

**RSPO RE-CERTIFICATION AUDIT**

**PT. TOLAN TIGA INDONESIA  
PALM OIL MILL AND ITS SUPPLY BASE**

**Office:  
PT. Tolan Tiga Indonesia  
Gedung Bank Sumut Lt.7, Jl. Imam Bonjol No.18 Medan**

**Location:  
Desa Perkebunan Perlavian, Kec. Kampung Rakyat,  
Kab. Labuhanbatu Selatan, Sumatera Utara**

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### Section 1. Scope of the Certification Assessment

1.1. Company Details			
<b>RSPO Membership Number</b>	1-0021-05-000-00 (Sipef Group)	<b>Date</b>	7 <sup>th</sup> December 2005
<b>Company Name</b>	PT. Tolan Tiga Indonesia		
<b>Address</b>	Head Office: Gedung Bank Sumut Lt. 7 Jln. Imam Bonjol No. 18 20152 Medan, North Sumatera, Indonesia  Location Address: Desa Perkebunan Perlabian, Kec. Kampung Rakyat, Kab. Labuhanbatu Selatan 21463, Prov. Sumatera Utara, Indonesia		
<b>Subsidiary of (if applicable)</b>	Sipef Group		
<b>Contact Name</b>	Mr. Olivier Tichit		
<b>Website</b>	www.tolantiga.co.id	<b>E-mail</b>	ortichit@sipef.com
<b>Telephone</b>	+ 62 61 415 2043	<b>Facsimile</b>	+62 61 452 0908

1.2. Certification Information			
<b>Certificate Number</b>	SPO 555208	<b>Date</b>	17 <sup>th</sup> May 2010
<b>Scope of Certification</b>	Scope of certification since initial assessment, consist of 2 mills, namely: 1. Perlabian Mill with supply base Perlabian Estate and Tolan Estate. 2. Bukit Maradja Mill with supply base Bukit Maradja Estate and Kerasaan Estate. The certificate no. SPO 555208, licensi date 17 <sup>th</sup> May 2010 – 16 <sup>th</sup> May 2015  As RSPO requirement that RSPO certificate base on Mill, we decided to separate the scope during this re-certification become each mill and its supply base.  Scope for the Perlabian POM is Production of CPO and PK of Perlabian Palm Oil Mill (PT. Tolan Tiga Indonesia) with 2 estates as supply base, namely: Perlabian Estate and Tolan Estate.  Mill capacity of Perlabian POM is 60 MT FFB/hour.		

Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
EU-ISCC-Cert-DE101-49493314	ISCC EU	DQS-UL CFS GmbH	26 November 2015
01 100 106312	ISO 9001:2008	TUV Rheinland	07 July 2016
01 104 106312	ISO 14001:2008	TUV Rheinland	07 July 2016

1.3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		North	East
Perlamban Palm Oil Mill	Desa Perkebunan Perlamban, Kec. Kampung Rakyat, Kab. Labuhanbatu Selatan 21463, Prov. Sumatera Utara, Indonesia	2° 3' 40.98" N	100° 4' 57.19 E
Perlamban Estate	Kab. Labuhanbatu Selatan, Prov. Sumatera Utara, Indonesia	2° 3' 37.6" N	100° 4' 52.40 E
Tolan Estate	Kab. Labuhanbatu Selatan, Prov. Sumatera Utara, Indonesia	2° 0' 11.78" N	100° 2' 30.66 E

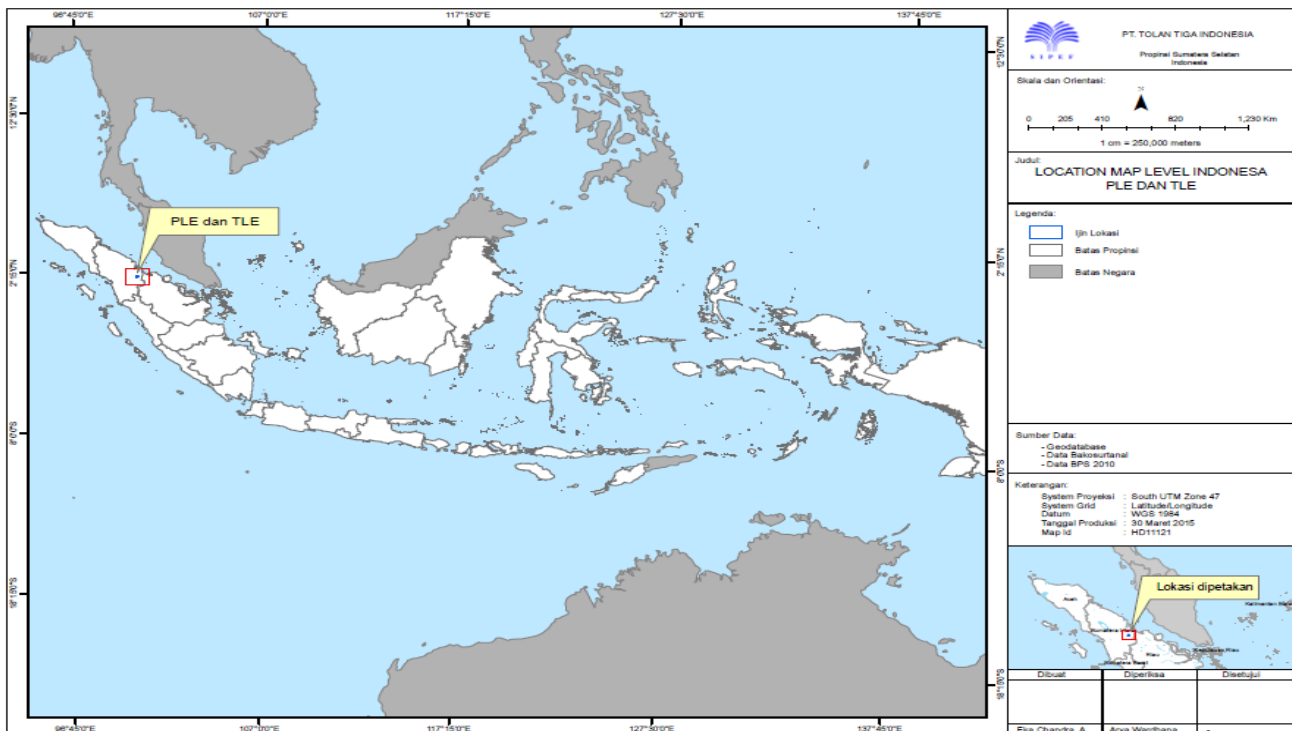


Figure 1. Location of PT. Tolan Tiga in Indonesia

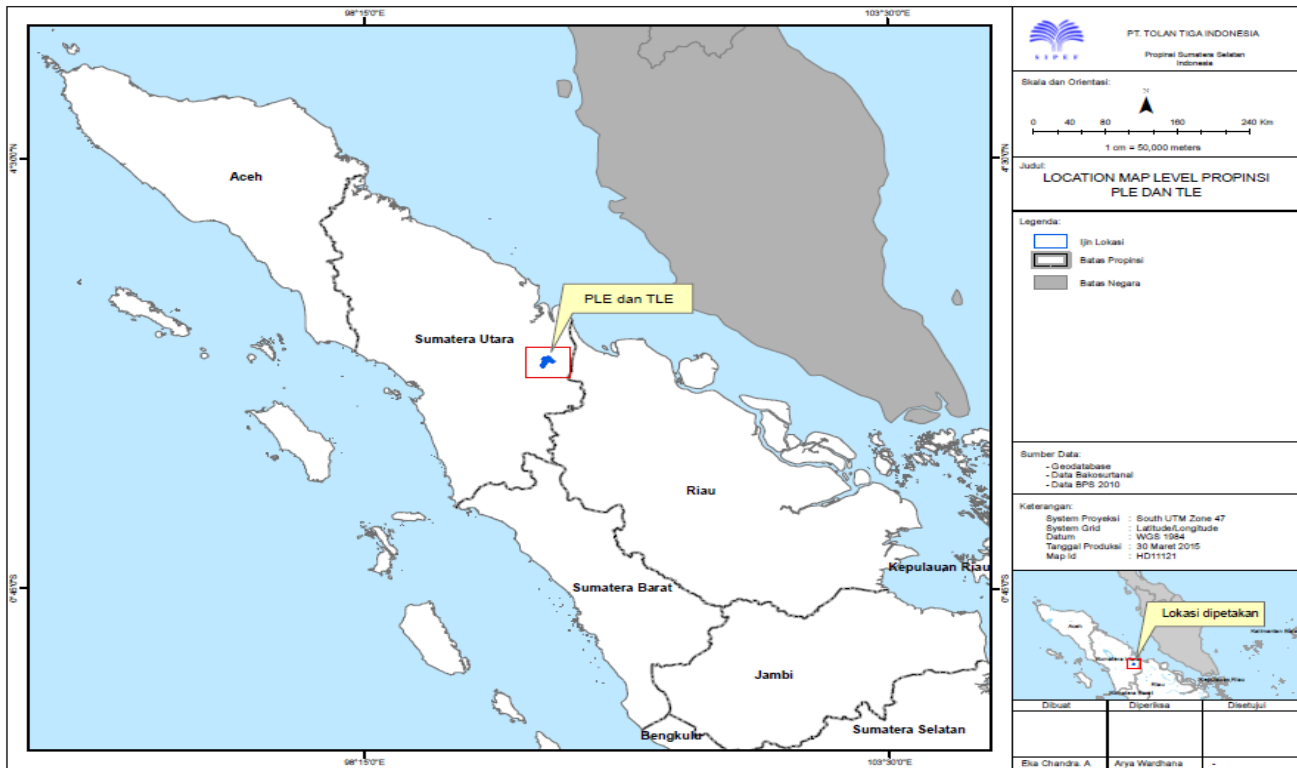


Figure 2. Location of PT. Tolan Tiga Indonesia in North Sumatera Province, Indonesia

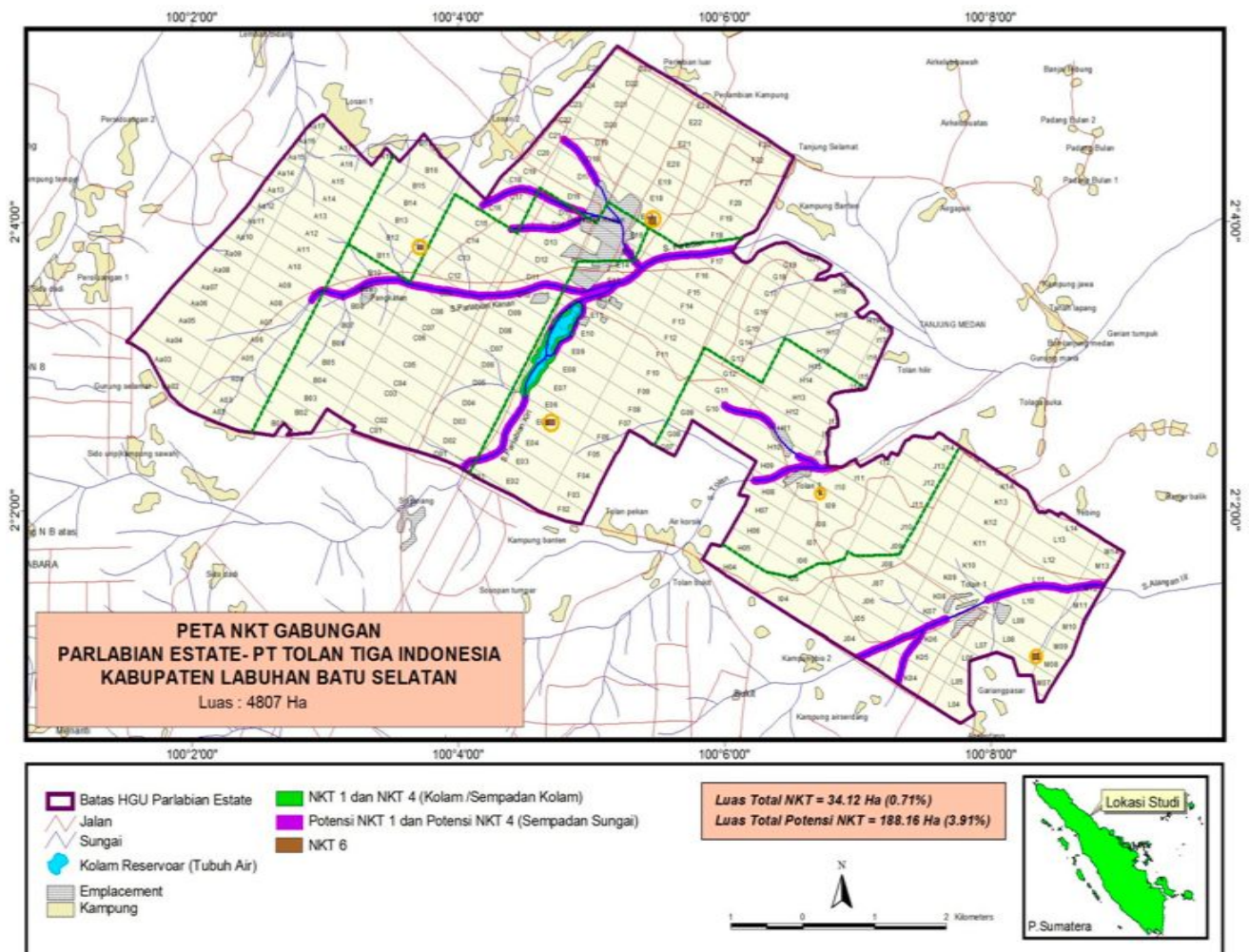


Figure 3a. location of PT. Tolan Tiga Indonesia (Perlabian Estate) and surrounding entities



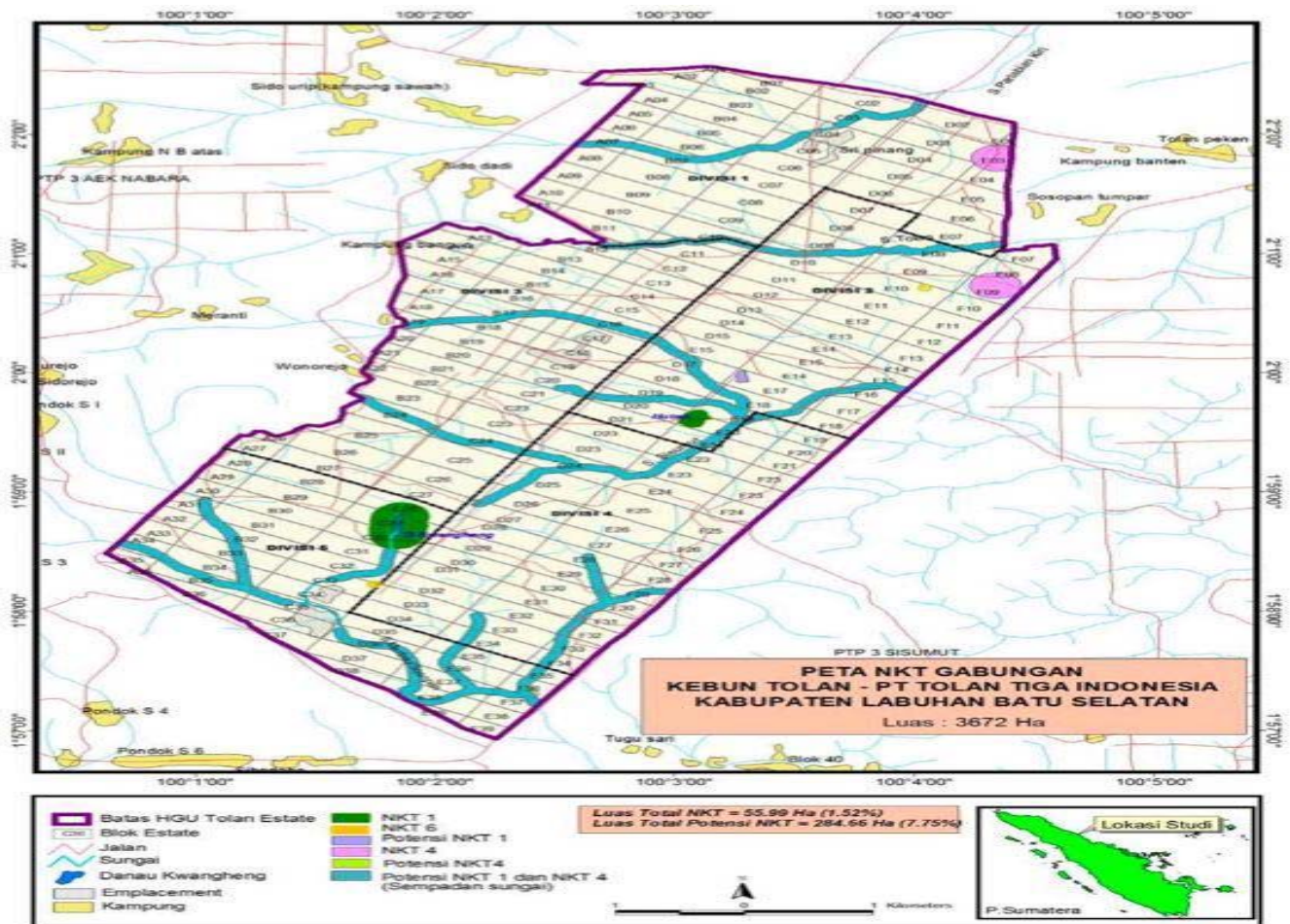


Figure 3b. location of PT. Tolan Tiga Indonesia (Tolan Estate) and surrounding entities

1.4. Description of Supply Base						
Estate	Mature (ha)	Immature (ha)	Infrastructure & Other (ha)	Total Planted (ha)	Total Hectarage	% of Planted
<b>PERLABIAN POM</b>						
1. Perlabian estate	4,055.00	427.38	285.38	4,482.38	4,767.76	94.01
2. Tolan estate	3,614.15	0.00	57.89	3,614.15	3,672.04	98.42
<b>Total</b>	<b>7,669.15</b>	<b>427.38</b>	<b>343.27</b>	<b>8,096.53</b>	<b>8,439.80</b>	

1.5. Plantings & Cycle								
Estate	Age (Years)					FFB Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (2014)	Actual (2014)	Forecast (2015)
<b>PERLABIAN POM</b>								
1. Perlabian estate	427.38	2,007.84	842.31	1,012.85	192.00	90,876	85,613	94,556
2. Tolan estate	0.00	702.31	2,570.90	340.94	0	90,000	91,919	99,982
<b>Total</b>	<b>427.38</b>	<b>2,710.15</b>	<b>3,413.21</b>	<b>1,353.79</b>	<b>192.00</b>	<b>180,876</b>	<b>177,532</b>	<b>194,538</b>

1.6. Certified Tonnage									
Mill	Estimated (2014)			Actual (2014)			Forecast (Next Year)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Perlabian POM	180,876	42,998	10,749	177,532	48,503	9,374	194,538	44,744	10,700



## Section 2. Assessment Process

### 2.1. Assessment Methodology

**Certification Body: PT BSI Group Indonesia**  
**Accreditation Certificate No. RSPO- ACC– 019**  
 Menara Bidakara 2  
 17th Floor, Unit 5  
 Jl. Jend. Gatot Subroto Kav. 71-73  
 Komplek Bidakara, Pancoran  
 Jakarta Selatan 12870 - Indonesia  
 Tel: +62 21 8379 3174 - 77 Fax:+62 21 8379 3287  
 Email: [aryo.gustomo@bsigroup.com](mailto:aryo.gustomo@bsigroup.com)

BSi is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSi Standards is the UK's National Standards Body. BSi provides independent, third-party certification of management systems. BSi has a Regional Office in Singapore and an Office in Kuala Lumpur.

The approach to the audit was to treat each mill and its supply base as an RSPO Certification Unit. The mill was audited together with the plantations of its supply base. A range of environmental and social factors were covered. These included 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, review of documentation and monitoring data. Checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders were also taken into account in the assessment. The Public announcement in RSPO website on 24<sup>th</sup> February 2015 within 30 days prior Re-certification audit conducted. The Re-certification Audit was conducted on 30<sup>th</sup> April 2015 – 01<sup>st</sup> May 2015.

The Major Nonconformities that were assigned during this assessment were followed up to check the effectiveness of corrective actions and it was closed out, Minor Nonconformities and observation will be verified in the next surveillance.

### 2.2. Assessment Program

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

1.Assessment Program					
Name (Mill / Supply Base)	Year 1	Year 2	Year 3	Year 4	Year 5
<b>PERLABIAN POM</b>	X	X	X	X	X
1. Perlabian estate	X	X	X	X	X
2. Tolan estate	X	X	X	X	x

**Tentative Date of Next Visit (Re-Certification):** 01/01/2016  
**Total No. of Mandays:** 12 Mandays

### 2.3. Assessment Team

**BSI Assessment Team:****Haeruddin – Assessor (Lead Auditor)**

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

**Aryo Gustomo – Team member**

He holds degree in Agriculture science and graduated from Bogor Agriculture University. He is a specialist in oil palm plantation with Agronomy background. He had more than 5 (five) years working experienced related to oil palm industries i.e. as a Plant breeder/agronomist in the one of Malaysian oil palm seed producer, and as a field assistant in oil palm Plantation Company in Indonesia. Several relevant Training he has completed include ISO 9001 and 14001 Lead Auditor, RSPO Lead auditor endorsed courses which also covered RSPO SCCS, Social Report Assurance training, ISPO auditor training, and training on HCV identification and management. Currently he works for BSI Group based in Jakarta office as a RSPO scheme manager and one of the BSI qualified RSPO lead auditor. He had been involved in several RSPO certification audits including New Planting Procedure assessment as a lead auditor/auditor with geographical audit experiences cover Indonesia, Malaysia, Thailand and Liberia. During this assessment, he mainly focused on the aspect of mill and estate best practices, OHS, and environmental

**Nanang Mualib - Team member**

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

**Accompanying Persons:**

This summary report was reviewed by Sabar Kembaren. He is one of the BSI RSPO internal reviewer.

### Section 3. Assessment Findings

#### 3.1 Details of audit results.

Criterion / Indicator	Assessment Findings	Compliance	
<b>PRINCIPLE 1: COMMITMENT TO TRANSPARENCY</b>			
<b>Criterion 1.1:</b> Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	<p>There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.</p> <p>- Minor compliance -</p>	<p>The company has provided information related to the environmental, social and legal. This information is publicly, such as: Izin Usaha Budidaya Perkebunan (<i>Operational Plantation Permit</i>), Izin Lokasi (<i>Location Permit</i>), HGU (<i>Land Title Rights</i>), Dokumen Lingkungan/AMDAL (<i>SEIA</i>), Program Keselamatan dan Kesehatan Kerja (<i>OHS</i>), Laporan Pelaksanaan RKL/RPL (<i>Environmental Management and Monitoring Report</i>), Penilaian Nilai Konservasi Tinggi (<i>HCV</i>), Prosedur Ganti Rugi Lahan (<i>Land Compensation Mechanism</i>), Rencana Pengelolaan Limbah (<i>Waste Management Plan</i>), complaint and grienaceis from internal dan exsternal parties, and continous improvement.</p> <p>Documents related financial can only be shared upon discretion of General Manager, Group policies and procedures are available in public area in esates and mill.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
1.1.2	<p>Records of requests for information and responses shall be maintained.</p> <p>- Major compliance -</p>	<p>The company has established procedure related information request in No. ENC/SOP/08 tanggal 20 Desember 2013. Request informations were recorded in log book "Permintaan Informasi". It was noted 33 request informations in 2014, mostly request donation and road maintenance for local communities, it was noted also request information from the local officer, e.g. from BLH (Environmental Department of Labuhan Batu District) on 21<sup>st</sup> October 2013 for request "Ruang Terbuka Hijau"/Green Area Zone.</p> <p>Based on document review, it was seen that request informations has been respons timely manner and appropriately, however it was found that request from BLH as mentioned above has not been respons yet up to now, the company has not determined timeframe to respons request information in their procedure as mentioned above. (NC major was raised)</p>	No
<p><b>Criterion 1.2:</b> Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p>			

Criterion / Indicator		Assessment Findings	Compliance
1.2.1	<p>Publicly available documents shall include, but are not necessarily limited to:</p> <ul style="list-style-type: none"> <li>• Land titles/user rights (Criterion 2.2);</li> <li>• Occupational health and safety plans (Criterion 4.7);</li> <li>• Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);</li> <li>• HCV documentation (Criteria 5.2 and 7.3);</li> <li>• Pollution prevention and reduction plans (Criterion 5.6);</li> <li>• Details of complaints and grievances (Criterion 6.3);</li> <li>• Negotiation procedures (Criterion 6.4);</li> <li>• Continual improvement plans (Criterion 8.1);</li> <li>• Public summary of certification assessment report;</li> <li>• Human Rights Policy (Criterion 6.13).</li> </ul> <p>- Major compliance -</p>	<p>The company has policy related public documents on 26<sup>th</sup> January 2014 where there are 20 documents related to land permit (Izin Lokasi, Izin Usaha Perkebunan, Land title rights), RKL/RPL, SIA, policies, HCV, OSH, CSR programmes, complaint documents, waste management plan, disposed waste plan, included hazardous waste, etc are publicly available for stakeholders.</p>	<p>Yes</p>
<p><b>Criterion 1.3:</b> Growers and millers commit to ethical conduct in all business operations and transactions.</p>			
1.3.1	<p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>- Minor compliance -</p>	<p>The company has established code of ethical business conduct, dated 17 November 2014 and the company has socialized this code of conduct to the workers, e.g. on 16<sup>th</sup> March 2015, attended 15 workers (attendance list and photograph as evidence)</p>	<p>Yes</p>
<p><b>PRINCIPLE 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS</b></p>			

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 2.1</b>			
There is compliance with all applicable local, national and ratified international laws and regulations.			
2.1.1	Evidence of compliance with relevant legal requirements shall be available.  - Major compliance –	The company documented all relevant legal requirements, it was reviewed and comply with regulation, such as: 1. Hand over Agreement between Indonesian Government and Societe Internationale de Plantations Et de Finnance S.A-SIPEF (Belgium), dated 19 <sup>th</sup> April 1968 for 3.000 ha and 7.031,27 ha 2. "Risalah Pemeriksaan Tanah dari Panitia "B", dated No. 40/PPT/B/69, dated 17 <sup>th</sup> December 1968 dan No. 48/PPT/B/71, dated 7 <sup>th</sup> December 1971. 3. "Fatwa Tata Guna Tanah" from Kepala Inspeksi Land Use Prov. North Sumatera, dated 18 <sup>th</sup> April 1970. 4. The last renewal Ijin Usaha Tetap-IUT No. 394/T/Kehutanan-Perkebunan/1998, dated 21 <sup>st</sup> Agustus 1998, for 8.479,06 ha. 5. Surat Pendaftaran usaha Perkebunan (Operational Busines permit) No. 213/Menhutbun-VII/2000, dated 10 <sup>th</sup> March 2000 for 8.479.06 ha with Mill capacity 75 tonnes FFB/hour and Mill capacity permit 60 tonnes FFBTBS/hour. 6. Land Title rights (HGU) from BPN (National land Authority) no. SK.80/HGU/DA/97, dated 16 <sup>th</sup> July 1997 (6.042,44 ha), consist of 4.807,02 ha (Perlabian Estate) dan 1.235,42 ha (Tolan Estate). 7. Land title rights (HGU) from BPN (National land Authority) no. 86/HGU/BPN/97, dated 23 <sup>rd</sup> July 1997 (2.436.62 ha) for Tolan Estate.	Yes
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained.  - Minor compliance –	The company has established procedure related effort to comply with changes in the regulation as regulated in SOP No. CA/SOP/01, dated 1 November 2011, The company has update regulation and evaluated to comply with	Yes



Criterion / Indicator		Assessment Findings	Compliance
2.1.3	<p>A mechanism for ensuring compliance shall be implemented.</p> <p>- Minor compliance –</p>	<p>Company has developed a mechanism for ensuring compliance to regulation as stated in document CA/SOP/1 issued date 1st November 2011 (Prosedur Informasi Perubahan Undang-Undang dan Peaturan Pemerintah).</p> <p>Procedure has regulated each of operation unit head shall be monitored and visited site location to check implementation of regulation.</p> <p>However, based on field inspection to central workshop of Perlabian Estate, it was found some activities were not consistently complied with relevant regulation, such as:</p> <ul style="list-style-type: none"> <li>- Electrical lifting crane was not fulfilled the requirements of Permenaker No.5 Year 1985 in term of Lifting and Carries Instruments (Pesawat Angkat dan Angkut) and Permenaker No.9 Year 2010 in term of Qualification for Lifting and Carries instruments operator (Operator Pesawat Angkat dan Angkut), example: formal endorsement and routine monitoring from government have not been conducted; the operator has not passed an formal examination conducted by Labour Department.</li> <li>- Air compressor was not met the requirements of Permenaker No.1 Year 1982 in term of Pressure Vessel (Bejana Tekan), example: formal endorsement and routine monitoring from government have not been conducted.</li> </ul> <p>Furthermore, based on field inspection to Perlabian mill, it was found a operator who responsible for turbine has not met the requirements of Permenaker No. 1 Year 1988 in term of Qualification for Steam Machinery operator (Kualifikasi Operator Pesawat Uap), example: he has not passed an formal examination conducted by Labour Department)</p> <p><b>Minor NC was raised under this indicator</b></p>	No

Criterion / Indicator		Assessment Findings	Compliance
2.1.4	A system for tracking any changes in the law shall be implemented.  - Minor compliance –	A mechanism to ensure to track the changes in law is available and the company has updated evaluation of regulation which must comply with regularly.	Yes
<b>Criterion 2.2</b>			
The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.			
2.2.1	Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.  - Major compliance -	The company has land title rights (see 2.1.1)	Yes
2.2.2	Legal boundaries shall be clearly demarcated and visibly maintained.  - Minor compliance –	<p>The boundary stones are inspected each month by the Conservation Cadets who report on the condition of the boundaries, they also inform each Estate Manager if any boundaries stones are damaged or missing and require replacement.</p> <p>There have been no disputes with regards to land tenure in recent memory and there are no outstanding disputes that PT TTI is aware of.</p> <p>There are no changes of HGU's since the last audit.</p> <p>All legal boundaries are clearly demarcated and maintained in the form of boundary stones, these boundary stones are photographed, mapped and GPS location is recorded.</p> <p>Field inspections confirmed that boundaries are demarcated by trenches and boundary stones.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).  - Minor compliance –	Based on document review and stakeholder consultation, there is no land dispute in PT Tolan Tiga Indonesia.	Yes
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.  - Major compliance –	Based on document review and stakeholder consultation, there is no land dispute in PT Tolan Tiga Indonesia.	Yes
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable).  - Minor compliance –	Based on document review and stakeholder consultation, there is no land dispute in PT Tolan Tiga Indonesia.	Yes
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.  - Major compliance -	No instigate violence in maintaining peace and order for current and planned operation. All complaint, grievance, dispute are resolved through meeting and mediation.  Based on interview with local community of surrounding company areas, there has never been conflict with company. The relationship between company and local community is in good condition.	Yes

**Criterion 2.3**

Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.

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Criterion / Indicator		Assessment Findings	Compliance
2.3.1	<p>Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p> <p>- Major compliance –</p>	<p>Based on document review and stakeholder consultation, there is no customary land and land rightst owner in PT Tolan Tiga Indonesia. So far, it was noted no any land dispute.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
2.3.2	<p>Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p> <ul style="list-style-type: none"> <li>a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</li> <li>b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</li> <li>c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</li> </ul> <p>- Minor compliance –</p>	<p>Based on document review and stakeholder consultation, there is no land dispute in PT Tolan Tiga Indonesia.</p>	<p>Yes</p>
2.3.3	<p>All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>- Minor compliance –</p>	<p>Based on document review and stakeholder consultation, there is no land dispute in PT Tolan Tiga Indonesia.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
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 -	Based on document review and stakeholder consultation, there is no land dispute in PT Tolan Tiga Indonesia.	Yes
<b>PRINCIPLE 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY</b>			
Criterion 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.			
3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.  - Major compliance -	The company has prepared budget plan for 10 years (2013 – 2023) and reviewed annually. Budget plan is consist of FFB Production OER, KER, cost, expenditure.  Monitoring of yield and expenses for 2013 and 2014 is available.	Yes
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 –	A replanting programme for each year is available under "Ringkasasn Data Program Replanting/New Planting tahun 2014-2023 for Perlabian Estate and no replanting program in the near future in Tolan Estate.	Yes
<b>PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS</b>			
Criterion 4.1 Operating procedures are appropriately documented, consistently implemented and monitored.			



Criterion / Indicator		Assessment Findings	Compliance
4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented.  - Major compliance -	The procedures documented in "Agricultural Manual Oil Palm", where it contains all sub section of the process, such as: Nursery, land clearing, planting in peat soil and mineral soil with zero burning, planting legume cover crops, terracing, upkeep (fertilizer and pesticides, included safe working practices), water level management, riparian and watercourse management, harvesting, replanting and FFB transport, included SOP for mill from receipt FFB up to despatch CPO and PK as documented in "Instruksi Kerja No. 17", dated 6 January 2009	Yes
4.1.2	A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance –	The company conduct internal audit and regular inspection by Agronomist to monitoring Operational performance, e.g. Visit Agronomy on 26 <sup>th</sup> May – 6 <sup>th</sup> June 2014 and visiting Engineer on 26 <sup>th</sup> March 2015.	Yes
4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate.  - Minor compliance –	Records of any result and activities from estates and mill were maintained, based on procedure decides records have been made in daily basis and compiled once per month at the end of month including: Production data of FFB, CPO, PK, fertilizing activities, maintenance, manpowers, equipments and facilities, quality, grading, machines at mill area, cost and expenditure, etc.  These records were proven and retrievable.  To verify result of all above activities, company was conducted internal audot and agronomy visited, All internal audit and agronomy visited findings have been properly followed up as showed in the report of internal audit and agronomy visited.	Yes
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).  - Major compliance -	No any Outside FFB was received	N/A
<b>Criterion 4.2</b> Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			

Criterion / Indicator		Assessment Findings	Compliance
4.2.1	<p>There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible.</p> <p>- Minor compliance –</p>	<p>PT TTI was established procedure to manage soil fertility such as "SOP Pemupukan" No.11/SOP/Oil Palm/ESD rev.1 tanggal 1 Oktober 2009.</p> <p>The procedures consist of manual fertilizer application, fertilizer application with spreader, compost application, bunch ash application, EFB application and POME application (Land Application), frond pruning. Based on field visit in estates, fertilizer application for year 2014 has completed. The inorganic fertilizer applied based on fertilizer recommendation.</p>	Yes
4.2.2	<p>Records of fertiliser inputs shall be maintained.</p> <p>- Minor compliance –</p>	<p>Each estate maintains a complete record of fertilizer inputs – both organic and in-organic as documented in "Monthly Manuring Programme".</p> <p>The fertilizer application based on annual fertilizer recommendation, cascaded and detailed up to nutrition requirement (and fertilizer type per planting year, per palm) per plantation block for each semester. Sample taken: applied Urea in block L 08; 7.92 Ha, dosage 400 gr/palm tree in Perlavian Estate and applied MOP 4,893 kg in Block D 03; 24.85 ha or daseg 1.5 kg/palm tree in Tolan Estate in March 2015.</p>	Yes
4.2.3	<p>There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.</p> <p>- Minor compliance –</p>	<p>JH Agriculture Service conducted the Semi-Detailed Soil Survey in October for PT TTI, within the semi-detailed soil survey report, topographic condition, soil fertility status and other information has been accounted into.</p> <p>The company also conduct leaf analysis annually for fertilizer recommendation, the last soil analysis was conducted by Central Plantation Services on 27<sup>th</sup> December 2014 (Leaf Analysis no. CPS/784/XII/2014, dated 27<sup>th</sup> December 2014.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.2.4	<p>A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting.</p> <p>- Minor compliance –</p>	<p>Nutrient recycling strategy is present. The company using all palm by-products for soil nutrient, such as: EFB and POME (is applied to palm nearby mill) and frond stacking.</p> <p>Record of EFB and POME applied is recorded, e.g. applied EFB 472 tonnes in Block 13M17 – 13M19 (19.07 ha) in November 2014 (average in 2014 is 51.32 tonnes EFB/ha), applied POME in Block E15 21 M3 in December 2014.</p>	Yes
<b>Criterion 4.3</b>			
Practices minimise and control erosion and degradation of soils.			
4.3.1	<p>Maps of any fragile soils shall be available.</p> <p>- Major compliance -</p>	<p>There is no fragile soils reported in the most recent soil survey carried out 2009 by JH Agriculture. Recent maps are available of all soils in all estates.</p>	Yes
4.3.2	<p>A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific).</p> <p>- Minor compliance –</p>	<p>No planting since 2007 on slopes in excess of 25 degrees. There is in fact very little planting on sloped land throughout PT TTI. The only area planted on sloping land which is generally no more than 6°.</p>	Yes
4.3.3	<p>A road maintenance programme shall be in place.</p> <p>- Minor compliance –</p>	<p>Road maintenance program was made by PT. TTI; evidence of maintenance was recorded in the "Road Miantenance Program 2015". Realization of road maintenance program has been periodically monitored in montly basis and also the company was providing road map realization to monitor road maintenance program is properly implemented.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.3.4	<p>Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.</p> <p>- Major compliance –</p>	There is no indication of area with peat soil in the estates	Yes
4.3.5	<p>Drainability assessments shall be required prior to replanting on peat to determine the longterm viability of the necessary drainage for oil palm growing.</p> <p>- Minor compliance –</p>	There is no indication of area with peat soil in the estates	Yes
4.3.6	<p>A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).</p> <p>- Minor compliance –</p>	There is no indication of area with fragile soil in the estates	Yes
<p><b>Criterion 4.4</b> Practices maintain the quality and availability of surface and ground water.</p>			

Criterion / Indicator		Assessment Findings	Compliance
4.4.1	<p>An implemented water management plan shall be in place.</p> <p>- Minor compliance -</p>	<p>PT. TTI was updated their "Water management Plan", last updated on year 2012 PT TTI has in place a policy with regards to the protection of watercourses and wetlands which includes dedicated buffer zones and riparian areas – including establishing buffers along rivers in accordance with Indonesian laws - 50 metres buffer on each side for small rivers.</p> <p>It is the policy of PT TTII that all buffer zones as stipulated by Indonesian law are re-established at re planting. PT TTI has also Water Management Plan and implemented. This is in evidence during replants taking place presently in</p> <p>Perlabian and Tolan estates were required buffers were seen to have been established during this process. There are in place practices to prevent run off of nutrients and chemicals through the planting manual. Chemical handlers are trained in the disposal of chemicals - waste chemicals containers are disposed of or are re-used for sprayers in field.</p>	Yes
4.4.2	<p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated.</p> <p>- Major compliance -</p>	<p>There are in place practices to prevent run off of nutrients and chemicals through the planting manual. Chemical handlers are trained in the disposal of chemicals - waste chemicals containers are disposed of or are re-used for sprayers in field.</p> <p>A number of rivers have been set aside as riparian zones and maintained in good condition. One area at Perlabian is of particular interest and is been established as an HCV area. Appropriate signs are in place. There are sign posted in place for all buffer/riparian zones. Enrichment planting in riparian zone with forest tree and multi purpose trees, such as Sungkai (<i>Peronema canescens</i>), Gelodokan Tiang (<i>Polyatea Longifolia</i>), Mahoni (<i>Swietenia macrophylla</i>, King), Durian (<i>Durio zibernithus</i>), Nangka (<i>Artocarpus integrā</i>) etc</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6).  - Minor compliance –	The company discharge effluent to water course, water sampling is taken regularly every month by independent third party, e.g. water sample in "Effluent Final Discharge Pond" by Binalab.  Result of BOD sampling analysis shown that no more than 5,000 mg/Liter as regulated in "Peraturan menteri Lingkungan Hidup No. 28, year 2003", e.g. Result in July 2014 (4,778 mg/L), August 2014 (4,703 mg/L), September 2014 (4,492 mg/L), October 2014 (4,554 mg/L), November 2014 (4,600 mg/L), and December 2014. (4,774 mg/L)	Yes
4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance –	Water used for estates and mill have been measured and monitored by PT. TTI, including using of water for processing in the MT FFB, result of measurement and monitoring were recorded in the "laporan bulanan Penggunaan Air". Sample taken for year 2014 water using average for processing of FFB 0.84 MT/tones FFB and 0.91 MT/tones FFB.	Yes
<b>Criterion 4.5</b>			
Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.			
4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	PT TTI is able to demonstrate Integrated Pest Management under "Program Pengendalian Hama Terpadu 2014". These plans comprise of biological, physical and chemical treatment to control pest attack.  Integrated Pest Management was documented and retrievable including building and addition of owl house, planting and maintenance of beneficial plants, pest and diseases census such as for ganoderma census.  PT. TTI was implementing early warning system through regular pest monitoring (census) for rat and boar attack, leaf eating pest, etc. Reports are produced and maintained, chemical pesticide will only used if the pests attack above the economic threshold. Once implemented, management performs monitoring to re-check the program effectiveness.	Yes



Criterion / Indicator		Assessment Findings	Compliance
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	There are training records for training of staff in regards to IPM and these are now formally recorded on all occasions. IPM training provided for field operators in all estates, e.g. Training census Ganoderma on 24 October 2014, attended 34 workers and 4 november 2014, attended 34 workers, the training was conducted by "Verdant Bioscience Indonesia"	Yes
<b>Criterion 4.6</b>			
Pesticides are used in ways that do not endanger health or the environment.			
4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	The company has shown that all pesticides which used by the company included in approved registered pesticide by Agriculture Ministry – 2014.  The TTI also has procedures to explain the identification of target species, agrochemical to be used, and dosage and area per application in general. A further dosage reduction controlled through budget.  Visit to chemical store and record review shows company chemical product for specific target species (weed).	Yes
4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -	Record of pesticide use covering pesticide use in each block, date of applied, acreage applied, active ingredient, dosage per applied, and total pesticide per applied.	Yes
4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines.  - Major compliance -	There is no used of prophylactic use of pesticides throughout the company	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.6.4	<p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p>- Minor compliance -</p>	<p>Based on document review, it was noted that paraquat usage is reduced. Reducing program will be continuing to the year 2015 as stated in the pesticides using program.</p>	Yes
4.6.5	<p>Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>- Major compliance -</p>	<p>Agcochemical are only handled, used and applied by trained personnel. Based on field visit to chemical store, and interview with the storekeeper, they admit to have proper training. The chemical store equipped with MSDS, appropriate PPE (face shield, respirator, apron, gloves and rubber boot) and emergency equipment – in the case of spillage or exposure.</p> <p>The training data is also maintained to show the nature and content of the training covered. Material Data Safety Sheets (MSDS) are obtained for all chemicals used and are available at the storage and areas of mixing. Samplen taken for Bukit Maradja Estate,</p>	Yes

	<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
4.6.6	<p>Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3).</p> <p>- Major compliance -</p>	<p>The storage for all pesticide is in good condition. A standard storage system appears to be implemented across PT TTI.</p> <p>The storage is equipped with sufficient air ventilation to provide air circulation. Hazard signs, emergency shower, second containment, spill kit, appropriate PPE (face shield, permeable gloves, apron and mask) is available and ready for use.</p> <p>Working instruction for pre-mixing, stacking and storing pesticide is current, MSDS is also readily available. Material Data Safety Sheets (MSDS) are obtained for all chemicals used and are available at the areas of mixing. These were all seen be controlled by date and were readily available. No concentrates are taken into the field as all spray solutions are pre- mixed in a designated area.</p> <p>Empty pesticide container was triple rinsed before sent for temporary hazardous waste storage.</p> <p>The company supplies two sets of overalls to all pesticide operators so that one can always be considered clean. Overalls are washed at the pesticide mixing areas in specially constructed wash areas so that sprayers and mixers do not need to take them home and therefore the risk of cross contamination with family members is reduced and eliminated.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance –	Pesticides used were mixed accordingly as per mixing instructions. Procedure no TTI/PROS/IMP/14 revision 01 dated on 01 December 2013 was established and approved related pesticides usage, storage, mixing and handling of container properly to minimise risk and impact.  Application of pesticide shall be approved by manager based on action plan from each FA (Field Assistant), reviewed by Field Head assistant. FA made pesticide plan referred to result of survey.	Yes
4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.  - Major compliance -	No applied pesticide aerially.	Yes
4.6.9	Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated; including provision of appropriate information materials (see Criterion 4.8).  - Minor compliance –	Records of training are kept in each estate for all workers who come into contact with pesticides this include Pesticide Mixers, pesticide Sprayers and any chemical handlers in the stores. The training data is available and centrally in all estates for whoever handles pesticides. There is a minimum requirement of PPE that must be used in the handling and application of pesticides. PPE specifications are stated in the MG and further demonstrated in training manuals.	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.6.10	<p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).</p> <p>- Minor compliance –</p>	<p>Chemical storekeeper in estates understood the procedure and re-use of ex-chemical empty container. The empty containers are triple rinsed before sent to hazardous waste storage and/or re-use as pre-mixed water container to the field.</p> <p>Waste storage was separately and clearly identification as follow: hazardous waste black colour, Organic waste green colour, non organic waste blue colour and economical waste yellow colour. This identification has been properly understood by all workers.</p>	Yes
4.6.11	<p>Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.</p> <p>- Major compliance -</p>	<p>Beside annual medical checkup, specific medical checkup was also done for pesticide and chemical operator at least once a year by external clinic "Klinik Spesialis Anugerah Ibu", record of medical checkup was evident as per record "formulir pemeriksaan medis pekerja pemakai pestisida/bahan kimia" and Specific medical checkup, e.g. Mrs. NS (Spraying team).</p> <p>Based on interview with spraying team and review Medical Surveillance recsul on sampled workers, doctor concluded there is no worker with signs of intoxication detected.</p>	Yes
4.6.12	<p>No work with pesticides shall be undertaken by pregnant or breast-feeding women.</p> <p>- Major compliance –</p>	<p>There is no pregnant worker and breast feeding women involving for spraying, chemical and pesticides activities during audit observation and based on interview result with spraying team in Perlabian and Tolan estates.</p>	Yes
<p><b>Criterion 4.7</b> An occupational health and safety plan is documented, effectively communicated and implemented.</p> <p><i>Specific Guidance for 4.7.7: The National Interpretation will define the metrics for LTA. For countries where there are no national interpretations, the growers will determine their own metrics.</i></p>			

Criterion / Indicator		Assessment Findings	Compliance
4.7.1	A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. - Major compliance -	An Occupational Health and Safety Policy has been established and in place. It was issued and signed by the President Director dated on 01st March 2014. This policy is applicable to mill and plantations as well as all other support activities including construction, housing, clinic and workshop. Health and safety plan was provide in the procedure no ENC/SOP/06 (Prosedur Keselamatan dan kesehatan kerja), dated on 02 January 2013 revision 0. This procedure has been covered regulation related documentation, implementation and monitoring of health and safety activities.	Yes



	<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
4.7.2	<p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>- Major compliance -</p>	<p>An Occupational Health and Safety Policy has been established and in place. It was issued and signed by the President Director dated on 01<sup>st</sup> March 2014. This policy is applicable to mill and plantations as well as all other support activities including construction, housing, clinic and workshop.</p> <p>HIRADC was updated with consideration of some issues, the latest revision 13 February 2015</p> <p>Health and safety plan was provide in the procedure no ENC/SOP/06 (Prosedur Keselamatan dan kesehatan kerja), dated on 02 January 2013 revision 0. This procedure has been covered regulation related documentation, implementation and monitoring of health and safety activities.</p> <p>Sample taken at Perlabian Mill, Perlabian estate (Clinic, Chemical and fertilizer warehouse/godown, central workshop, and emplacement) and Tolan Estate (Clinic, Chemical and fertilizer warehouse/godown, central workshop, and emplacement).</p> <p>The company has conducted audiometric test for their workers who are involved in high noise level in Perlabian Mill. The medical check up included audiometric test was conducted on 9th June 2014 by "Klinik Spesialis Anugerah Ibu – Pusat Pemeriksaan Kesehatan tenaga Kerja", e.g. Mr. Hendra B Siahaan (Operator Engine room).</p> <p>The Medical Check up planning for 2015 for all SIPEF group is documented in "Jadwal periodic/Annual General Medical Check Up 2015", dated 1st February 2015. For the workers who are involved in chemical substance, high vibration area, high noise, dust and smoke area.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.7.3	<p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Major compliance -</p>	<p>The internal training has been implemented according to the established "Realisasi P2K3LHS Tahun 2015". Safe working practice training has been done to employee and record of training was evident.</p> <p>Each safe working practice was included in the working instruction including requirement PPE, and as observation at several area such as laboratory, workshop and processing have been seen proper PPE used by worker and available at location such as at area Perlabian Mill, Perlabian Estate and Tolan Estate.</p> <p>Observation: Attention should be taken for a operator who responsible in material store of Perlabian Estate in particular provision of appropriate PPE when handling lubricant oil according to material safety data sheet rules.</p>	Yes
4.7.4	<p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>- Major compliance -</p>	<p>Safety and Health Committee has been determined and approved by Ministry of Manpower. Regular meeting is planned once in a month with latest meeting was on 7 March 2015.</p> <p>OHS related issues were discussed sufficiently with the fixed agenda indicated review of accident statistics and performace, inspection result, review of accident reporting system, review of committee member, review of inspection findings, training, policy and procedures, external audit action points (RSPO) and other matters.</p> <p>The company has established Fire mitigation officer as described in organizational chart "Struktur Organisasi Personil Tanggap Darurat (P2K3)" approved by Kepala Dinas Tenaga Kerja dan Transmigrasi Kabupaten Labuhan Batu Selatan No. KEP.06/P2K3/TK/2014, tanggal 10 Pebruari 2014 for Perlabian estate and no. 10/P2K3/DSTKT/2013, tanggal 18 April 2013 for Tolan estate as regulated in Permenaker No. 186, year 1999.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.7.5	<p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>- Minor compliance –</p>	<p>Accidents handling, investigation procedure was provided in the document no TTI/PRO/IMP/25 revision 00 dated on 1st July 2009 and emergency procedure dated on 01 March 2010 including fire, CPO spillage, HSD oil spillage, and waste overspill.</p> <p>Emergency tool kits were available and controlled in each location, record of inspection was seen such as at workshop, laboratory, bridge weighing rooms, and warehouse for first aid kit, fire extinguisher, emergency eye and body wash.</p> <p>Observation:</p> <ol style="list-style-type: none"> <li>Care should be taken on the mechanism of routine check for first aid equipments to ensure all medicines are appropriately available and ready to use. Some first aid kits were observed at the Mill and Estate found insufficient routine checks have been done. Furthermore, it was found during interview with material store keeper at Perlavian estate has not gained training in first aid.</li> <li>Evacuation signage to assembly point should be clearly provided in some locations such as Mill's site location and office areas, Estate's office workshop areas, and worker housing compounds of mill and estates. Further, opportunity for improvement of emergency shower and eye wash at the Mill and Estates. Field inspection to chemical storage and chemical mixing area found improper shower and eye wash tools were provided. It was observed that the tools could not be properly used if any accidents happen of worker due to chemicals caused.</li> </ol>	Yes
4.7.6	<p>All workers shall be provided with medical care, and covered by accident insurance.</p> <p>- Minor compliance –</p>	<p>Medical checkup for employee has been done in annual basis which conducted in the external clinic; report of medical check up was evident. There are 2 (two) company clinics provided where located in the each perlavian Estate and Tolan Estate. All employees included in the medical care program under "BPJS" including protection regarding accident.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. - Minor compliance –	All occupational injuries case was recorded in the “laporan kecelakaan kerja” and summary monthly in the “laporan kecelakaan kerja”. Based on procedure no TTI/PROS/IMP/25 revision 0 dated on 1st July 2009 shall be measure LTFR(lost time frequency rate)/AFR (Accident Frequency rate), RIR (Recordable injury rate), Incident Rate (IR) and Total Accident Rate (TAR).  There is no fatality and major accident since year 2014 until this audit at the Mill and Estates.	Yes
<b>Criterion 4.8</b> All staff, workers, smallholders and contract workers are appropriately trained.			
4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme.  - Major compliance –	Training program for year 2015 was provided to all workers (harvester, sprayer, central workshop employee), training needed gap analysis has been done in yearly basis, some training were conducted in 2014 and 2015.	Yes
4.8.2	Records of training for each employee shall be maintained. - Minor compliance –	PT. TTI is able to demonstrate records of training for each employee.	Yes
<b>PRINCIPLE 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY</b>			
<b>Criterion 5.1</b> Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			

Criterion / Indicator		Assessment Findings	Compliance
5.1.1	An environmental impact assessment (EIA) shall be documented.  - Major compliance -	AMDAL document is available and approved by Agriculture Ministry no. PEL No. RC. 220/472/B/III/1994, tgl. 17 Maret 1994. The impact assessment for Perlabian mill and its supply base was "Revisi Dokumen Rencana Pengelolaan Lingkungan (RKL) dan Rencana Pemantauan Lingkungan (RPL)" approved by "Surat Kepala Badan Pengendalian Dampak Lingkungan Daerah (Bapedalda) Kabupaten Labuhan Batu" No.660/326/BPDL-LB/Set/2006 dated 21 <sup>st</sup> July 2006. All environmental impact assessments have been carried when and where appropriate. Records of all impact assessments carried out are readily available. All operational areas have undertaken reviews of the environmental impacts on at least an annual basis.	Yes
5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons.  - Minor compliance -	No any changes of SEIA document.	Yes

Criterion / Indicator		Assessment Findings	Compliance
5.1.3	<p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>- Minor compliance –</p>	<p>Company has prepared report on Environmental Management and Monitoring implementation (Laporan RKL-RPL) and sent report every 6 month to local government, e.g RKL-RPL report semester II 2014 (Period June – December 2014), acceptance letter by local government officer as evidence.</p> <p>The company also has conducted monitoring of environmental impact, such as:</p> <ul style="list-style-type: none"> <li>- Monitoring of water contamination in "Sumur Pantau Desa Lohsari" on 01<sup>st</sup> December 2014, the result is comply with the national regulation "Permen LH no. 28 Tahun 2003"</li> <li>- Air quality/Ambient for Genset 1 – Genset 4, certificate no. 185/G/LHU-LK/BK3-MDN/X/2014, dated 15<sup>th</sup> October 2014; the result is comply with the national regulation "Permen LH no. 13, 2009"</li> <li>- Air quality in front of Boiler, the result is complying with "Permenakertrans No. 13/MEN/X/2011.</li> <li>- Emmission in Boiler Chimney no. 1 and no. 2, certificate no. 185/L/LHU-LK/BK3-MDN/X/2014, dated 15<sup>th</sup> October 2014, all parameters are comply with "Permen LH no 07, 2007".</li> <li>- Noise and vibration level was also monitored in each station which high noise level in Mill.</li> </ul>	Yes
<p><b>Criterion 5.2</b> The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>			

Criterion / Indicator		Assessment Findings	Compliance
5.2.1	<p>Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>- Major compliance -</p>	<p>HCV Identification in Perlavian estate was conducted by "Yayasan Kelapa Sawit Berkelanjutan" in 2009 based on Indonesian Toolkit – 2008. Total HCV areas was identified is 34.12 ha, consist of HCV 1 and 4 (30.67 ha) and HCV 6 (3.45 ha).</p> <p>HCV Identification in Tolan estate was conducted by "Yayasan Kelapa Sawit Berkelanjutan" in 2009. Total HCV areas was identified is 55.99 ha, consist of HCV 1 (32.99 ha) and HCV 6 (0.19 ha)</p>	Yes
5.2.2	<p>Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan.</p> <p>- Major compliance -</p>	No RTEs was identified within and vicinity company areas	Yes
5.2.3	<p>There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance –</p>	No RTEs was identified within and vicinity company areas	Yes

Criterion / Indicator		Assessment Findings	Compliance
5.2.4	<p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> <li>• The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>• Outcomes of monitoring shall be fed back into the management plan.</li> </ul> <p>- Minor compliance –</p>	<p>PT. TTI was established program for managing and monitoring for HCV areas as documented in “Management Plan – Pengelolaan dan Pemantauan areal HCV PT. Tolan Tiga Indonesia periode 2013 s/d 2017” Perlabian Estate dan Tolan Estate, 2013” such as</p> <ul style="list-style-type: none"> <li>- Erected sign board at in front of HCV area.</li> <li>- Assign conservation personnel who have responsibility to manage HCV area, the personnel has trained for HCV management and monitoring, e.g. for Mr. Suhaemi (Kader Konservasi Alam), trainer “Dirjen PHKA – BKSDA Prov. Sumut”, dated 11<sup>th</sup> September 2009.</li> <li>- Socializing HCV management to society/public, training program of importancy of HCV area.</li> <li>- Planting forest trees in the HCV area.</li> </ul>	Yes
5.2.5	<p>Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>- Minor compliance –</p>	<p>No HCV area located in the public/society area, all HCV identified are located inside of company areas.</p>	Yes
<b>Criterion 5.3</b>			
Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.			
5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance –</p>	<p>Company maintain Environmental aspect impacts ISO 14001 registration for all waste and pollution sources within Mill and Estates. Company has also maintained Environmental Management and Monitoring Plan as to comply with environmental requirements.</p>	Yes



Criterion / Indicator		Assessment Findings	Compliance
5.3.2	<p>All chemicals and their containers shall be disposed of responsibly.</p> <p>- Major compliance -</p>	<p>All chemical and their containers from Mill and Estates were collected and kept in temporary waste storage for 90 days prior disposal. Records of monitoring are in place in term of Neraca Limbah B3. Auditor visited to temporary permitted storage confirmed Auditor visited to temporary permitted storage in Perlavian Estate area confirmed appropriate storage has been provided with consideration of safety and environmental friendly aspects such as spill-kit, warning sign, second containment, firefighting, and first-aid kits.</p>	Yes
		<p>Company has implemented a waste management plan to reduce pollution.</p> <p>All hazardous waste were kept in Temporary permitted storage for 90 days prior disposal to the licensed waste collector. Report to Environmental Agency has been routinely completed every 3 month. Auditor visited to temporary permitted storage in Perlavian Estate area confirmed appropriate storage has been provided with consideration of safety and environmental friendly aspects such as spill-kit, warning sign, second containment, firefighting, and first-aid kits. The operator who responsible for the store was properly equipped with PPE.</p> <p>Review of records showed all hazardous waste has been identified and properly monitored, such as used lubricant oil, used oil filter, used batteries, empty chemical container from Perlavian Estate and Mill activities, contaminated hand gloves, etc. Monitoring was recorded in document of "Neraca Limba B3".</p> <p>The latest disposal to third party licensed waste collector was on 18 March 2015 to CV Amindy Barokah. The Manifesto documents and receipts were available and properly recorded.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.  - Minor compliance –	Waste management plan is documented in "Rencana pengelolaan Limbah". Waste management consists of medical waste, domestic waste, and hazardous waste to reduce pollution to the environment.	Yes
<b>Criterion 5.4</b> Efficiency of fossil fuel use and the use of renewable energy is optimised.			
5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.  - Minor compliance –	PT TTI uses fibre and other material to power the boiler which produces steam Which drives electricity-generating turbines - the use of renewable energy is consistent in the percentage against non – renewable energy. PT TTI has provides records of both monitoring of kilowatt hours per tonne of palm product and Kilogram of steam per tonne FFB for each mill to determine the efficiency use and efficiency in the form of k/w hours per tonne of Palm Product. All records in each mill are in the "Rekaman Monitoring Penggunaan Energi Terbarukan" (Records of Monitoring on renewable energy usage. Record of Electricity in perlabian Mill mostly utilizing more than 80% per month of renewable energy from turbine.	Yes
<b>Criterion 5.5</b> Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.			
5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.  - Major compliance -	No open burning was noted during field visit and interviewed with local communities and workers	Yes

Criterion / Indicator		Assessment Findings	Compliance
5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.  - Minor compliance -	No any open burning was noted for land preparation	Yes
<b>Criterion 5.6</b> Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions; particulate/soot emissions and effluent (see Criterion 4.4).  - Major compliance -	Identification of pollution source has been documented under Environmental Aspect & Impact List, latest review last year (2014). Assessments have been carried out on all recognised polluting activities and include gas and smoke emissions, particulate and soot emissions, effluent control, treatment and discharge. Any significant pollutants and emissions have been identified. There is a plan in place to reduce pollution – this is included in the aspects/impacts register.  Assessment of polluting activities including gaseous emission, particulate emission and effluent has also been done identified in the document "Pengelolaan lingkungan hidup (RKL) dan Pemantauan lingkungan hidup (RPL)".	Yes
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.  - Major compliance -	Significant GHG emission was identified, for Mill comes from waste pond, reducing program has been implemented by using methane trap and for estates comes from using of pesticides, action plan to reducing pesticide was made such as program of integrated pest control where minimize to use chemical/pesticides. Graph of emission and pollutant were provided to monitor trend of them in monthly basis.	Yes

Criterion / Indicator		Assessment Findings	Compliance
5.6.3	<p>A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.</p> <p>- Minor compliance –</p>	<p>Emission monitoring system by using "Biograce" system calculation. Emission from estate and mill operation were calculated and monitored, emission reduction achieved.</p> <p>Monitoring of any pollutant has been done in daily, weekly and monthly basis, report of monitoring was recorded in the "RKL/RPL" report, and this report submitted to the related institution every 6 month.</p> <p>Monitoring and measurement has been done as follow:</p> <ul style="list-style-type: none"> <li>- Hazardous waste: oil waste, wet battery, lightbulb, filter waste, contaminated packaging, cartridge, fertilizer sack and other contaminated waste. All hazardous waste disposal recorded in monthly basis in the waste balance report as stated in the report of 'RKL/RPL'.</li> <li>- Replanting process monitoring for zero burning activity.</li> <li>- Boiler emission of boiler for parameters: SO<sub>2</sub>, NO<sub>2</sub>, HCL, Cl<sub>2</sub>, NH<sub>3</sub>, HF, particle, and opacity. None of above parameters out of threshold limits value.</li> <li>- Generator set emission for generator for SO<sub>2</sub>, NO<sub>2</sub>, CO, Particle and opacity, All parameters measured in the threshold limit value as seen in the "laporan hasil pengujian udara emisi" by 'Balai Laboratorium Kesehatan"</li> </ul>	Yes

**PRINCIPLE 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLERS**

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 6.1</b>			
Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	The social impact assessment is covered under AMDAL document, its approved by Agriculture Ministry no. PEL No. RC. 220/472/B/III/1994, dated 17 <sup>th</sup> March. The social impact assessment for Perlavian mill and its supply base was revised under "Revisi Dokumen Rencana Pengelolaan Lingkungan (RKL) dan Rencana Pemantauan Lingkungan (RPL)" approved by "Surat Kepala Badan Pengendalian Dampak Lingkungan Daerah (Bapedalda) Kabupaten Labuhan Batu" No.660/326/BPDL-LB/Set/2006 dated 21 <sup>st</sup> July 2006.  The company also has conducted social impact assessment was conducted by "YASBI" in 2010.	Yes
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties.. - Major compliance -	PT. TTI document where social parameter has been assessed and reviewed, the process was involving various stakeholders, during the process for the document and social impact management actively involving community participation through interview and questionnaires.	Yes
6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	Within the AMDAL and SIA document, the negative and positive impact of oil palm development has been explained. The environmental management and monitoring plan document has lined out effort that company should carry out in order to minimize negative impact and promote positive impact from oil palm development.  The Social Impact Assessment document has explained the recommendation that could be done by company to minimize negative impact and promote positive impact from social impact management.	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.  - Minor compliance –	Company has carried out social impact evaluation on annual basis through social survey. The survey was conducted by ENC-AM and being part of environment management and monitoring report - "Laporan Pelaksanaan RKL-RPL", <i>however impact to the local communities related replanting and maintain boundary drain activities has not evaluated yet (Raised Minor NC).</i>	No
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).  - Minor compliance –	There is no development of small holder schemes for PT TTI since there is no small holders engaged	Yes
<b>Criterion 6.2</b> There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.			

Criterion / Indicator		Assessment Findings	Compliance
6.2.1	<p>Consultation and communication procedures shall be documented.</p> <p>- Major compliance -</p>	<p>Company has prepared a set Procedures to consultation and communication with stakeholders, such as:</p> <ol style="list-style-type: none"> <li>1. Procedure for respons information request No.ENC/SOP/08 dated 05<sup>th</sup> September 2014, this procedure used as a guideline in providing response upon information/data request from relevant stakeholder. As per indicator 1.2.1, the information available such as: Health and Safety Plan, Laporan Pelaksanaan pengelolaan dan Pemantauan RKL-RPL, HCV report, Pollution mitigation and prevention plan, Continous Improvement Plan, Certification Body Public Summary Report, and all company policy.</li> <li>2. "Prosedur Keluh Kesah dengan Pihak Internal Rev.2 no. SOP/025/Dept), dated 27<sup>th</sup> March 2015.</li> <li>3. "Prosedur Keluh Kesah dengan Pihak Eksternal Rev. 2 no. SOP/026/HRA, dated 27<sup>th</sup> March 2015.</li> </ol>	Yes
6.2.2	<p>A management official responsible for these issues shall be nominated.</p> <p>- Minor compliance -</p>	<p>PT TTI has appointed officers responsible to carried out communication and consultation with local communities.</p> <p>Based on the job description, the roles and responsibilities for each position in the structure – person responsible for communication and consultation with local community is estate manager, field head assistant and office assistant.</p>	Yes
6.2.3	<p>A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.</p> <p>- Minor compliance -</p>	<p>PT TTI is able to show list of stakeholders, the lasy upadet on 1<sup>st</sup> November 2014.</p> <p>Records of communication with stakeholders are available,e.g. consultation and communication on 27<sup>th</sup> – 28<sup>th</sup> November 2014 related complain for bridge maintenance at Perlabian and the company decided to be stop this project.</p>	Yes
<p><b>Criterion 6.3</b> There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p>			

Criterion / Indicator		Assessment Findings	Compliance
6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. - Major compliance -	Company has a mechanism to convey complaint, guarantee the confidentiality and anonymity of complainants and whistleblower. The mechanism has also regulates the time frame for responses and person in charge to provide response.	Yes
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance -	Company is recording each complaint and response provided in the Logbook.	Yes
<b>Criterion 6.4</b>			
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..			
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.  - Major compliance –	PT. TTI has a procedure for land compensation No.SOP/CA/02 dated 1 <sup>st</sup> July 2012 – as a guideline to identify legal, customary or user rights for land. As well as act as a guideline for land compensation. The steps in the procedures: FPIC through socialization, document and proof of rights over land-survey, field survey and measurement of land, mapping review, compensation negotiation process, completing the compensation documentation, compensation payment.  The same procedure regulates (and applicable for) the compensation for claimed land within legal company's HGU.	Yes



Criterion / Indicator		Assessment Findings	Compliance
6.4.2	<p>A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.</p> <p>- Minor compliance –</p>	Based on document review and public consultation, no land dispute was noted.	Yes
6.4.3	<p>The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.</p> <p>- Major compliance –</p>	Based on document review and public consultation, no land dispute was noted.	Yes
<p><b>Criterion 6.5</b> Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>			

Criterion / Indicator		Assessment Findings	Compliance
6.5.1	Documentation of pay and conditions shall be available. - Major compliance -	<p>The company determines minimum wages as regulated by Government every year, minimum wages in 2014 as "Surat keputusan Gubernur of North Sumatera no. 188.44/90/KPTS/Tahun 2014, dated 3<sup>rd</sup> February 2014 (Rp. 1.836.000) and no. 188.44/82/KPTS/Tahun 2015, dated 5<sup>th</sup> February 2015 is Rp. 2,015,000. The minimum wages in 2015 is effective paid in March 2015, however January and February will be counted in March 2015.</p> <p>Based on review of payments slip, there are no workers paid below the minimum wages, e.g. payment slip for Mr. S ((Basic salary Rp. 1,736,000 + rice allowance Rp. 409,200) and Mrs. RT (Basic salary 1,962,000 + rice allowance Rp. 132,000) in February 2015.</p>	Yes
6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. - Major compliance -	Working conditions are documented in the "Perjanjian Kerja Bersama" (PKB). PKB is the document of agreement between workers represented by labour union (Pengurus Serikat Pekerja PT TTI Mandiri/SPTTM) and the company. The PKB is produced is a form of booklet. The PKB is in line with regulatory requirements approved by the Manpower District Agency. Health and safety is also documented. Payment and conditions include - working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, dismissal reasons, etc.	Yes
6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.  - Minor compliance -	Inspection confirmed PT TTI provide adequate housing for staff and workers, free water supplies are adequate and clean, electricity is at subsidized rate, kindergarten, elementary schools, crèche, place of worship, medical facilities are provided and additional benefit if treatment is needed at hospital. Water quality tests confirmed the treated water supplied to housing is suitable for domestic use. Recreation facilities at each estate include sports field.	Yes

Criterion / Indicator		Assessment Findings	Compliance
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>	The employees able to access traditional market and also there is cooperative to providing affordable food.	Yes
<b>Criterion 6.6</b>			
The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.			
6.6.1	<p>A published statement in local languages recognising freedom of association shall be available.</p> <p>- Major compliance –</p>	Recognizing of freedom association in "Kebebasan Berserikat", dated 01 March 2013 which stated the company recognizes the role of lawful and independent workers and employees representative organization in creating a constructive working environment.	Yes
6.6.2	<p>Minutes of meetings with main trade unions or workers representatives shall be documented.</p> <p>- Minor compliance –</p>	Meeting with the company and labour union is conducted regularly, the last meeting was conducted on 28 <sup>th</sup> – 31 <sup>st</sup> December 2014, attended 13 representatif of the company and labour union (attendance list, minutes meeting and photograph are available).	Yes
<b>Criterion 6.7</b>			
Children are not employed or exploited.			
6.7.1	<p>There shall be documentary evidence that minimum age requirements are met.</p> <p>- Major compliance –</p>	<p>PT TTI was established a policy related not to employ worker less than 18 years of age. PT TTI also has a specific procedure on worker recruitment Ref.GA 7 dated 19<sup>th</sup> September 1997.</p> <p>Based on document review of list of worker-February 2015 2014, it was not found workers hired by company less than 18 years old.</p>	Yes
<b>Criterion 6.8</b>			
Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.			

Criterion / Indicator		Assessment Findings	Compliance
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance –	The company has policy for equal opportunities, dated 01 march 2013 which stated that “Tidak akan mendiskriminasikan siapapun dalam hal penerimaan pekerja atau dalam kegiatan usahanya”	Yes
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance –	No discriminated was noted during audit, the company has implemented equal opportunity policy.	Yes
6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance –	The company has procedure hiring workers, dated 25 April 2007, regulated that hiring and promotion of workers based on skill, work experiences, interview/evaluation, and medical check up  The company is conduct evaluation of workers annually.	Yes
<b>Criterion 6.9</b>			
There is no harassment or abuse in the work place, and reproductive rights are protected.			
6.9.1	A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance –	Policy to prevent sexual harassment and reproduction right, dated 1 March 2013, stated that “The company commitment to prevent sexual harassment and reproductive rights as regulated in Indonesia law.	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.  - Major compliance –	Policy to prevent sexual harassment and reproduction right, dated 1 March 2013, stated that “The company commitment to prevent sexual harassment and reproductive rights as regulated in Indonesia law.  The company has established “Gender Committee” to prevent and resolve sexual harassment (if any), So far, no any sexual harassment was noted.	Yes
6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.  - Minor compliance –	A Procedures of sexual harassment by identifying type of harassment & report to Gender committee and investigation will be conducted by management team & if found guilty, disciplinary action will be taken	Yes
<b>Criterion 6.10</b>			
Growers and millers deal fairly and transparently with smallholders and other local businesses.			
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.  - Minor compliance –	N/A	Yes
6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation)  - Major compliance –	N/A	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	Based on interview with local contractors confirmed that contract understood by them and made fairly, legal and transparent.	Yes
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	Evidence of payment is reviewed and it was seen paid timely manner.	Yes
<b>Criterion 6.11</b> Growers and millers contribute to local sustainable development where appropriate			
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance –	The company has established CSR program 2015 for each estate, there are 9 item CSR for education, infrastructure, agriculture, sport facilities, social, etc.	Yes
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance –	In order to improve productivity of “Kebun Masyarakat Desa” – KMD, PT TTI is fully managing the oil palm plantation, supervised by a mandor KMD for each estate. For example, Bunga Tanjung Estate has 1 Mandor, responsible for management of 5 KMD located in Bunga Tanjung Estate totalling 71.54 Ha in Desa Bantal, Desa Pondok baru, Desa Neggalo, Desa Bunga Tanjung and Desa Nelan Indah.	Yes
<b>Criterion 6.12</b> 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 -	The company has established “Forced and trafficked labour” policy, dated 01 <sup>st</sup> March 2014 which stated commitment the company is not hiring forced and trafficked labour.	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Major compliance –	Based on document review and interview with workers and labour union, confirmed that no contract substitution was noted.	Yes
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented.  - Minor compliance –	The agreement for temporary workers is available and signed by workers.	Yes
<b>Criterion 6.13</b>			
<b>Growers and millers respect human rights</b>			
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1).  - Major compliance -	The company has established human rights policy, dated 01 <sup>st</sup> March 2014, stated that the company endorse implementation of human rights and ILO declaration regarding human rights principle.	Yes
<b>PRINCIPLE 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS (Not Applicable)</b>			
<b>PRINCIPLE 8: COMMITMENT TO CONTINUAL IMPROVEMENT IN KEY AREAS OF ACTIVITY</b>			
<b>Criterion 8.1</b>			
Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			

Criterion / Indicator		Assessment Findings	Compliance
8.1.1	<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of pesticides (Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);</li> <li>• Optimising the yield of the supply base;</li> </ul> <p>- Major compliance –</p>	<p>A continuous improvement plan has been prepared and internal audit conducted to identify environmental and social activities, such as:</p> <ul style="list-style-type: none"> <li>- Applied EFB as fertilizer, fibre and shell are burned in boiler for electricity, organic and an-organic from domestic waste is separated, where an-organic wastes go through to the landfill.</li> <li>- Continuing dispose hazardous waste to the approval collector.</li> <li>- Increasing planting beneficial plant.</li> <li>- etc</li> </ul>	Yes



### 3.2 Progress against Time Bound Plan

Name of company	Name of Mill	Location	Supply Base	Time Bound Plan	Target Year for RSPO
PT. Agro Muko	Muko Muko Mill	Mukomuko District, Bengkulu Province, Indonesia	Muko Muko estate, S. Betung estate, Tanah rekah estate, Talang Petai estate, S. Kiang estate and KMD	2011	Certified February 2011
	Bunga Tanjung Mill	Mukomuko District, Bengkulu Province, Indonesia	Bunga Tanjung estate, Air Bikuk estate, Air Buluh estate and KMD	2011	Certified February 2011
			PT. Mukomuko Agro Sejahtera: - Air Majunto estate - Malin Deman estate	2014	It will be certified in 2014 (it has been gone through RSPO NPP process, RSPO public notification on 10 <sup>th</sup> October 2010)
PT. Tolan Tiga	Perlabian Mill	Labuhan Batu Selatan District, North Sumatera, Indonesia	Perlabian estate and Tolan estate.	2010	Certified May 2010
PT. Eastern Sumatra Indonesia	Bukit Maradja Mill	Simalungun District, North Sumatera, Indonesia	- Bukit Maradja Estate (PT. ESI) - Kerasaan Estate (PT. Kerasaan Indonesia)	2010	Certified May 2010
PT. Umbul Mas Wisesa	Umbul Mas Wisesa Mill		UMW South estate, UMW North estate and Toton Usaha Mandiri estate	2014	Audited in May 2014
PT. Agro Kati Lama					Still developed (It has been RSPO NPP), RSPO public Notification on 31 <sup>st</sup> March 2014.
PT. Agro Rawas Ulu					Still developed (It has been RSPO NPP), RSPO public Notification on 31 <sup>st</sup> March 2014.
PT. Agro Muara Rupit					Still developed (It has been RSPO NPP), RSPO public Notification on 31 <sup>st</sup> March 2014.
Hargy Oil Palm Limited (HOPL)	Hargy Mill	East of Biialla, West New Britain Province, PNG	Hargy Estate	2009	RSPO Certified in April 2009
	Navo Mill	50 Kms East of BIialla, West New Britain Province, PNG	Navo Estate, Bakada Estate and Megen Estate	2009	RSPO Certified in April 2009
	Barema Mill	30 km East of Biialla, West New Britain Province, PNG	Barema Estate	2014	RSPO Certified in April 2014

**Auditor finding related time bound plan:**

There are 3 projects new acquisition land in South Sumatera, Indonesia and its have been gone through RSPO New Planting Procedures, the public notification was submitted and announced in RSPO website on 31<sup>st</sup> March 2014.

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

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

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

### 1.3 Details of findings

#### 3.3.1. Review of previous assessment finding.

##### 3.3.1.1. Major Nonconformities

There were 3 Major raised in previous assessment and it have been closed. No pending major NC from previous assessment

##### 3.3.1.2. Minor Nonconformities

Ref	Area/Process	Clause
1033270N1	Compliance with applicable laws and regulations	2.1.4
Scope	SPO 555208	
Details:	There is not adequate evidence Corporate Affairs Manager provide up-to-date information onto estates and mill related to relevant applicable laws including a new and amended regulations. Information update on new and amended regulations was provided by ENC Department, instead of Corporate Affairs Manager as written in procedure.	
Requirements:	A mechanism for ensuring that compliance with relevant legal requirements is implemented	
Objective Evidence:	Procedure "Compliance with regulation" No. CA/SOP/01, dated 1 November 2011, stating Corporate Affairs Manager responsible in providing information on issuance and/or amendment of law and government regulation to department head; Review on the List of regulation in Oil Palm sector was only cover all relevant regulation to environmental management.	
Actions:	The company has referred to the procedure if any new and or amendments regulation where it is evaluated and then, distributed to all operation units by Corporate Affairs Department, e.g. Amendment of "UU Perkebunan no. 39, year 2014", dated 26 December 2014.	
Closed?:	Yes	

Ref	Area/Process	Clause
1033270N2	Use of appropriate best practices by growers and millers	4.7.4
Scope	SPO 555208	
Details:	PT TTI does not perform regular health examination for workers in station or exposed to high risk work.	
Requirements:	Regular health examination by a doctor for workers in station or exposed to high risk work.	
Objective Evidence:	Interview and review on document found 1 (one) Perlabian Mill's operator of engine room never been gained a periodic audiometric test. He has been worked for the Mill more than 23 years at the engine room area.  Review on document of latest audiometric test during 2011-2013 found another engine room operator of Perlabian Mill gained Audiometric test on 2011 with no routine programme was provided.  Although the risk assessment (reviewed on 17 February 2014) had been identified engine room operator should receive a regular audiometric test.	
Actions:	The company has conducted audiometric test for their workers who are involved in high noise level in Perlabian Mill. The medical check up included audiometric test was conducted on 9th June 2014 by "Klinik Spesialis Anugerah Ibu – Pusat Pemeriksaan Kesehatan tenaga Kerja", e.g. Hendra B Siahaan (Operator Engine room).  The Medical Check up planning for 2015 for all SIPEF group is documented in "Jadwal periodic/Annual General Medical Check Up 2015", dated 1st February 2015. For the workers who	

	are involved in chemical substance, high vibration area, high noise, dust and smoke area.
Closed?:	Yes

Ref	Area/Process	Clause
1033270N3	Use of appropriate best practices by growers and millers	4.7.5
Scope	SPO 555208	
Details:	HIRADC is not accordance with SOP	
Requirements:	A documented risk assessment for Occupational Health and Safety (OHS).	
Objective Evidence:	<p>BME shows HIRADC, latest review and revision 15 October 2013, but the risk factor number calculation does not represent the current condition. Ex: eyes injured because palm debris, occurs in January – February 2014, the risk factor number calculation, esp. likelihood has not changed (2=sering),</p> <p>KRE: KRE has SOP for hazard identification and risk assessment No.TTI/PROS/IMP/03 dated 1 November 2009, stating the review once per year at minimum. The HIRADC has not been reviewed for more than one year, since the latest review was conducted on 16 February 2013.</p> <p>TLE: TLE need to update and revise HIRADC for risk likelihood analysis, taking into consideration the accident record.</p>	
Actions:	The company has updated and revised HIRADC consideration accident report.	
Closed?:	Yes	

Ref	Area/Process	Clause
1033270N4	Use of appropriate best practices by growers and millers	4.7.5
Scope	SPO 555208	
Details:	Several Mill's activities and work accidents records were not taken into consideration in the risk assessment	
Requirements:	A documented risk assessment for Occupational Health and Safety (OHS).	
Objective Evidence:	<p>The risk assessment for Perlabian mill was ineffective and did not identify a several activities of OHS issues which were sighted during this assessment, for instance:</p> <ul style="list-style-type: none"> <li>- The use of gloves by sorting officer at the FFB reception station is working with hook</li> <li>- Work accidents that befall to Perlabian Mill's electrician a burns in his left arms had to be hospitalized. Accident was happened on February 27, 2014 and not yet considered into risk assessment review.</li> <li>- a potential risk of compressor that can be exploded in sterilizer station has not analyzed how much risk and how to control.</li> <li>- no evidence of risk assessment result in the methane capture area particularly within the chimney combustion of CO2 disposal.</li> </ul>	
Actions:	<p>Company has revised the Risk assessment documents with consideration of some issues raised during the audit last year. The latest revision was on 13 February 2015. Field inspection confirmed the implementation has been appropriate.</p> <ul style="list-style-type: none"> <li>- Risk assessment for sorting officer at FFB reception has been equipped with rubber gloves to avoid hand injury. Site visit confirmed during audit.</li> <li>- To provide proper rubber gloves for Electrical maintenance during work.</li> <li>- Risk assessment on the sterilizer compressor has been reviewed and engineering design (i.e. safety valve) is control point to avoid explosion.</li> <li>- Risk assessment in methane capture area for chimney combustion to avoid fire is provision of fire extinguisher near to area.</li> </ul>	
Closed?:	Yes	

**3.3.1.2. Observation was raised in previous assessment**

Type	Area/Process	Clause
Observations	RSPO P & C, INA-WG 2008 Principle 4. Use of appropriate best practices by growers and millers	4.7.1
Details:	TLE need to monitor the consistency of PPE usage in workshop area	
Action	The company has monitored the consistency of PPE usage in all areas, included in Workshop area. During field visit, it was found that the employees use PPE properly.	

Type	Area/Process	Clause
Opportunity for improvement	RSPO P & C, INA-WG 2008 Principle 5: Environmental responsibility and conservation of natural resources and biodiversity.	5.3.2
Details:	Care should be taken to identify and control source of pollution in washing bay (such as oil drip from wash water) located in central workshop BME. The washing bay needs to equip with hard floor and oil trap. Management need to prepare the HSD oil second containment/safety bund in BME, KRE, PLE with safety valve.	
Action	The company has improved their second containment in all estates.	

Type	Area/Process	Clause
Observations	RSPO P & C, INA-WG 2008 Principle 5: Environmental responsibility and conservation of natural resources and biodiversity.	5.3.3
Details:	PLE: 1. Clinic need to minimize the storage time of medical waste prior to incineration; 2. PLE need to consistently record the 90 days on hazardous waste balance (Neraca Limbah B3). TLE: Clinic needs to minimize the storage time of medical waste prior to incineration.	
Action	The company has considered for storage time hazardous waste and medical waste.	

Type	Area/Process	Clause
Observations	RSPO P & C, INA-WG 2008 Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and mills	6.2.1
Details:	PT TTI has procedures regarding information request and grievance/complaint. Those procedures have been implementing, such as recording of information request and response, grievance and complaint, resolving of grievance/complaint and the company has conducted consultation and communication with local communities; however company consider recording all information in minutes of meeting.	
Action	The company has recorded minutes of meeting for consultation and communication with local communities	

Type	Area/Process	Clause
Observations	RSPO P & C, INA-WG, 2008 Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and mills	6.8.1
Details:	The company has equal opportunity policy "Kebijakan Persamaan Kesempatan kerja", dated 01 March 2013 and implemented this policy through announcement of job vacancy by internet, the company can consider to provide job vacancy announcement in local notice board since not all local communities has internet access.	
Action	The company has communicated and announced job vacancy to the villages surrounding company	

Type	Area/Process	Clause
Observations	RSPO P & C, INA-WG, 2008 Principle 8: Commitment to continuous improvement in key areas of activity	8.1.1
Details:	Continuous Improvement Plan has been implemented and periodically monitored, through internal audits. However, PT TTI could consider to detailing the plan and target achievement in the Continuous Improvement Plan.	
Action	The continous improvement plan has been monitored periodically.	

### 3.3.2. Nonconformities and Observation Was Raised during this surveillance

#### 3.3.2.1. Major Non-Conformities

There was one Major NC was raised during this re-certification, as follows:

Ref	Area/Process	Clause
1149548M1	PRINCIPLE 1. Commitment to Transparency	RSPO P & C, Generic Standard, 2013 - Indicator 1.1.2
Scope	SPO 555208	
Details:	The company has not determined timeframe for response request information from stakeholders.	
Requirements:	Records of requests for information and responses shall be maintained	
Objective Evidence:	Based on public consultation with the Environmental Agency (BLH - Badan Lingkungan Hidup Kab. Labuhan Batu Selatan) and document review, it was found there is a request information from BLH Kab. Labuhan Batu Selatan related developing "Ruang Terbuka Hijau" (Green Zone Area) within the company area is not responded since the letter no. 660/669/BLH/I/2013, dated 21st October 2013.	
Action	The company has determined timeframe to respons stakeholders request information as regulated in the updated procedure "Pemberian Tanggapan atas Permintaan Informasi" no. ENC/SOP/08, Rev. 2, dated 6 April 2015.  <b>This Major NC has been closed on 5 May 2015</b>	
Closed?	Yes	

#### 3.3.2.2. Minor Non-Conformities

There were 2 minor non-conformities raised during this re-certification

Ref	Area/Process	Clause
1149548N1	PRINCIPLE 6. RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLERS	RSPO P & C, Generic Standard 2013, indicator 6.1.4
Scope	SPO 555208	
Details:	The company has conducted periodic evaluation of Social Impact Assessment, however impact to the local communities related replanting and maintain boundary drain activities has not evaluated yet.	
Requirements:	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.	

Objective Evidence:	Public Consultation with Environmental Agencies (BLH Kab. Labuhan Batu Selatan) and document review of RKL RPL Period II, 2014.
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Ref	Area/Process	Clause
1149548N2	PRINCIPLE 2.	RSPO P & C, Generic Standard, 2013 - Indicator 2.1.3
Scope	SPO 555208	
Details:	Mechanism of compliance to relevant regulation was not effectively implemented.	
Requirements:	A mechanism for ensuring compliance shall be implemented.	
Objective Evidence:	<p>Company has developed a mechanism for ensuring compliance to regulation as stated in document CA/SOP/1 issued date 1st November 2011 (Prosedur Informasi Perubahan Undang-Undang dan Peaturan Pemerintah).</p> <p>Procedure has regulated each of operation unit head shall be monitored and visited site location to check implementation of regulation.</p> <p>However, based on field inspection to central workshop of Perlabian Estate, it was found some activities were not consistently complied with relevant regulation, such as:</p> <ul style="list-style-type: none"> <li>- electrical lifting crane was not fulfilled the requirements of Permenaker No.5 Year 1985 in term of Lifting and Carries Instruments (Pesawat Angkat dan Angkut) and Permenaker No.9 Year 2010 in term of Qualification for Lifting and Carries instruments operator (Operator Pesawat Angkat dan Angkut), example: formal endorsement and routine monitoring from government have not been conducted; the operator has not passed an formal examination conducted by Labour Department.</li> <li>- Air compressor was not met the requirements of Permenaker No.1 Year 1982 in term of Pressure Vessel (Bejana Tekan), example: formal endorsement and routine monitoring from government have not been conducted.</li> </ul> <p>Furthermore, based on field inspection to Perlabian mill, it was found a operator who responsible for turbine has not met the requirements of Permenaker No. 1 Year 1988 in term of Qualification for Steam Machinery operator (Kualifikasi Operator Pesawat Uap), example: he has not passed an formal examination conducted by Labour Department)</p>	

### 3.3.2.3 Observation

There were 4 Observations and one Opportunity for Improvement raised during this re-certification.

Type	Area/Process	Clause
Observations	PRINCIPLE 4. USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS	RSPO P & C, Generic Standard 2013 Indicator 4.7.6
Details: <b>Obs.1</b>	<p>1. The company has conducted medical checkup for workers who are involved in chemical substances and others risk areas (e.g. high noise area). It's nice to be considering general medical checkup for all workers</p> <p>2. It's need to be considered loose fruit collector (harvester's wife who is assist her husband) is registered in social insurance (Jaminan Tenaga Kerja) formally.</p>	

Type	Area/Process	Clause
Observations	PRINCIPLE 4. USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS	RSPO P & C, Generic Standard 2013 Indicator 4.7.3
Details: <b>Obs. 2</b>	Attention should be taken for an operator who is responsible in material store of Perlavian Estate in particular provision of appropriate PPE when handling lubricant oil according to Material Safety Data Sheet rules.	

Type	Area/Process	Clause
Observations	PRINCIPLE 4. USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS	RSPO P & C, Generic Standard 2013 Indicator 4.7.5
Details: <b>Obs. 3</b>	<p>1. Care should be taken on the mechanism of routine check for first aid equipments to ensure all medicines are appropriately available and ready to use. Some first aid kits were observed at the Mill and Estate found insufficient routine checks have been done. Furthermore, it was found during interview with material store keeper at Perlavian estate has not gained training in first aid.</p> <p>2. Evacuation signage to assembly point should be clearly provided in some locations such as Mill's site location and office areas, Estate's office workshop areas, and worker housing compounds of mill and estates</p>	

Type	Area/Process	Clause
Observations	PRINCIPLE 2.	RSPO P & C, Generic Standard, 2013 Indicator 2.1.1
Details: <b>Obs. 4</b>	It was observed permits of midwife and nurses were expired and still in progress for renewal. Sample taken at Polyclinic of Perlavian Estate and Polyclinic of Tolan Estate, the permits were expired on 18 August 2014.	

Type	Area/Process	Clause
Opportunity for improvement	PRINCIPLE 4. USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS	RSPO P & C, Generic Standard 2013 Indicator 4.6.5
Details: <b>OFI. 1</b>	Opportunity for improvement of emergency shower and eye wash at the Mill and Estates. Field inspection to chemical storage and chemical mixing area found improper shower and eye wash tools were provided. It was observed that the tools could not be properly used if any accident happened due to chemicals caused.	

### 3.3. Positive Finding

Positive Findings	
PF	Description
1	Continuing EFB applied as fertilizer, fibre and shell are burned in boiler for electricity, organic and an-organic from domestic waste is separated, where an-organic wastes go through to the landfill and hazardous waste is disposed to the register collector.
2	Increasing beneficial plant and barn owl to reduce chemical pesticides usage.

### 3.4. Issues raised by Stakeholders.

The BSI has conducted interview with stakeholders during audit and also public announcement in RSPO website on 24<sup>th</sup> February 2015 for stakeholder's comments, no any comments was received within 30 days public announcement in RSPO website.



During stakeholder interviews, the BSI auditor has contacted and interview stakeholders as listed below:

No.	Name	Institution
1	Mr. Drs. KJH	Kepala Badan Lingkungan Hidup, Kab. Labuhan Batu Selatan
2	Mr. Ir. RR, MT	Asisten II, Kabupaten Labuhan Batu Selatan
3	Mrs. Hj. UH	Kabid PDL, BLH Kab. Labuhan Batu Selatan
4	Mr. FAS	Kabid PPH, BLH Kab. Labuhan Batu Selatan
5	Mr. DW, SP	Dinas Kehutanan dan Perkebunan, kab. Labuhan Batu Selatan
6	Mr. S	Dinas Tenaga Kerja dan Transmigrasi, Kab. Labuhan Batu Selatan
7	Mr. AS	Labour Union Leader of "SPTTM"
8	Mrs. NS	Gender Committe Member
9	Mr. RN	Village Head of Tolan
10	Mr. UY	Village Head of Air Merah
11	Mr. IL	Village Head of Perlabian

Stakeholders comments were received during stakeholders meeting and company response as listed below:

Issues raised by Stakeholders			
No.	Stakeholder comments	Company Response	Auditor Finding
1.	The company send "Environmental Report" to local and national authority regularly and consistently.	Positive comment	Postive comment
2.	The company is not aware if any inspection of Environmental Monitoring by BLH officer in particular mill and less participating in any activities was conducted by BLH.	The Environmental officer visiting and others related local and national authority will take over by GMO – NS Department to ensure that all Authority officers able to access for inspection, both in Mill and estates.	Comment accepted and it will be verified in the next surveillance.
3.	The company has not response request information from BLH related Ruang Terbuka Hijau (Gree Zone Area)	The company has delivered to the GMO, however not response yet to the BLH	Auditor has raised Major NC in this re-certification (see 3.3.2.1 - Major NC in indicator 1.1.2 above) and company has taken action and its has been closed out.
4.	The company has not ensured that contamination caused Efflued pipe leakage in 2013 can handle properly and prevent the repetition in the future	The company has established procedure of Environmental Incident Investigating and Reporting as procedure "Penyelidikan dan Pelaporan Insiden Lingkungan" and Work Instruction of Hazardous waste spillage emergency in "Istruksi Kerja Tanggap Darurat Terhadap Tumpahan Limbah". This procedure and Work Intruction will be sent to the BLH	Comment accepted, it will be verified in next surveillance audit.

5.	There is an incident in Boundary trench where a child fell into and fatality	There was no noted incident in Boundary trenches within the company area and investigations reveal no such fatality occurred	Comment accepted, the auditor also has confirmed to the Head of Village during consultation with them, it was no noted an accident in Boundary trenches within company area was happened and caused a child fell and fatality.
6.	The company is ot allowed livestock in their plantation	The company has "Zero Cow" policy, however the company has socialized this policy to the local communities surrounding company, e.g. socialization on 17 <sup>th</sup> May 2014, 27 <sup>th</sup> ovember 2014 and 24 <sup>th</sup> March 2015.	Comment accepted
7.	No response related request from local government for road maintenance from "Simpang Tolan" to "Tg. Medan" yet.	Estate has delivered this request information to the Head Office and it has been agreed by Head Office and its will be executed in the near future.	Comment accepted, however the auditor has raised Major NC as above related frametime to response request information. It will be verified during next surveillance
8.	The company has implemented minimum wages ar regulated by government, social insurance (BPJS) for all workers, preparing and workers using PPE, routine medical check up for all workers, approved OHS committee, and not noted disputes between workers and company.	Positive Comment	Positive Comment
9.	The company has been response request from local communities for road maintenance surrounding company	Positive comment	Positive comment
10.	Boundary trenches nearby access main road and settlement	The company has coomunicated to the local communities related boundary trenches.	The auditor raised Minor NC (as Minor NC above). The company has not conducted evaluation related social impact for local communities yet. It will be verified in the next surveillance.

**3.5. Status of Non Conformities**

<i>Reference</i>	<i>Category</i>	<i>ISSUED</i>	<i>CLOSED</i>
AT 01 – 4.1.3	Minor	20/03/2010	13/05/2011
AT 02 – 4.3.2	Minor	20/03/2010	13/05/2011
AT 03 – 4.4.2	Minor	20/03/2010	13/05/2011
AT 04 – 4.7.5	Minor	20/03/2010	13/05/2011
AT 05 – 5.2.4	Minor	20/03/2010	13/05/2011
AT 06 – 5.3.3	Minor	20/03/2010	13/05/2011
AT 07 – 6.1.4	Minor	20/03/2010	13/05/2011
AT 08 – 6.9.3	Minor	20/03/2010	13/05/2011
AT 01 – 4.7.8	Minor	13/05/2011	18/05/2012
AT 02 – 5.6.3	Minor	13/05/2011	18/05/2012
AT 03 – 6.1.2	Minor	13/05/2011	18/05/2012
AT 04 – 6.5.4	Minor	13/05/2011	18/05/2012
A727870/1	Minor	18/05/2012	05/06/2013
A727870/2	Minor	18/05/2012	05/06/2013
A727870/3	Minor	18/05/2012	05/06/2013
A727870/4	Minor	18/05/2012	05/06/2013
970260N0	Minor	05/06/2013	15/03/2014
970260N1	Minor	05/06/2013	15/03/2014
032936M0	Major	15/03/2014	14/05/2014
1032936M16	Major	15/03/2014	14/05/2014
1032936M27	Major	15/03/2014	14/05/2014
1032936N1	Minor	15/03/2014	01/04/2015
1032936N11	Minor	15/03/2014	01/04/2015
1032936N25	Minor	15/03/2014	01/04/2015
1032936N26	Minor	15/03/2014	01/04/2015
1032936N28	Minor	15/03/2014	01/04/2015
1149548M1	Major	01/04/2015	05/05/2015
1174416N1	Minor	01/04/2015	“Open”
1149548N1	Minor	01/04/2015	“Open”

**Section 4. Acknowledgemnt of Assessment Finding**

Acknowledgement of Assessment Findings	Report Prepared by
<b>Name:</b> Mr. Oliver Tichit	<b>Name:</b> Haeruddin
<b>Company name:</b> PT. Tolan Tiga Indonesia	<b>Company name:</b> PT. BSI Indonesia
<b>Date:</b> 11 <sup>th</sup> May 2015	<b>Date:</b> 11 <sup>th</sup> May 2015
<b>Title:</b> Director	<b>Title:</b> Lead Auditor
<b>Signature:</b> 	<b>Signature:</b> 

*Appendix "A"*  
*RSPO Certificate Details*

PT. Tolan Tiga Indonesia  
Gedung Bank Sumut Lt.7  
Jl. Imam Bonjol 18  
20152 Medan, North Sumatera  
Indonesia  
Website: www.tolantiga.co.id

Certificate Number : SPO 555208  
Date of Certificate : 17<sup>th</sup> May 2015  
End of certificate : 16<sup>th</sup> May 2020

Applicable Standards: RSPO Principles & Criteria, Generic Standard, 2013;  
RSPO SCCS Standard, 2014 - Supply Chain Certification requirement for CPO Mills  
Module D – Identity Preserved (IP)

<b>PERLABIAN PALM OIL MILL AND SUPPLY BASE</b>				
Location Address		Desa Perkebunan Perlabian, Kec. Kampung Rakyat, Kab. Labuhanbatu Selatan 21463, Prov. Sumatera Utara, Indonesia		
GPS Location		2 <sup>0</sup> 3' 40.98" N 100 <sup>0</sup> 4' 52.4 E		
CPO Tonnage Total		44,744 MT		
PK Tonnage Total		10,700 MT		
Own estates FFB Tonnage		194,538 MT		
Estates	Mature (ha)	Immature (ha)	Total land-use titles (ha)	Annual FFB Production (mt)
Perlabian Estate	4,055.00	427.38	4,767.76	94,556
Tolan Estate	3,614.15	0.00	3,672.04	99,982
<b>Total</b>	<b>7,669.15</b>	<b>427.38</b>	<b>8,439.80</b>	<b>194,538</b>

*Appendix "B"*  
*Audit plan*

<b>AUDIT AGENDA</b>					
Date	Time	Description	Haeruddin	Aryo Gustomo	Nanang Muallib
Sunday, 29/03/2015		Travelling Perlanaan Train Station – Rantau Prapat	√	√	√
Monday, 30/03/2015	08.00 – 09.00	Opening Meeting: Presentation by PT. TTI Presentation by BSI Indonesia	√	√	√
	09.00 – 12.00	<b>Perlabian Mill (Document Review):</b> General information, time bound plan and partial certification verification) and <b>RSPO P &amp; C</b>	√		
		<b>Perlabian Mill (Field visit):</b> Worker and staff interviews (OSH, contract, salary), housing complex, clinic, PPE, safe working environment, walk ways, signs, EFB. POME treatment, emissions, diesel tanks, fire extinguishers, first aiders and boxes, workshop, storage, etc.		√	
		<b>Stakeholder Interview:</b> Local Government in Labuhan Batu Selatan District (BPN, Disnakertrans, Disbun and BLH)			√
	12.00 – 14.00	Break/Lunch			
	14.00 – 16.30	<b>Perlabian POM (Document Review)</b> RSPO P & C	√		
<b>Perlabian POM (Document Review)</b> RSPO SCCS			√		
<b>Stakeholder Interview:</b> Local Government in Labuhan Batu Selatan District (BPN, Disnakertrans, Disbun and BLH) - Continued				√	
Tuesday, 31/03/2015	08.00 – 12.00	<b>Perlabian Estate: Field Visit</b> Herbicide application programmes, harvesting, fertilising operations, HCV's/conservation areas, riparian zones, water management, road maintenance, terracing, boundary stones, etc.	√		
		<b>Perlabian Estate: Field Visit</b> Storage, workshop, diesel tanks, landfill, housing complex, and other facilities in line-site, etc.		√	
		<b>Interview with stakeholders:</b> Workers (Spraying team and harvester team) + <b>Doc. Review</b>			√
	12.00 – 14.00	Lunch			

AUDIT AGENDA					
Date	Time	Description	Haeruddin	Aryo Gustomo	Nanang Muallib
	12.00 – 14.00	<b>Perlabian Estate: Field Visit</b> Herbicide application programmes, harvesting, fertilising operations, HCV's/conservation areas, riparian zones, water management, road maintenance, terracing, boundary stones,etc. (Continued) + <b>Doc. Review</b>	√		
		<b>Perlabian Estate: Field Visit</b> Storage, workshop, diesel tanks, landfill, housing complex, and other facilities in line-site, etc. (Continued) + <b>Doc. Review</b>		√	
		<b>Interview with stakeholders:</b> Workers (Labour Union and gender Committee) + <b>Document Review</b>			√
Wednesday, 01/04/2015	08.00 – 12.00	<b>Tolan Estate: Field Visit</b> Herbicide application programmes, harvesting, fertilising operations, HCV's/conservation areas, riparian zones, water management, road maintenance, terracing, boundary stones,etc.	√		
		<b>Tolan Estate: Field Visit</b> Storage, workshop, diesel tanks, landfill, housing complex, and other facilities in line-site, etc.		√	
		<b>Interview with stakeholders:</b> NGO and Local Communities			√
	12.00 – 14.00	Lunch			
	14.00 – 16.30	<b>Tolan Estate: Field Visit</b> Herbicide application programmes, harvesting, fertilising operations, HCV's/conservation areas, riparian zones, water management, road maintenance, terracing, boundary stones,etc. (Continued) + <b>Doc. Review</b>	√		
		<b>Tolan Estate: Field Visit</b> Storage, workshop, diesel tanks, landfill, housing complex, and other facilities in line-site, etc. (Continued) + <b>Doc. Review</b>		√	
		<b>Interview with stakeholders:</b> NGO and Local Communities (Continued) + Doc. review			√
	16.00 – 16.30	Preparing Closing Meeting			
	16.30 – 17.30	Closing Meeting			
	Thursday, 02/04/2015	08.45 – 10.00	Travelling Rantau Prapat – Medan by Train (Sribilah utama)	√	√
		Stay overnight in Medan (Swiss Bell Hotel)	√	√	√
Friday, 03/04/2015	10.00	Flight Medan - Jakarta	√	√	√

*Appendix "C"*  
*RSPO SCCS PT. Tolan Tiga Indonesia – Identity Preserved (IP)*

<b>Criterion D.3. Documented procedures.</b>			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
3.1	The site shall have written procedures and/or work instructions to ensure implementation of all the elements specified in these requirements. This shall include at minimum the following:		
	a. Complete and up to date procedures covering the implementation of all the elements in these requirements.	<i>The company has update the procedure as documented in "Rantai Pasok dan Mampu Telusur (Supply Chain and Traceability Procedure), no. ENC/SCC/01, rev. 3, dated 26<sup>th</sup> March 2015</i>	Yes
	b. The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.	<i>The responsible person in charge to the supply chain system as regulated in procedure are Marketing Manager, Mill and estates Manager.</i>	Yes
3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	<i>The documented procedures for receiving and processing certified and non-certified FFB are included in the Supply Chain Management Guideline, however no any non certified FFB was received in Perlabian Mill.</i>	Yes

<b>Criterion D.4. Purchasing and goods in.</b>			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
4.1	The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received	<i>The company has separated FFBs certified and non-certified in the system, however record showing that all FFB received is FFB certified due to the company using "Segregation" model and become IP now, due to new incoming RSPO SCCS standard, 2014.</i>	Yes
4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage	<i>There is no projected over production in Perlabian mill.</i>	Yes

<b>Criterion D.5. Record Keeping</b>			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
5.1	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.	<i>There are records in place which are complete, up to date and accurate for all requirements from receiving FFB certified form estates and smallholders, receiving FFB in mill through weight-bridge system,</i>	Yes



		<p><i>and dispatch CPO and PK with balancing stock monthly and three monthly basis. Those are documents, such as:</i></p> <ol style="list-style-type: none"> <li><i>1. Surat Pengantar Barang/SPB (FFB Delivery Note).</i></li> <li><i>2. Surat penerimaan FFB di Weighbridge (WB receiving FFB).</i></li> <li><i>3. Daily, monthly and three monthly report for receiving FFB, CPO and PK produced and despatch, balancing stock.</i></li> <li><i>4. Purchasing order (PO).</i></li> <li><i>5. Contract</i></li> <li><i>6. Invoice</i></li> <li><i>7. Annual report.</i></li> <li><i>8. Etc.</i></li> </ol>	
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**Criterion D.6. Processing.**

	Requirement	Evidence	Compliance
6.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage.	<i>The company only produced CPO and PK certified from their certified source and keep segregated during transported and stored.</i>	Yes
6.2	The objective is for 100 % segregated material to be reached.	<i>No any contamination with non certified CPO and PK (100 % produced certified CPO and PK)</i>	Yes

**Certified Mill Production in the previous year**

MILL	CAPACITY	CPO (tonnes)	PK (tonnes)
Perlabian POM	60 tones/hour	48,503	9,374

**Certified FFB received Monthly in previous year**

Month	Perlabian Estate	Tolan Estate	Total FFB/Month
January 2014	7,013	7,176	14,190
February 2014	5,798	6,506	12,304
March 2014	6,897	6,870	13,767
April 2014	6,289	6,983	13,272
May 2014	6,141	7,328	13,469
June 2014	7,497	8,138	15,635
July 2014	7,808	8,655	16,463
August 2014	10,187	10,658	20,844
September 2014	7,465	8,439	15,904
October 2014	7,451	7,556	15,006
November 2014	6,554	6,691	13,246
December 2014	6,513	6,919	13,432
<b>TOTAL</b>	<b>85,613</b>	<b>91,919</b>	<b>177,532</b>

**Sales of CPO and PK certified by etrace**

No.	Date	Name of buyer	CPO (Tonnes)	PK (Tonnes)
1	September 2014	PT. B	-	49
2	Ocktober 2014	PT.B	-	873
3	November 2014	PT. A/PT. C	-	811
4	December	PT. C	-	701
	<b>Total</b>		-	2,434

*Note: Buyer name is under's client confedential disclosure*

*Appendix "D"*  
*Abbreviation used*

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