.65	9.4	Typic hapludults	197.43	3.9	Typic hapludults	1,257.53	24.7	Typic hapludults	347.57	6.8	Total area	5,096.19	100	<p>Comply</p>
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Criterion / Indicator	Assessment Findings	Compliance
<p>7.2.2 Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available</p> <p>- Minor compliance -</p>	<p>Sufficient topographic information is available in operation level, in order to provide guidance for planning of drainage, road and other infrastructure.</p> <p>Jakluay Estate: There were no slope more than 40% in Jakluay Estate. Soil topography in Jakluay Estate consist of 0 – 21%. Most of the soil topography in Jakluay Estate was 3 – 9 %. For slope area 15%-21% estate has create terracing with a width 3 - 4.5 meters. To minimize erosion in sloping area estate has planting land cover crop (<i>Mucuna bracteata</i>). Estate also conducted monitoring erosion in slope area by install erosion pegs in slope area. Erossion pegs monitored each month, latest monitoring in December 2016 shown that erosion level is 0.00.</p> <p>Pantun Mas Estate: There were slope area found in Pantun Mas Estate with slope > 40%, the area is 6.8% from total area or 347.57 ha. It is confirmed that no planting with slopes of more than 40% during field visit in Pantun Mas Estate. To minimize erosion in sloping area estate has planting land cover crop (<i>Mucuna bracteata</i>). Estate also conducted monitoring erosion in slope area by install erosion pegs in block C-33. Erossion pegs monitored each month. During January – December 2016 shown that erosion level is 0.00.</p>	<p>Comply</p>
<p>Criterion 7.3: New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</p>		

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Criterion / Indicator	Assessment Findings	Compliance
<p>7.3.1 There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).</p> <p>- Major compliance -</p>	<p>PT. Tapian Nadenggan: HCV identification was conducted by "Biodiversity and Conservation Section – Sustainability Division" with detail assessor as below: The HCV identification is conducted refer to the "Indonesian HCV Toolkit, 2008". HCV assessment survey conducted in two phase. Phase 1 field survey in 20 – 24th August 2011, presentation of survey result in 25th August 2011, Phase II Public consultation in 11th April 2013. Report has reviewed by Siswoyo (independent consultant). HCV assessment includes both the planted area and the relevant wider landscape-level considerations such as karst ecosystem in Kombeng mountain.</p> <p>The company has submitted the Disclosure Liability Land and Land Use Changes (LUC) Analysis for review by ERWG – RSPO on 29th August 2014. To be in compliance with Remediation and Compensation Procedure, November 2015; company updated the LUC analysis and sent to the ERWG-RSPO on 14th December 2015.</p> <p>RSPO New Planting Procedure was carried out in August 2013, and published for 30-days public notification in RSPO website since 6th June 2014. The NPP verification and verification statement was prepared by another CAB, PT. Mutu Agung Lestari/Mutuagung.</p>	<p>Comply</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>7.3.2</p> <p>Reports of comprehensive HCV assessment, which involves stakeholder consultation and includes record of land-use change since November 2005, shall be available. This HCV assessment shall be conducted prior to any conversion or new planting.</p> <p>- Major compliance -</p>	<p>PT. Tapian Nadenggan: Company has conducted HCV assessment in August 2010 by PT. SMART, Tbk's internal team. The team was consist of five (5) RSPO-approved HCV assessors and expert in biodiversity, ecology, environmental services, social-economy and cultural aspect.</p> <p>The HCV identification is conducted refer to the "Indonesian HCV Toolkit, 2008" in April 2013 and it had been reviewed by independent reviewer (Mr. Siswoyo, who is approved by HCV-RN ALS, approved on 13th January 2015).</p> <p>The company has submitted the Disclosure Liability Land and Land Use Changes (LUC) Analysis for review by ERWG – RSPO on 29th August 2014. To be in compliance with Remediation and Compensation Procedure, November 2015; company updated the LUC analysis and sent to the ERWG-RSPO on 14th December 2015.</p> <p>Since LUC analysis submitted to the RSPO on 29th August 2014 until 1stsurveillance audit conducted, there has been no feedback from ERWG-RSPO. Company sent letter to the RSPO on 18th May 2016 to confirm LUC analysis review process and RSPO came out letter on 23rd May 2016. The RSPO letter stated, for management unit with non-complaint land clearing which has been certified and they have submitted complete Land Use Change Analysis, they are allowed to proceed with surveillance audit. By the next surveillance audit, the affected management unit should have completed necessary process outlined in the compensation procedures. The auditor conclude that the company has commitment to the compensation procedure, for next surveillance, if the company is not prepare "Remediation and Compensation plan based on procedure, 2015", all areas have been planted since 2005 prior HCV assessment will be excluded for the certification process.</p> <p>As for management units with non-compliant land clearance that have not been certified, the management must complete necessary compensation process then only can proceed with certification. This is consistent with the compensation procedures and has been consistently implemented by the Compensation Panel.</p> <p>---</p>	<p>Comply</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<p>As of 2nd Surveillance Assessment, little progress has been seen – since the latest surveillance assessment and correspondence noted on 23rd May 2016. Company has followed up on the LUC analysis with letter to RSPO dated 25th January 2017 with inquiry on LUC analysis review being in progress. Company also seek approval to proceed with 2nd surveillane audit. RSPO responded on 26th January 2017, stating that RSPO will discuss the LUC analysis progress, internally.</p> <p>Audit team has seek guidance from RSPO, and as a result on 16th February 2017, RSPO responded that it is true that there was little progress with the LUC analysis review for PT. Tapian Nadenggan, however, RSPO perceived that GAR is actively trying to fix the problems with the LUC analysis. At the moment, GAR are focusing on getting one LUC analysis approved. Once that particular LUC analysis is approved, GAR will work on the other LUC analyses including PT. Tapian Nadenggan, using the same method of the approved LUC analysis. RSPO has seen the potential in this approach.</p> <p>RSPO would like BSI as CAB to continue with the 2ndAnnual Survaillance Assessment of this unit. RSPO are going to continue GAR's progress in the RaCP. RSPO are expecting GAR to close this major non-conformity by the next surveillance audit.</p>	
7.3.3	<p>Records of land preparation and clearing dates shall be available. - Minor compliance -</p>	<p>Land preparation is documented in "Statement Area report".</p>	Comply

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Criterion / Indicator	Assessment Findings	Compliance
<p>7.3.4 An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower’s relevant operational procedures (see Criterion 5.2) - Major compliance -</p>	<p>RSPO New Planting Procedure was carried out in August 2013, and published for 30-days public notification in RSPO website since 6th June 2014. The NPP verification and verification statement was prepared by another CAB, PT. Mutu Agung Lestari/Mutuagung.</p> <p>The HCV and RTEs management and monitoring is documented in “Rencana dan Realisasi monitoring HCV”. Report of Management and Monitoring for HCV and RTEs is reported every 6 months and review is conducted regularly to ensure that monitoring is effective. Record seen: “Pemantauan”/Monitoring of HCV 1.1, 1.3 and 4.1: marking and maintenance of boundary markers HCV (conducted each 3 month presented in “Form Pemeliharaan Tanda Batas KBKT F/SMART/BCOS-EHSD/SADV/002/005” based on field visit in Jakluay Estate and Pantun Mas Estate, it was observed that boundary markers has well installed in the riparian zone 50meters to the left and right side); signs spray boundary mark in riparian zone, manual upkeep in riparian zone; rehabilitation and planting vetiver grass (in Jakluay Estate block E/F21 as 20 trees on March 2016, in Pantun Mas Estate block C28 as 100 trees on January 2016), bamboo and local species; HCV patrol each week (latest monitoring in Jakluay Estate and Pantun Mas Estate shown that there was no disturbance in HCV area).</p>	<p>Comply</p>
<p>7.3.5 Evidence of consultation with the affected community shall be available in order to identify the area required by such community to fulfill its basic needs, by considering the positive and negative changes to the livelihood as a result of plantation operations. Such matters shall be included in the HCV analysis and management plan (see Criteria 5.2). - Minor compliance -</p>	<p>There has been no HCV 5 and 6 identified in the area of Jakluay Estate and Pantun Mas Estate. However, company has considered local communities basic need in their operation based on HCV and SIA assessment.</p>	<p>Comply</p>
<p>Criterion 7.4: Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.</p>		

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Criterion / Indicator		Assessment Findings	Compliance
7.4.1	<p>Indicative maps showing marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided.</p> <p>- Major compliance -</p>	<p>Soil maps including topography map is available for all estate under PT. Tapian Nadenggan.</p> <p>Jakluay Estate: There were no slope more than 40% in Jakluay Estate. Soil topography in Jakluay Estate consist of 0 – 21%. Most of the soil topography in Jakluay Estate was 3 – 9 %. For slope area 15%-21% estate has create terracing with a width 3 - 4.5 meters.</p> <p>Pantun Mas Estate: There were slope area found in Pantun Mas Estate with slope > 40%, the area is 6.8% from total area or 347.57 ha. It is confirmed that no planting with slopes of more than 40% during field visit in Pantun Mas Estate.</p>	Comply

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Criterion / Indicator	Assessment Findings	Compliance
<p>7.4.2 Where limited planting on fragile and marginal soils, including peat, is proposed, plans shall be developed and implemented to protect them without incurring adverse impacts.</p> <p>- Major compliance -</p>	<p>The company has established procedure to manage plantation on some class of slope. The procedure describes management strategy for minimising and controlling erosion. In the terrace work instruction No. IK/SMART/MVAR/I/TA-PPA/03 on the stage of the determination of the need terrace should be designed in such a way in hilly areas with a slope of 9°-22° (15%-40%) with a width 3 - 4.5 meters. The slope of more than 40% or 22° is not recommended for planting.</p> <p>When the slope area was planted, system for planting on slopes area is provided by considering soil and climate specific through terracing, determining of base line, levelling of terrace, and determining of planting space.</p> <p>Jakluay Estate: There were no slope more than 40% in Jakluay Estate. Soil topography in Jakluay Estate consist of 0 – 21%. Most of the soil topography in Jakluay Estate was 3 – 9 %. For slope area 15%-21% estate has create terracing with a width 3 - 4.5 meters.</p> <p>To minimize erosion in sloping area estate has planting land cover crop (<i>Mucuna bracteata</i>). Estate also conducted monitoring erosion in slope area by install erosion pegs in slope area. Erossion pegs monitored each month, latest monitoring in December 2016 shown that erosion level is 0.00.</p> <p>Pantun Mas Estate: There were slope area found in Pantun Mas Estate with slope > 40%, the area is 6.8% from total area or 347.57 ha. It is confirmed that no planting with slopes of more than 40% during field visit in Pantun Mas Estate.</p> <p>To minimize erosion in sloping area estate has planting land cover crop (<i>Mucuna bracteata</i>). Estate also conducted monitoring erosion in slope area by install erosion pegs in block C-33. Erossion pegs monitored each month. During January – December 2016 shown that erosion level is 0.00.</p>	<p>Comply</p>
<p>Criterion 7.5:</p> <p>No new plantings are established on local peoples’ land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.</p>		

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Criterion / Indicator		Assessment Findings	Compliance
7.5.1	<p>Evidence shall be available that affected local peoples understand they have the right to say 'yes' or 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the grower/miller is signed and ratified by these local peoples (see Criteria 2.2, 2.3, 6.2, 6.4 and 7.6).</p> <p>- Major compliance -</p>	<p>PT. Tapan Nadenggan has established SOP Implementation of FPIC (Free Prior Informed Consent) no. SOP/SMART/SENS-CSR/SADV/I/003, revision 00 dated 1st July 2014, which describes a process for the preparation of FPIC, identification, dissemination, participatory mapping, implementation of the negotiation, compensation formula, etc.</p> <p>The company also has established the policy of Social and Environmental-GAR, dated 8th September 2015. Where stated in point 2.1. Respect to PADIATAPA (Persetujuan Atas Dasar informasi Awal Tanpa Paksaan), local communities as well as an understanding of the need for food security in areas of newly developed communities. The company also gives opportunity for each group to choose a representative in the meeting. Participatory mapping and agreement involving various stakeholders in compensation to the local communities.</p>	Comply
<p>Criterion 7.6:</p> <p>Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</p>			
7.6.1	<p>Records of identification and assessment of legal, customary and user rights shall be available.</p> <p>- Major compliance -</p>	<p>The company has identified and compensated to the landowner with FPIC process prior compensation and development of the land.</p> <p>The identification records, such as: "Berita Acara", maps for land land compensation, minutes meeting, meeting attendance list, etc, e.g. Documents for Karya Bhakti villagers: minutes of meeting between company and representatives of villagers, dated 9th October 2013, Company letter to the Bupati of Kutai Timur related mediation by local government No.171.10/D&L-TN/KT/2013, dated 9th October 2013, "Berita Acara Penyelesaian Komplain" on 21st October 2013, compensation documents signed by both parties and "Berita Acara" compensation on 9th January 2014.</p>	Comply

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Criterion / Indicator		Assessment Findings	Compliance
7.6.2	A procedure for identifying people entitled to compensation shall be available.- Major compliance -	<p>The company has procedure "Ganti rugi Tanah/Lahan" No.SOP/NP/SMART/VII/D and L. Company already prepared a procedure for land compensation. The procedure available under: "Pedoman Teknis Persiapan Lahan – Ganti Rugi Tanah/Lahan No.SOP/NP/SMART/VII/D&L002", dated 1st July 2010.</p> <p>PT. Tapan Nadenggan has established SOP Implementation of FPIC (Free Prior Informed Consent) No.SOP/SMART/SENS-CSR/SADV/I/003, revision 00 dated 1st July 2014, which describes a process for the preparation of FPIC, identification, dissemination, participatory mapping, implementation of the negotiation, compensation formula, etc.</p> <p>The company also has established the policy of Social and Environmental-GAR, dated 8th September 2015. Where stated in point 2.1. Respect to PADIATAPA (Persetujuan Atas Dasar informasi Awal Tanpa Paksaan),</p>	Comply
7.6.3	Records of calculation system and distribution of fair compensation shall be available. - Major compliance -	<p>The company has procedure "Ganti rugi Tanah/Lahan" No.SOP/NP/SMART/VII/D and L. Company already prepared a procedure for land compensation. The procedure available under: "Pedoman Teknis Persiapan Lahan – Ganti Rugi Tanah/Lahan No.SOP/NP/SMART/VII/D&L002", dated 1st July 2010.</p> <p>PT. Tapan Nadenggan has established SOP Implementation of FPIC (Free Prior Informed Consent) No.SOP/SMART/SENS-CSR/SADV/I/003, revision 00 dated 1st July 2014, which describes a process for the preparation of FPIC, identification, dissemination, participatory mapping, implementation of the negotiation, compensation formula, etc.</p> <p>Participatory mapping and agreement involving various stakeholders in compensation to the local communities.</p>	Comply

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Criterion / Indicator	Assessment Findings	Compliance
<p>7.6.4 Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development.</p> <p>- Minor compliance -</p>	<p>The company has "Plasma Program" for local communities surrounding company's area. The company also has established "Schema Smallholders Department" to manage smallholder plantation area.</p> <p>Based on documents review, the company has developed oil palm plantation for smallholders as follows:</p> <ol style="list-style-type: none"> 1. Plasma Koperasi Sawit Prima Jaya (987.14 Ha) 2. Plasma Koperasi Perkebunan Karya Baru, Koperasi Sawit Rantau Sejahtera, Koperasi Serba Usaha Petsotsang Wehea (1,921.59 Ha) 3. Plasma Koperasi Sawit Bukit Subur Abadi (668.70 Ha). <p>Sample taken:</p> <ul style="list-style-type: none"> - Agreement letter No.001/KOP-PP/IX/2013 on partnership agreement smallholders and the company in cooperation for infrastructure facilities and operational facilities (Koperasi Prima Pantun) - Report of training documentation on awareness RSPO Training for smallholders, conducted on 17th November 2016, was attended by 40 farmers. - Empowerment of independent smallholders through the acceptance or purchase of FFB; <p>The company also has program to prepare seedling and fertilizer for independent smallholders and also preparing best practices training.</p>	<p>Comply</p>
<p>7.6.5 The process and outcome of any compensation claims shall be documented and made available to the affected communities and their representatives.</p> <p>- Minor compliance -</p>	<p>Land compensation documents are available.</p>	<p>Comply</p>
<p>7.6.6 Evidence shall be available that the affected communities and rights holders have access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.</p> <p>- Minor compliance -</p>	<p>The company has implemented FPIC in their land compensation process.</p>	<p>Comply</p>

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Criterion / Indicator	Assessment Findings	Compliance	
<p>Criterion 7.7: No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</p>			
<p>7.7.1</p>	<p>Records of zero burning implementation on land clearing, referring to the ASEAN Policy on zero burning (2003) and recognised techniques based on the existing regulations shall be available.</p> <p>- Major compliance -</p>	<p>No fire was used during land preparation. The company has zero burning policy documented in "Kebijakan social dan Lingkungan, November 2011" and it was not found open burning during audit, included in land preparation or replanting. Zero burning policy also presented in "Surat Edaran No. 071/SMDOPS/IX/2007 dated 4 September 2007 regarding "Larangan membuka lahan dengan cara membakar" refer to surat Menteri Pertanian RI No. 184/LB.130/M/8/2007.</p> <p>Latest Land clearing performed in 2011 (Jakluay Estate) mechanically using heavy equipment. Zero burning policy also was described in MCAR Book Chapter 5. MCAR Book mentioned that land preparation was performed by overthrowing and chipping.</p>	<p>Comply</p>
<p>7.7.2</p>	<p>In exceptional cases where fire has to be used for preparing land for planting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Minor compliance -</p>	<p>No fire was used during land preparation.</p>	<p>Comply</p>
<p>Criterion 7.8: New plantation developments are designed to minimise net greenhouse gas emissions.</p>			
<p>7.8.1</p>	<p>The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated.</p> <p>- Major compliance -</p>	<p>The company has conducted carbon stock assessment refer to the RSPO GHG Assessment Procedure for New Plantings Version 3.</p>	<p>Comply</p>
<p>7.8.2</p>	<p>Records of a plan to minimize net GHG emissions shall be available</p> <p>- Minor compliance -</p>	<p>The company has identified GHG emission in whole mill and plantation areas, such as: land conversion, fertilizer, fuel consumption, effluent, pesticides, etc.</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
Principle 8: Commitment to continual improvement in key areas of activity		
Criterion 8.1: Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.		
<p>8.1.1</p> <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 FFB Production. <p>- Major compliance -</p>	<p>PT. Tapian Nadengan: Jakluay POM: "Monitoring Implementasi Inovasi Jakluay POM". The plan for upcoming year is to implement "Pengaman Lori dalam Drum Tippler" based on proposal paper on lorry operation improvement. The purpose of the innovation is to increase effectiveness and safety during process of tipping lorry into the rail. "Alat Penggulung Selang" based on innovation during regional conference PSM 6A.</p> <p>Jakluay Estate: "Monitoring Penerapan Inovasi Jakluay Estate", consist of using hose cover for hose bucket crane grapple – consistent since 2015. Planning for 2017: loading FFB with crane grabber.</p> <p>Pantun Mas Estate: "Monitoring Penerapan Standar SE Pantun Mas Estate", consist of use of back plate for road grader blade – since 2014, valve protector for road grader – since 2014, herbicide spraying using moped – since 2014, loading FFB with crane grabber (3 units) in 2017, using cover for hopper on "emdek" – fertilizer sprayer, planned for 2017, controlling slow-moving inventory – using software. Monitoring record shows the innovation for continuous improvement have been implemented in consistent manner.</p>	<p>Comply</p>

Appendix B: Approved Time Bound Plan

PT. SMART Tbk, PT Ivo Mas Tunggal (IMT) and Golden Agri (GAR) RSPO Time Bound - Estate

No	GROUP	ESTATE COMPANY	PROVINCE	ESTATE (PPS SUPPLIER)	PLANTED AREA (HA)	RSPO TIMEBOUND
1	IMT	PT SAWITAKARYA MANUNGGUL	SOUTH KALIMANTAN	SWTE SAWITA ESTATE	3,789	2018
2		PT SAWITAKARYA MANUNGGUL		PMKE PAMUKAN ESTATE	2,939	2018
3	SMART	PT SATYA KISMA USAHA	CENTRAL KALIMANTAN	MSAE MEDANG SARI ESTATE	2,441	2018
4	SMART	PT KRESNA DUTA AGROINDO	EAST KALIMANTAN	RPNE RANTAU PANJANG ESTATE	4,677	2017
5	SMART	PT KRESNA DUTA AGROINDO	JAMBI	BMRE BATANG MERANGIN ESTATE	2,138	2017
6	SMART	PT KRESNA DUTA AGROINDO	JAMBI	PLKE PLAKAR ESTATE	3,994	2017
7	SMART	PT SATYA KISMA USAHA	JAMBI	BGDE BATANG GADING ESTATE	2,312	2017
8	SMART	PT SMART TBK	SOUTH KALIMANTAN	SCNE SUNGAI CANTUNG ESTATE	3,550	2020
9		PT SMART TBK		BKPE BUKIT KAPUR ESTATE	3,019	2020
10	GAR	PT SINAR KENCANA INTI PERKASA	SOUTH KALIMANTAN	SKPE SUNGAI KUPANG ESTATE	3,089	2016
11		SMALLHOLDER		SKPA SUNGAI KUPANG KKPA	3,859	2016
12		PT SINAR KENCANA INTI PERKASA		CNDE CENDRAWASIH ESTATE	3,197	2018
13	GAR	PT SINAR KENCANA INTI PERKASA	PAPUA	NURE NURI ESTATE	3,010	2018
14		PT SINAR KENCANA INTI PERKASA		RJWE RAJAWALI ESTATE	3,676	2018
15		PT SUMBER INDAH PERKASA		MWBE MAMBRUK ESTATE	3,473	2018
16	GAR	PT SINAR KENCANA INTI PERKASA	SOUTH KALIMANTAN	SNKE SENAKIN ESTATE	2,908	2019
17		PT AGROLESTARI MANDIRI		KYNE KAYUNG ESTATE	2,140	2018
18	GAR	PT AGROLESTARI MANDIRI	WEST KALIMANTAN	PKWE PEKAWI ESTATE	2,865	2018
19		PT AGROLESTARI MANDIRI		SKKE SUNGAI KELIK ESTATE	2,458	2018
20		PT AGROLESTARI MANDIRI		NTYE NANGA TAYAP ESTATE	2,005	2018
21		PT CAHYA NUSA GEWILANG		KNNE KENANGA ESTATE	2,644	2018
22	GAR	PT KENCANA GRAHA PERMAI	WEST KALIMANTAN	DLME DELIMA ESTATE	1,893	2018
23		PT BANGUN NUSA MANDIRI		GHRE GAHARU ESTATE	2,373	2019
24		PT KARTIKA PRIMA Cipta		MTNE MUJARA TAWANG ESTATE	2,390	2019
25	GAR	PT PARAMITRA INTERNUSA PRATAMA	WEST KALIMANTAN	BLNE BELIAN ESTATE	1,915	2018
26		PT PARAMITRA INTERNUSA PRATAMA		TNKE TENGGAWANG ESTATE	3,300	2018
27		PT PERSADA GRAHA MANDIRI		KHLE KAPUAS HULU ESTATE	2,922	2018
28		PT BINASAWIT ABADI PRATAMA		PRDE PERDANA ESTATE	3,585	2020
29	GAR	PT BINASAWIT ABADI PRATAMA	CENTRAL KALIMANTAN	LGGE LENGGAHA ESTATE	2,346	2020
30		PT BINASAWIT ABADI PRATAMA		SMNE SEMANDAU ESTATE	3,776	2020
31		PT BINASAWIT ABADI PRATAMA		MDUE MUJARA DUJA ESTATE	4,115	2020
32		PT AGROKARYA PRIMA LESTARI		MNTE MENTAYA ESTATE	3,432	2020
33		PT AGROKARYA PRIMA LESTARI		KUYE KUAYAN ESTATE	3,535	2020
34	GAR	PT AGROKARYA PRIMA LESTARI	CENTRAL KALIMANTAN	BSTE BUKIT SANTUHAI ESTATE	2,940	2020
35		PT AGROKARYA PRIMA LESTARI		TBSE TALJUR BERAS ESTATE	2,920	2020
36		PT AGROKARYA PRIMA LESTARI		SRAE SERANAU ESTATE	3,523	2020
37		PT BUANA ADHITHAMA		SPRE SAPIRI ESTATE	2,748	2020
38		PT AGROLESTARI SENTOSA		MNHE MANUHUNG ESTATE	2,195	2020
39		PT AGROLESTARI SENTOSA		KJUE KAJUI ESTATE	3,557	2020
40		PT MITRA KARYA AGROINDO		SLNE SULIN ESTATE	4,173	2020
41	GAR	PT MITRA KARYA AGROINDO	CENTRAL KALIMANTAN	NHYE NAHIYANG ESTATE	4,030	2020
42		PT MITRA KARYA AGROINDO		KTYE KATAYANG ESTATE	3,437	2020
43		PT MITRA KARYA AGROINDO		SNSE SUNGAI NUSA ESTATE	3,221	2020
44		PT ADITUNGAL MAHAJAYA		SAYE SUNGAI AYAWAN ESTATE	3,831	2020
45		SMALLHOLDER		PMSA PANTUN MAS KKPA	985	2019
46	SMART	SMALLHOLDER	EAST KALIMANTAN	JLYA JAK LUAY KKPA	1,986	2019
47		SMALLHOLDER		BSRA BUKIT SUBUR KKPA	669	2019
48	SMART	SMALLHOLDER	EAST KALIMANTAN	GKMA GUNUNG KOMBENG KKPA	2,214	2019
49		SMALLHOLDER		RPMA RANTAU PANJANG KKPA	982	2018
50	SMART	SMALLHOLDER	JAMBI	KULIP KUBANG LIAO PLASMA	3,024	2019
51		SMALLHOLDER		PMNP PAMENANG PLASMA	6,290	2019
52	IMT	SMALLHOLDER	SOUTH KALIMANTAN	SWTA SAWITA KKPA	960	2018
53		SMALLHOLDER		TSRA TIGA SERUMPUN ESTATE	2,788	2019
54	SMART	SMALLHOLDER	JAMBI	BBNA BUKIT BUNGKUL KKPA	4,676	2019
55		SMALLHOLDER		BNCP BANGKO PLASMA	4,218	2019
56	SMART	SMALLHOLDER	JAMBI	BGDA BATANG GADING KKPA	1,494	2019
57		SMALLHOLDER		KILA KILIS KKPA	939	2019
58	SMART	SMALLHOLDER	LAMPUNG	PNDA PANDAWA KKPA	3,323	2019
59		SMALLHOLDER		KYNA KAYUNG KEMITRAAN	2,540	2019
60	GAR	SMALLHOLDER	WEST KALIMANTAN	KNCA KENCANA KEMITRAAN	810	2019
61		SMALLHOLDER		KNNA KENANGA KEMITRAAN	421	2019
62	SMART	PT KRESNA DUTA AGROINDO	JAMBI	BTME BATANG TEMBESI	1,738	2017
63		PT SAWIT MAS SEJAHTERA		SKME SUNGAI KIKIM ESTATE	1,708	2019
64		PT SAWIT MAS SEJAHTERA		SPGE SUNGAI PANGI ESTATE	3,119	2019
65	GAR	PT SAWIT MAS SEJAHTERA	SOUTH SUMATRA	SMIE SUNGAI MUSI ESTATE	1,808	2019
66		PT SAWIT MAS SEJAHTERA		SSLE SUNGAI SALING ESTATE	2,100	2019
67		PT BUMI SAWIT PERMAI		SENE SUNGAI ENIM ESTATE	1,864	2019
68		PT BUMI SAWIT PERMAI		SLME SUNGAI LEMATANG ESTATE	2,459	2019
69	GAR	SMALLHOLDER	BANGKA BELITUNG	TRSA TANJUNG RUSA KKPA	497	2019
70	GAR	PT SINAR KENCANA INTI PERKASA	SOUTH KALIMANTAN	SMUE SUNGAI MAGALAU ESTATE	1,736	2019
71		PT BANGUN NUSA MANDIRI	WEST KALIMANTAN	KNRE KENARI ESTATE	1,514	2019
72		PT BANGUN NUSA MANDIRI		KRNE KERANJI ESTATE	2,530	2019
73	GAR	SMALLHOLDER	WEST KALIMANTAN	GHRA GAHARU PLASMA	557	2019
74		SMALLHOLDER	WEST KALIMANTAN	KNRA KENARI PLASMA	53	2019
75		PT PERSADA GRAHA MANDIRI	WEST KALIMANTAN	SBRE SUNGAI BERAN ESTATE	2,977	2018
76		SMALLHOLDER		BLHA BELIAN KKPA	689	2020
77	GAR	SMALLHOLDER	WEST KALIMANTAN	MTHA MUJARA TAWANG KKPA	540	2020
78		SMALLHOLDER		KHLA KAPUAS HULU KKPA	1,164	2020
79		PT AGROKARYA PRIMA LESTARI		SSBE SUNGAI SAMBON ESTATE	1,573	2020
80		SMALLHOLDER		SSBA SUNGAI SAMBON PLASMA	470	2020
81	GAR	PT BUANA ADHITHAMA	CENTRAL KALIMANTAN	BDUE BUKIT DUJA ESTATE	1,223	2020
82		PT BUANA ADHITHAMA		BTAE BUKIT TUNGAL ESTATE	533	2020
83	GAR	PT AGROLESTARI SENTOSA	CENTRAL KALIMANTAN	BLAE BALASANG ESTATE	1,683	2020
84		PT AGROLESTARI SENTOSA		JLME JALEMO ESTATE	1,859	2020
85		SMALLHOLDER		SLNA SULIN PLASMA	1,677	2020
86	GAR	SMALLHOLDER	CENTRAL KALIMANTAN	SPRA SAPIRI PLASMA	435	2020
87		SMALLHOLDER		SKOA SAKO PLAMA	1,014	2020

Total Area 213,415

Remark : data Luasan berdasarkan data Planted Area tahun 2015

No	RSPO TIMEBOUND	ESTATE CERTIFICATION
1	2016	2
2	2017	5
3	2018	19
4	2019	30
5	2020	31
Total		87

Jakarta, 31 January 2016

Prepared by

Approved by




Daud Dharsono
President Director

Haskarlanus Pasang
Div Head PCDV

Agus Purnomo
MD 555E

**RSPO Public Summary Report
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PT. SMART Tbk, PT Ivo Mas Tunggal (IMT) and Golden Agri (GAR) RSPO Time Bound - Palm Oil Mills

No	GROUP	COMPANY NAME	PROVINCE	MILL	CPO Processed	RSPO TIMEBOUND
1	IMT	PT SAWITAKARYA MANUNGGUL	SOUTH KALIMANTAN	SWTM SAWITA MILL	25,411	2018
2	SMART	PT KRESNA DUTA AGROINDO	JAMBI	PLKM PELAKAR MILL	56,063	2017
3	SMART	PT SMART TBK	SOUTH KALIMANTAN	BKPM BUKIT KAPUR MILL	29,694	2020
4	GAR	PT SINAR KENCANA INTI PERKASA	SOUTH KALIMANTAN	SKPM SUNGAI KUPANG MILL	46,579	2016
5	GAR	PT SINAR KENCANA INTI PERKASA	PAPUA	KSRM KASUARI MILL	44,400	2018
6	GAR	PT AGROLESTARI MANDIRI	WEST KALIMANTAN	PKWM PEKAWAI MILL	62,693	2018
7	GAR	PT BINASAWIT ABADI PRATAMA	CENTRAL KALIMANTAN	PRDM PERDANA MILL	108,687	2020
8	GAR	PT AGROKARYA PRIMA LESTARI	CENTRAL KALIMANTAN	KUYM KUAYAN MILL	117,037	2020
9	GAR	PT MITRAKARYA AGROINDO	CENTRAL KALIMANTAN	TNGM TANGAR MILL	113,610	2020
10	GAR	PT PARAMITRA INTERNUSA	WEST KALIMANTAN	BLNM BELIAN MILL	68,336	2018
11	SMART	PT KRESNA DUTA AGROINDO	EAST KALIMANTAN	RPNM RANTAU PANJANG MILL	36,233	2017
12	SMART	PT KRESNA DUTA AGROINDO	EAST KALIMANTAN	GKMM GUNUNG KOMBENG MILL	19,869	2019
13	GAR	PT SAWIT MAS SEJAHTERA	SOUTH SUMATRA	SKMM SUNGAI KIKIM	33,131	2019
14	GAR	PT SINAR KENCANA INTI PERKASA	SOUTH KALIMANTAN	SMGM SUNGAI MAGALAU MILL	23,505	2019
15	GAR	PT AGROLESTARI SENTOSA	CENTRAL KALIMANTAN	JLMM JALEMO MILL		2020
16	GAR	PT ADI TUNGGAL MAHAJAYA	CENTRAL KALIMANTAN	SKOM SAKO MILL		2020
Total CPO					785,248	

Remark : JLMM & SKOM under Construction

Jakarta, 31 January 2016

No	RSPO TIMEBOUND	# MILL CERTIFICATION
1	2016	1
2	2017	2
3	2018	4
4	2019	3
5	2020	6
Total		16

Prepared by

Haskarlanius Pasang
Div Head PCDV

Approved by

Agus Purnomo
MD Sustainability
Strategic & Stakeholders
Engagement

Daud Dharsono
Presiden Direktur

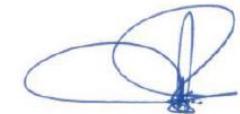
**RSPO Public Summary Report
Revision 4 (November /2016)**

Revision from the 2016 RSPO timebound

RSPO Timebound di PT. Tapian Nadenggan (Jakluay Mill)

NO	GROUP	COMPANY	MILL	ESTATE (FFB SUPPLIER)		PROVINCE	RSPO TIMEBOUND
1	SMART	PT. Tapian Nadenggan	Jakluay Mill	JLYE	Jakluay Estate	Kalimantan Timur	2015
2				PMSE	Pantun Mas Estate		2015
3				LBLE	Long Buluh Estate		2015
4				BSRE	Bukit Subur Estate		2015
5				JLYA	Jak Luay KKPA		2018
6				BSRA	Bukit Subur KKPA		2018
7				PMSA	Pantun Mas KKPA		2018

Jakarta, 22 November 2016



Haskarlianus Pasang
Div. Head PCDV

RSPO Timebound Plasma di PT Kresna Duta Agroindo (JLTM -LNGM)

No.	Group	Estate Company	Mill	Estate	Alamat	RSPO Timebound
1	SMART	Kresna Duta Agroindo	Jelatang Mill	Bangko Estate	Jambi	2014
				Bangko Plasma (BNGP)		2017
				Bukit Bungkul KKPA (BBNA)		2017
				Pamenang Plasma (PMNP)		2017
				Batang Gading Estate (BGDE)		2017
				Batang Gading Plasma (BGDA)		2017
			Langling Mill	Bangko Estate (BNGE)		2014
				Bangko Plasma (BNGP)		2017
				Bukit Bungkul KKPA (BBNA)		2017
				Pamenang Plasma (PMNP)		2017
				Batang Gading Estate (BGDE)		2017
				Batang Gading Plasma (BGDA)		2017
				Tiga Serumpun Plasma (TSRA)		2017

Jakarta, 13 Juli 2016



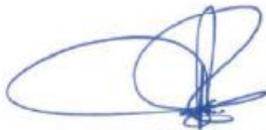
Ismu Zulfikar
Compliance & Certification Head

**RSPO Public Summary Report
Revision 4 (November /2016)**

RSPO Timebound di PT. Kresnaduta Agroindo (Muara Wahau Mill)

NO	GROUP	COMPANY	MILL	ESTATE (FFB SUPPLIER)		PROVINCE	RSPO TIMEBOUND
1	SMART	PT. Kresnaduta Agroindo	Muara Wahau Mill	MWHE	Muara Wahau Estate	Kalimantan Timur	2015
2				GKME	Gunung Kombeng Estate		2015
3				GKMA	Gunung Kombeng KKPA		2018

Jakarta, 22 November 2016



Haskarlianus Pasang
Div. Head PCDV

Appendix C: Certification Unit RSPO Certificate Details

PT. Tapian Nadenggan

Sinar Mas Land Plaza, Tower II, 30th Floor
Jl. MH Thamrin No. 51,
Jakarta 10350

Site:

Jak Luay Village, Muara Wahau District,
Kutai Timur Regency,
Kalimantan Timur Province

BSI RSPO Certificate No: RSPO 623595

Date of Initial Certificate Issued: 10th April 2015

Date of Expiry: 9th April 2020

RSPO membership number: 1-0019-05-000-00 (under PT. SMART, Tbk)

Applicable Standards: *RSPO P&C INA NI September 2016; RSPO Supply Chain Certification Standard November 2014 Module E- CPO Mills: Mass Balance;*

JakluayPalm Oil Mill and Supply Base						
Location Address	Jak Luay Village, Muara Wahau District, Kutai Timur Regency, Kalimantan Timur Province Indonesia					
GPS Location	116°54'54.000" E and 0°57'03.000" N					
CPO Tonnage Total	111,566.34 mt					
PK Tonnage Total	23,425.66 mt					
CPO Claimed for Certification*	82,603.15 mt					
PK Claimed for Certification *	17,992.77 mt					
Own estates FFB Tonnage	327,141.18 mt					
Scheme Smallholder FFB Tonnage	91,543.81 mt					
Estates	Production Area		Other use (ha)	HCV	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)				
Jakluay Estate	3,325.74	0.00	497.34	59.78	3,882.86	98,775.26
Pantun Mas Estate	4,364.91	0.00	611.13	120.15	5,096.19	84,481.64
Long Buluh Estate	2,695.44	0.00	487.19	316.76	3,499.39	84,711.72
Bukit Subur Estate	2,087.02	0.00	2,399.13	137.86	4,624.01	59,172.56
TOTAL	12,473.11	0.00	3,994.79	634.55	17,102.45	327,141.18

**Certified Production*

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Appendix D: Assessment Plan

Date	Time	Subjects	Pratama Sedayu	Imam F	Mujinuis
			PRSCO LA/ PRSCO- OHS/EMS	PRSCO- OHS/EMS	PRSCO-T OHS/EMS /SA
Monday, 23/01/2017	05.35 – 08.50	Flight Jakarta – Balikpapan (GA 560)	√	√	√
	09.55 – 10.45	Flight Balikpapan – Berau (GA 692)	√	√	-
	11.00 – 16.00	Travelling Berau –PT. Tapian Nadenggan	√	√	-
		Travelling to Sangatta for Stakeholder Consultation			√
Tuesday, 24/01/2017	08.00 – 08.30	Opening Meeting - Presentation by client (Overview of PT. Tapian Nadenggan - Jakluay Palm Oil Mill and its supply base); - Presentation by BSI team (Objective, scope, audit plan, etc.)	√	√	-
	08.30 – 12.00	Document Review (Jakluay POM): General information, time bound plan, partial certification verification, RSPO P&C (for Principle 2, Principle 3, Principle 4, and Principle 8), RSPO SCCS implementation	√	-	-
		Document Review (Jakluay POM): RSPO P&C (for Principle 4, Principle 5)	-	√	-
	08.00 – 12.00	Stakeholder Consultation: Visit to government authorities of Kutai Timur Regency (Badan Lingkungan Hidup, Badan Pertanahan Nasional, Dinas Tenaga Kerja, Dinas Kehutanan and Dinas Perkebunan)	-	-	√
	12.00 – 14.00	Break	√	√	√
	14.00 – 17.00	Document Review (Jakluay POM): General information, time bound plan, partial certification verification, RSPO P&C (for Principle 2, Principle 3, Principle 4, and Principle 8), RSPO SCCS implementation- continued	√	-	-
		Field Visit (Jakluay POM): Interview with Jakluay POM workers, visit and observing Occupational Safety and Health management, Environmental management (including but not limited to: use of PPE, safe working environment, walk ways, signs, palm oil mill effluent, diesel tanks, fire extinguishers, emission, first aiders and boxes, etc), as well as social criteria.	-	√	-
12.00 – 17.00	Travelling to PT. Tapian Nadenggan- Jakluay POM	-	-	√	
Wednesday, 25/01/2017	08.00 – 12.00	Field Visit (PantunMas Estate): Worker interview - FFB harvesting, FFB loading, fertilizer application, road maintenance, land application, workshop, clinic, etc.	√	-	-
		Field Visit (Pantun Mas Estate): Herbicide application programmes, HCV's, riparian zones, landfill (waste management), chemical and fertilizer warehouse, hazardous waste storage, etc.	-	√	-

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Date	Time	Subjects	Pratama Sedayu	Imam F	Mujinius
			PRSPo LA/ PRSPo- OHS/EMS	PRSPo- OHS/EMS	PRSPo-T OHS/EMS /SA
		Field Visit (Pantun Mas Estate): Boundaries inspection, housing, social amenities, clinic, school, etc.	-	-	√
	12.00 – 14.00	Break	√	√	√
	14.00 – 17.00	Document Review (Pantun Mas Estate) RSPO P&C (Principle 1 – 8)	√	√	-
Thursday, 26/01/2017	08.00 – 12.00	Field Visit (Jakluay Estate): Worker interview - FFB harvesting, FFB loading, fertilizer application, road maintenance, land application, workshop, clinic, etc.	√	-	-
		Field Visit (Jakluay Estate): Herbicide application programmes, HCV's, riparian zones, landfill (waste management), chemical and fertilizer warehouse, hazardous waste storage, etc.	-	√	-
	08.00 – 10.00	Stakeholder Consultation: Visit to surrounding villages and interview with worker union and gender committee	-	-	√
	10.00 – 12.00	Field Visit (Jakluay Estate): Boundaries inspection, housing, social amenities: clinic, school, religious house, etc.	-	-	√
	12.00 – 14.00	Break	√	√	√
	14.00 – 17.00	Document Review (Jakluay Estate) RSPO P&C (Principle 1 – 8)	√	√	√
	Friday, 27/01/2017	08.00 – 09.00	Closing Meeting	√	√
09.00 - ...		Travelling PT. Tapan Nadenggan - Berau	√	√	√
		Travelling Berau - Balikpapan	√	√	√
		Travelling Balikpapan - Jakarta	√	√	√

Appendix E: Stakeholders Contacted

<p>Internal Stakeholders</p> <p>Harvesters; Sprayers; Gender committee</p>	<p>Union/Contractors/Local Communities</p> <p>Worker Union from Unit Jakluay Estate, Pantun Mas Estate, Jakluay Palm Oil Mill; Desa Sidomulyo; Desa Muara Pantun – including cooperative and contractors from the region;</p>
<p>Government Departments</p> <p>Dinas Perkebunan Kabupaten Kutai Timur; Dinas Tenaga Kerja dan Transmigrasi Kabupaten Kutai Timur; Badan Pertanahan Nasional Kabupaten Kutai Timur; Badan Lingkungan Hidup Kabupaten Kutai Timur</p>	<p>NGO</p> <p>Audit team tried to send correspondence to Orangutan Land Trust, WWF and WRI – however no response from these organization was accepted.</p>

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

Requirements	Assessment Finding	Compliance																												
E.1 Definition																														
<p>E.1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p>	<p>Jakluay POM is receiving FFB from certified source, which is four company-owned estates; and non-certified FFB sources, which is scheme smallholder and third party FFB collectors. Jakluay POM is implementing RSPO Supply Chain Certification Standard for CPO Mills: Module E Mass Balance/MB.</p>	Comply																												
E.2 Explanation																														
<p>E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p>	<p>The projection for certified FFB and production of CPO and PK in Jakluay POM has been recorded in BSI's public summary report and registered in RSPO eTrace system.</p>	Comply																												
<p>E.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>Jakluay POM has a registration number RSPO_PO1000001920 and found to be active. Mass Balance Report for SCCS period of January – December 2016, indicating the delivery of RSPO-certified product from Jakluay POM:</p> <table border="1" data-bbox="651 1469 987 1798"> <tr><td>July 2016</td><td>0</td></tr> <tr><td>Aug 2016</td><td>73.27</td></tr> <tr><td>September 2016</td><td>1062.22</td></tr> <tr><td>3 month</td><td>1,135.49</td></tr> <tr><td>Oct 2016</td><td>2,331.24</td></tr> <tr><td>Nov 2016</td><td>1,752.28</td></tr> <tr><td>Dec 2016</td><td>2,197.33</td></tr> <tr><td>3 month</td><td>6,280.85</td></tr> <tr><td></td><td>7,416.34</td></tr> </table> <p>The transaction extracted from RSPO eTrace:</p> <table border="1" data-bbox="651 1854 987 2033"> <tr><td>December 2016</td><td>94.56</td></tr> <tr><td></td><td>16.40</td></tr> <tr><td></td><td>65.16</td></tr> <tr><td></td><td>136.19</td></tr> <tr><td></td><td>211.45</td></tr> </table>	July 2016	0	Aug 2016	73.27	September 2016	1062.22	3 month	1,135.49	Oct 2016	2,331.24	Nov 2016	1,752.28	Dec 2016	2,197.33	3 month	6,280.85		7,416.34	December 2016	94.56		16.40		65.16		136.19		211.45	Comply
July 2016	0																													
Aug 2016	73.27																													
September 2016	1062.22																													
3 month	1,135.49																													
Oct 2016	2,331.24																													
Nov 2016	1,752.28																													
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	7,416.34																													
December 2016	94.56																													
	16.40																													
	65.16																													
	136.19																													
	211.45																													

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	<table border="1"> <tr><td></td><td>81.74</td></tr> <tr><td>November 2016</td><td>49.82</td></tr> <tr><td></td><td>304.78</td></tr> <tr><td></td><td>218.63</td></tr> <tr><td></td><td>295.50</td></tr> <tr><td></td><td>12.38</td></tr> <tr><td></td><td>287.67</td></tr> <tr><td>Total</td><td>1,774.28</td></tr> </table> <p>Transaction eTrace sampled: TR-b45*****-C*** for 94.56 MT palm kernel, dated 9th December 2016, DO No.1***/KER/***/16/T034, detail vessel KM P***** P***** 01/PTJ/BL/***/16/T034. Detail DO dated 19th October 2016, No.1***/KER/***/16/T034 – RSPO MB, party 500 MT, transport PT. Aldi.</p> <p>Transaction eTrace sampled: TR-c74*****-9f** for 218.63 MT palm kernel, dated 14th November 2016, DO No.1***/KER/***/16/T028, detail vessel KM A***** S***** I 001B/ASI-LPG/***/16/T028. Detail DO dated 7th September 2016, No.1***/KER/***/16/T028 – RSPO MB, party 300 MT, transport PT. Satrindo. Jakluay POM has been able to demonstrate traceability.</p>		81.74	November 2016	49.82		304.78		218.63		295.50		12.38		287.67	Total	1,774.28	
	81.74																	
November 2016	49.82																	
	304.78																	
	218.63																	
	295.50																	
	12.38																	
	287.67																	
Total	1,774.28																	
E.3 Documented procedures																		
<p>E.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</p>	<p>"SOP Identifikasi dan Kemamputelurusan Produk Bersertifikat" No.SOP/SMART/CERS-EHSD/SADV/I/001 rev.0.0 datum 2014.</p> <p>The procedures covers receiving of FFB, verification of delivery order "Surat Penerimaan Barang", Reporting to Administration Clerk "Kepala Tata Usaha", Weighing in weighbridge, printing of weighbridge ticket, grading FFB, FFB processing.</p> <p>Calculation of Mass Balance, Sales document, Delivery order receipt, CPO and PK despatch, weighing of CPO/PK, Printing of weighbridge and delivery order for CPO/PK and Document keeping.</p> <p>The person having responsibility for and authority over the implementation of the SCCS requirements identified in SOP section 1.5 "Tugas dan Tanggungjawab". As explained in the SOP, mill unit head is responsible for the implementation of RSPO SCCS requirements.</p> <p>RSPO Supply Chain Certification Standard 2014 training for workers carried out in 11th November2015 for 14 staff, including security guards, laboratory analyst, weighbridge operator, grading officer, production operator, dispatch operator.</p>	Comply																
<p>E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>The SOP covers procedure for receiving and processing certified and non-certified FFBs. It is explained in section 2.2.1 FFB receiving and 2.2.2 "Surat Penerimaan Barang" verification; 2.2.7 FFB processing; 2.4.1 Quality monitoring; 2.4.2 Quantity monitoring; 2.4.3 Recording; 2.4.5 Mass Balance Calculation; etc.</p>	Comply																
E.4 Purchasing and goods in																		

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<p>E.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received.</p>	<p>The SOP covers procedure for verification of certified and non-certified FFB received. It is explained in section 2.2.1 FFB receiving and 2.2.2 "Surat Penerimaan Barang" verification; Jakluay POM verifying the certified and non-certified FFB received, based from a list "Daftar Kebun Supplier TBS ke Jakluay Mill 2017", which indicating all four (4) company-owned estates as the certified supply base.</p> <p>Sampled of FFB receipt and verification: Certified: Surat Pengantar Buah No.32949 from Long Buluh Estate, block C30, B31 and C32 of 587 bunches, with transport dump truck No.KT8104RD, dated 23rd January 2017. Weighbridge card No.13131, dated 23rd January 2017, Delivery Note No.1431/TBS/01/17/01/2949, FFB of 587 bunches weighed 6,320 kg from Long Buluh Estate.</p> <p>Non-certified: Surat Pengantar Buah No.SARX/TBS/SR5/01/01/17/0060 from PT. Sabhantara Rawi Sentosa (outgrower) of 400 bunches, with transport dump truck No.KT8117RC, dated 23rd January 2017. Weighbridge card No.13297, dated 23rd January 2017, Delivery Note No.SARX/TBS/01/17/01/0060, FFB of 400 bunches weighed 2,650 kg from PT. Sabhantara Rawi Sentosa. Surat Pengantar Buah No.SESX/TBS/01/17/01/035 from KSU Pantun Jaya of 500 bunches, with transport dump truck No.KT8546RH, dated 23rd January 2017. Weighbridge card No.13247, dated 23rd January 2017, Delivery Note No.SESX/TBS/01/17/01/0035, FFB of 500 bunches weighed 4,930 kg from KSU Pantun Jaya.</p>	<p>Comply</p>
<p>E.4.2 The site shall inform the CB immediately if there is a projected overproduction.</p>	<p>Based on "SOP Identifikasi dan Kemamputelurusan Produk Bersertifikat" No.SOP/SMART/CERS-EHSD/SADV/I/001 rev.0.0 datum 2014. In section 2.4.5 Perhitungan Mass Balance, its explained that projected overproduction will be reported by mill unit head and Sales Department to Certification Section, EHS Department (Support Department). The Certification Section, EHS Department (Support Department) will communicate with respective certification body on the projected overproduction.</p>	<p>Comply</p>
<p>E.5 Record keeping</p>		
<p>E.5.1 a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. (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. 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</p>	<p>Based on "SOP Identifikasi dan Kemamputelurusan Produk Bersertifikat" No.SOP/SMART/CERS-EHSD/SADV/I/001 rev.0.0 datum 2014. In section 2.4.13, the document will be kept for minimum 10 years, in line with "SOP Pengendalian dokumen dan rekaman No.SOP/SMART/UMUM/SADV/I/001. Audit team verified the three-monthly basis - Mass Balance Report for SCCS 2016, period January – December 2016. The record indicating all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on three-monthly basis. Sampled of certified FFB receipt and verification: Surat Pengantar Buah No.32949 from Long Buluh Estate, block C30, B31 and C32 of 587 bunches, with transport dump truck No.KT8104RD, dated 23rd January 2017. Weighbridge card No.13131, dated 23rd January 2017,</p>	<p>Comply</p>

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<p>sold before it is in stock.)</p>	<p>Delivery Note No.1431/TBS/01/17/01/2949, FFB of 587 bunches weighed 6,320 kg from Long Buluh Estate.</p> <p>Sample of RSPO certified PK delivery: Delivery Note Serial No.N153-JLYM-T-02011, dated 23rd January 2017, Certificate ID: RSPO 623595-17010087/RSPO-MB, from Jakluay POM for delivery palm kernel of 21,020 kg, with transporter PT. Aldi Mitra, truck No.KT8630NC to PT. Sumber Indah Perkasa, Samarinda. Weighbridge card No.13088, dated 23rd January 2017, Delivery Note No.1454/KER/LK/1/01/0087, Delivery Order No.1454/KER/1454/16/T045, Palm Kernel of 21,020 kg from Jakluay POM to PT. Sumber Indah Perkasa.</p> <p>Jakluay POM does not use material accounting system. The volume of CPO and PK delivered and deducted on three-monthly basis. Audit team verified there was no short-selling and/or negative stock at the end of three-month period.</p>	
<p>E.5.2 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement</p>	<p>There is no outsourced activity in Jakluay POM.</p>	<p>Comply</p>

Actual Tonnage Certified Palm Production –April 2016 – March 2017 (MA)

Mill	Capacity	CPO	PK
Jakluay POM	80 tons FFB/hour	65,544.25	14,364.96

Actual Tonnage Sales of Certified Palm Products - April 2016 – March 2017 (MA)

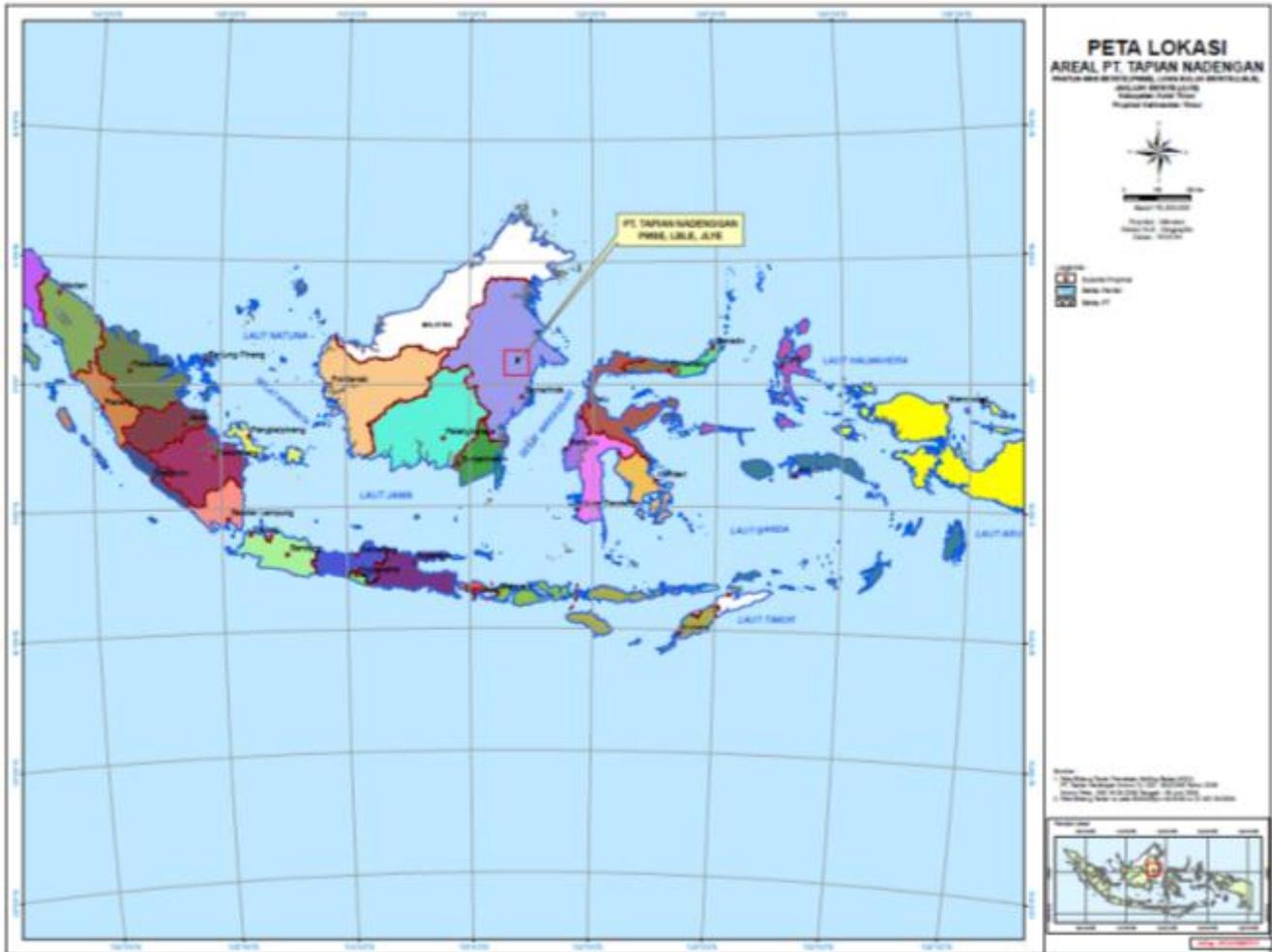
Mill	Certified CPO Sales	Certified PK Sales	Remarks
Jakluay POM	0	6,502.84	

Month	Certified Supply Base (from own certificate scope) (mt)				Total FFB/Month (mt)
	Jakluay Estate	Pantun Mas Estate	Long Buluh Estate	Bukit Subur Estate	
April 2016	6,022.63	5,165.54	5,220.92	1,962.72	18,371.81
May 2016	6,366.28	4,637.42	4,853.41	1,568.22	17,425.33
June 2016	4,406.58	4,244.90	3,486.88	1,044.14	13,182.50
July 2016	4,911.34	3,831.96	3,512.23	1,137.33	13,392.86
August 2016	4,639.09	3,512.76	3,543.62	1,815.60	13,511.07

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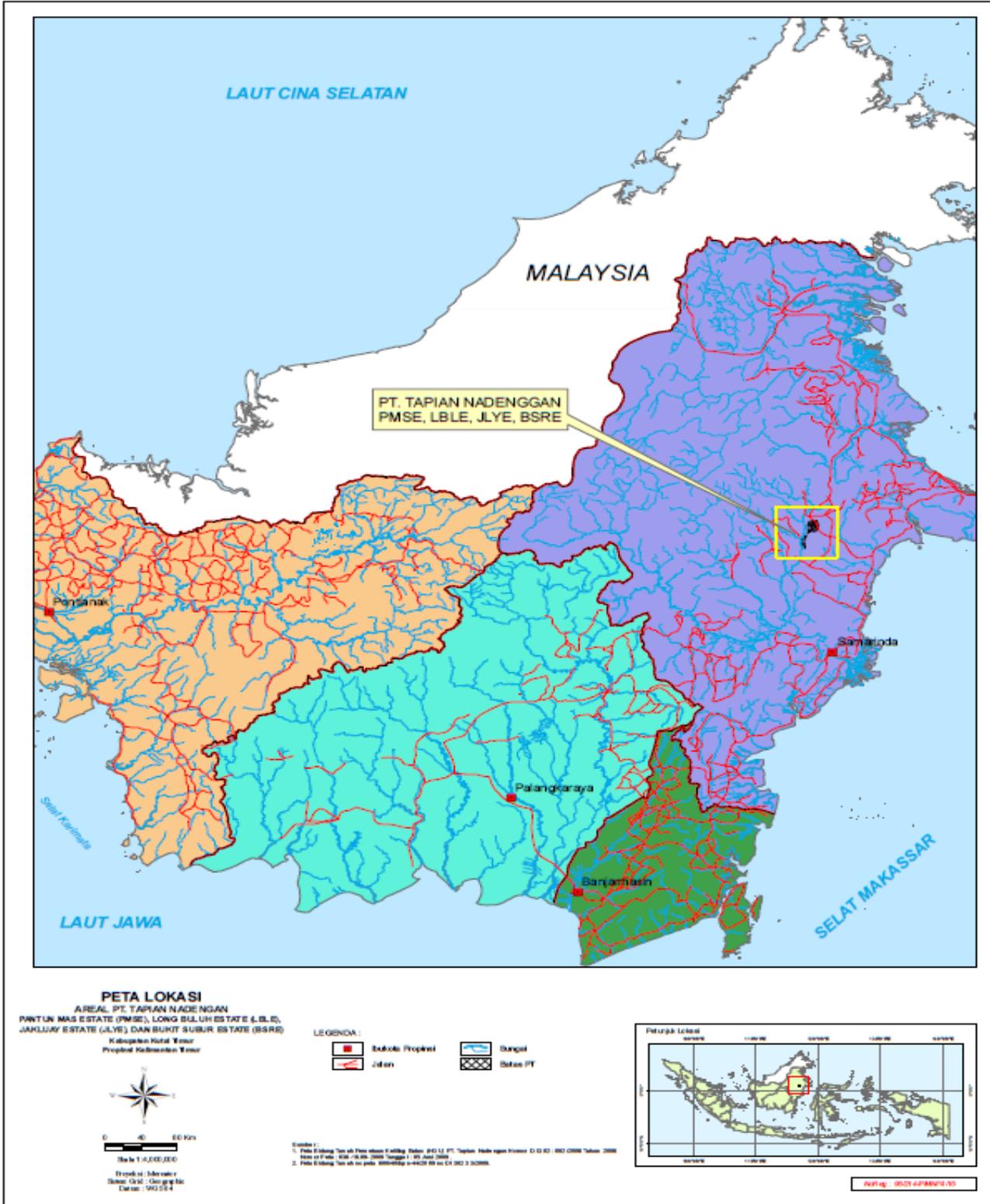
September 2016	6,419.39	5,112.43	5,418.65	4,552.79	21,503.26
October 2016	7,553.01	8,182.57	7,054.93	5,948.17	28,738.68
November 2016	8,075.18	9,927.54	7,810.79	5,937.78	31,751.29
December 2016	6,494.69	8,982.69	5,853.08	3,797.68	25,128.14
January 2017	7,889,660	9,716,620	7,014,040	5,547,550	30,167,870
February 2017	8,766,230	10,996,780	7,321,730	5,418,920	32,503,660
March 2017	7,734,102	5,913,724	6,776,936	4,142,079	24,566,841
Total	79,278,182	80,224,934	67,867,216	42,872,979	270,243,311

Appendix G: Location Map of Certification Unit and Supply bases



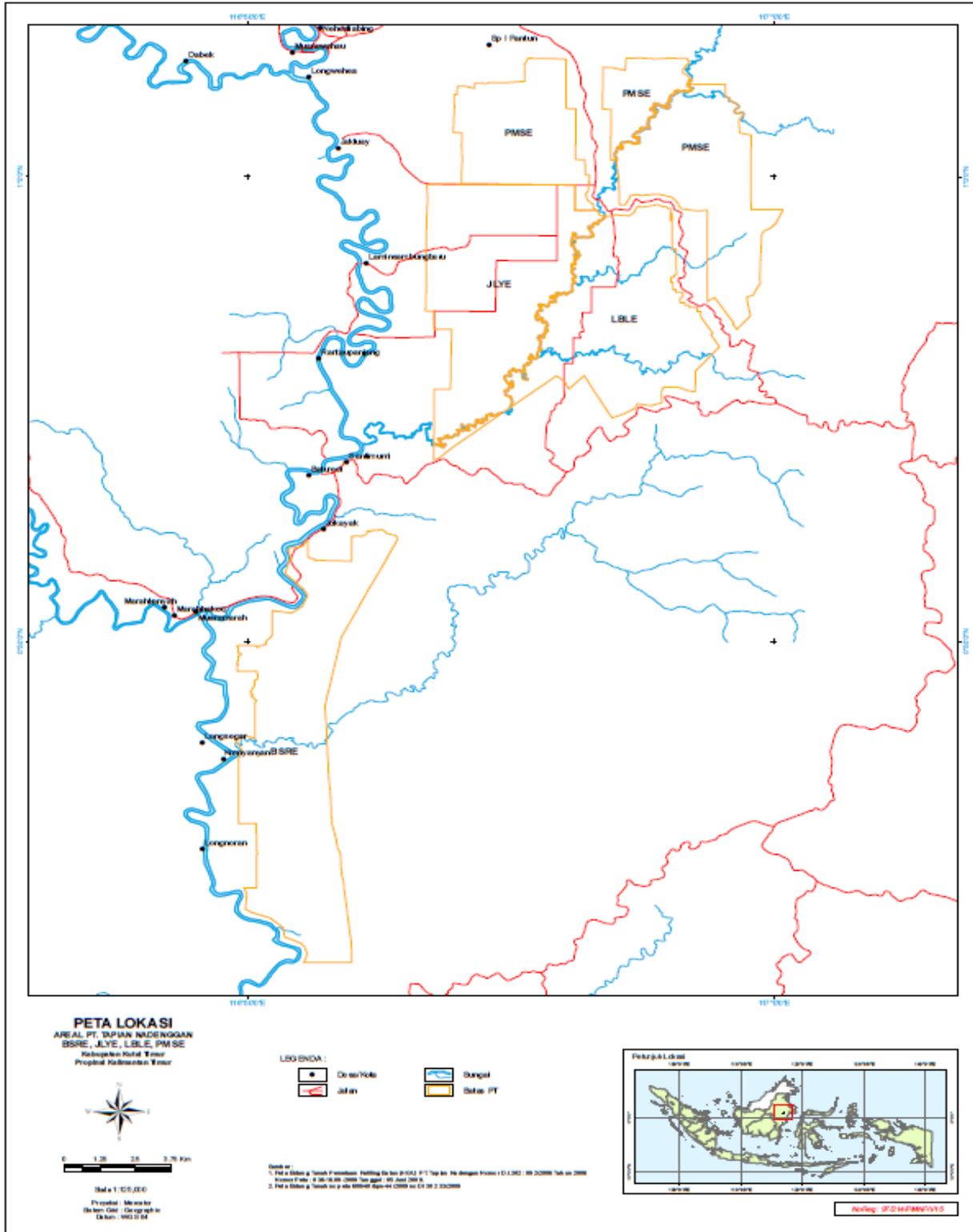
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Figure 2. Location of PT. Tapian Nadenggan in East Kalimantan Province, Indonesia.



Appendix H: Estate Field Map

Figure 3. Location of PT. Tapian Nadenggan and neighbouring entities



Appendix I: PalmGHG Calculation

Summary of Net GHG Emissions

Emission per Product	tCO ₂ e/tProduct
CPO	1.1
PK	1.1

Extraction	Percentage (%)
OER	24.55
KER	5.42

Production	Ton/year
FFB processed	243,771.36
CPO processed	59,840.27

Land Use	Hectare
OP planted area	12,473.11
OP planted on peat	0
Conservation (forested)	590.12
Conservation (non-forested)	0
Total	13,063.23

Summary of Field Emissions and Sinks

	Own Crop		Group		Third Party	
	tCO ₂ e	tCO ₂ e/tFFB	tCO ₂ e	tCO ₂ e/tFFB	tCO ₂ e	tCO ₂ e/tFFB
Emissions						
Land conversion	129,793.55	0.49	0	0	0	0
*CO ₂ Emissions from Fertilizer	10,152.86	0.04	0	0	0	0
**N ₂ O Emissions	9,835.17	0.04	0	0	0	0
Fuel Consumption	5,027.77	0.02	0	0	0	0
Peat Oxidation	0	0	0	0	0	0
Sinks						
Crop Sequestration	-115,115.7	- 0.46	0	0	0	0
Conservation Sequestration	0	0	0	0	0	0
Total	30,693.65	0.12	0	0	0	0

Summary of Mill Emissions and Credits

	tCO ₂ e	tCO ₂ e/tFFB
Emissions		
POME	48,691.19	0.2
Fuel Consumption	1074.7	0
Grid Electricity Utilisation	0	0
Credits		
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	49,765.89	0.2

Palm Oil Mill Effluent (POME) Treatment

Divert to compost	0%
Divert to anaerobic digestion	100%

POME diverted to Anaerobic Digestion

Divert to anaerobic pond	100%
Divert to methane capture (flaring)	0%
Divert to methane capture (electricity generation)	0%

Appendix J: List of Abbreviations Used

AN	Ammoniacal Nitrogen
ANPN	National Park Agency Gabon
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
JLYE	Jakluay Estate
JLYM	Jakluay Palm Oil Mill
MSDS	Material Safety Data Sheet
O&G	Oil and Grease
PK	Palm Kernel
PMSE	Pantun Mas Estate
PPE	Personal Protective Equipment
RC	Re-Certification
RED	Renewable Energy Directive
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
SS	Suspended Solids
TN	PT. Tapian Nadenggan
TS	Total Solids
VFA	Volatile Fatty Acids