

**RSPO PRINCIPLE AND CRITERIA
– ANNUAL SURVEILLANCE ASSESSMENT 1.1
Public Summary Report**

PT. Inti Indosawit Subur
Client company Address: Jl. M.H Thamrin No.31 Jakarta 10230 Indonesia
Certification Unit: Buatan I Palm Oil Mill Location of Certification Unit: Pelalawan Regency and Siak Regency, Riau Province Indonesia

TABLE of CONTENTS

Page N°

Section 1: Scope of the Certification Assessment.....	3
1. Company Details	3
2. Certification Information.....	3
3. Location(s) of Mill & Supply Bases	3
4. Description of Supply Base	4
5. Plantings & Cycle.....	4
6. Certified Tonnage.....	5
Section 2: Assessment Process	6
1. Assessment Program.....	7
Section 3: Assessment Findings	9
3.1 Details of audit results are provided in the following Appendix:	9
3.2 Progress against Time Bound Plan	9
3.3 Details of findings.....	11
3.3.1 Status of Nonconformities Previously Identified and Observations.....	21
3.3.2 Summary of the Nonconformities and Status.....	24
Acknowledgement of Assessment Findings.....	25
Appendix A: Summary of Findings.....	26
Appendix B: Approved Time Bound Plan	139
Appendix C: Certification Unit RSPO Certificate Details.....	142
Appendix D: Assessment Plan.....	143
Appendix E: Stakeholders Contacted	145
Appendix F: CPO Mill Supply Chain Assessment Report (Module E - CPO Mills: Mass Balance)	146
Appendix G: Location Map of Certification Unit and Supply bases.....	150
Appendix H: Estate Field Map	152
Appendix I: List of Abbreviations Used	153

Section 1: Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	1-0022-06-000-00	Date	6 th February 2006
Company Name	PT. Inti Indosawit Subur – Buatan I Palm Oil Mill		
Address	Head Office: Jl. M.H Thamrin No.31 Jakarta 10230, Indonesia Site Location: Pelalawan and Siak Regency, Riau Province, Indonesia		
Subsidiary of (if applicable)	PT. Inti Indosawit Subur		
Contact Name	Mrs. Asrini Subrata		
Website	www.asianagri.com	E-mail	asrini_subrata@asianagri.com
Telephone	+62 21 23201119	Facsimile	+62 21 2301120

2. Certification Information			
Certificate Number	RSPO 638918	Date	16/09/2010
Scope of Certification	Production of CPO an PK at Buatan I Palm Oil and FFB supplied from 1 (one) company own estate namely Buatan I Estate (Division I, II, and III) and 4 (four) Cooperatives of scheme smallholders. Capacity 90 tonnes FFB/hour		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
ID05/65250	ISO 14001:2004	SGS	10 th June 2017
EU-ISCC-Cert-DE100-20162840	ISCC EU	SGS	2 nd February 2017

3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Buatan I Palm Oil Mill	Delik and Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau Province, Indonesia	101 ^o 49'30" E	0 ^o 26'04" N
Buatan Estate (Division I, II, III)	Delik and Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau Province, Indonesia	101 ^o 49'06" – 101 ^o 53'05" E	0 ^o 25'46" – 0 ^o 30'37" N

RSPO Public Summary Report
Revision 3 (July /2016)

KUD Bhakti Mandiri	Bukit Harapan Village, Kerinci Kanan District, Siak Regency, Riau Province, Indonesia	101°47'47.2" E	0°29'16.0" N
KUD Jaya Makmur	Kumbara Utama Village, Kerinci Kanan District, Siak Regency, Riau Province, Indonesia	101°47'31.4" E	0°29'56.8" N
KUD Sumber Rejeki	Bukit Agung Village, Kerinci Kanan District, Siak Regency, Riau Province, Indonesia	101°48'49.6" E	0°25'50.3" N
KUD Sejahtera	Makmur Village, Kerinci Kanan District, Siak Regency, Riau Province, Indonesia	101°50'07.5" E	0°25'28.9" N

4. Description of Supply Base							
Estate	Mature (ha)	Immature (ha)	Infrastructure & Other (ha)	HCV area (ha)	Total Planted (ha)	Total Hectarage	% of Planted
Buatan Estate (Division I, II, III)	1,975	32	134	55.56	2,007	2,141	93.7
KUD Bhakti Mandiri	980	0	0	0	980	980	100
KUD Jaya Makmur	920	0	0	0	920	920	100
KUD Sumber Rejeki	820	0	0	0	820	820	100
KUD Sejahtera	976	0	0	0	976	976	100
Total	5,671	32	134	55.56	5,703	5,837	97.7

Note:

- The immature area in Buatan Estate was replanting program;
- HCV area was located within planted area;
- FFB production from Buatan Estate, Division I, II, III was supplying to Buatan I Palm Oil Mill. The FFB production from other Division was supplying to Buatan II Palm Oil Mill.

5. Plantings & Cycle								
Estate	Age (Years)					Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (Sept 2015 – Aug 2016)	Actual (Sept 2015 – Aug 2016)	Forecast (Sept 2016 – Aug 2017)
Buatan Estate (Division I, II, III)	32	0	0	1,486	489	42,548	41,130	52,087
KUD Bhakti Mandiri	0	0	0	418	562	22,593	16,852	23,052
KUD Jaya Makmur	0	0	0	622	298	21,414	15,767	21,427
KUD Sumber Rejeki	0	0	0	820	0	18,960	14,292	19,650
KUD Sejahtera	0	0	0	976	0	20,932	14,925	19,953
Total	32			2,836	860	125,907	102,966	136,169

6. Certified Tonnage									
Mill	Estimated (Previous Year)			Actual (This Year)			Forecast (Next Year)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Buatan I Palm Oil Mill	125,907	26,359	6,241	102,966	21,273	5,165	136,169	28,068	6,877
Total	125,907	26,359	6,589	102,966	21,273	5,165	136,169	28,068	6,877

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: RSPO-ACC-19)
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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (RSPO-ACC-19) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Singapore, Jakarta, Bangkok and Australia which involve in RSPO Certification Program.

Assessment Methodology, Programme, Site Visits

The on-site initial assessment was conducted from 07/18/2016 – 07/23/2016. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO P&C Generic 2013 and RSPO SCCS 2014 were used as Checklists and questionnaires were used to guide the collection of information to assess compliance. A reference to RSPO Scheme Smallholder 2009 was also made for guidance for scheme smallholder practices. The comments made by external stakeholders were also taken into account in the assessment.

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

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

RSPO Public Summary Report

Revision 3 (July /2016)

All the previous nonconformities are remains closed. The assessment findings for the annual surveillance assessment are detailed in Section 3.3.

This report is structured to provide a summary of assessment finding as attached in the Appendix A. The assessment was based on random samples and therefore nonconformities may exist that have not been identified. The sample for smallholder member was based on formula $N = 0.8\sqrt{y}$. Audit team came up with 35 sampled smallholder, which further stratified and proportioned from two (2) cooperatives.

This annual surveillance assessment led by Haeruddin (qualified lead auditor) and report finalised by team member Pratama Sedayu (qualified lead auditor). This report was internally reviewed by internal reviewer prior to certification decision by BSI.

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

1. Assessment Program					
Name (Mill / Supply Base)	Year 1	Year 2	Year 3	Year 4	Year 5
Buatan I Palm Oil Mill	X	X	X	X	X
Buatan Estate	X	X	X	X	X
KUD Bhakti Mandiri	-	X	-	X	-
KUD Jaya Makmur	X	-	X	-	X
KUD Sumber Rejeki	X	-	X	-	X
KUD Sejahtera	-	X	-	X	-

Tentative Date of Next Visit: July 17, 2017 - July 22, 2017

Total No. of Mandays: 21

BSI Assessment Team:

Haeruddin – Lead Assessor

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

Pratama Agung Sedayu – Team Member

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

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**RSPO Public Summary Report
Revision 3 (July /2016)**

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

Nanang Mualib – Auditor (Team member)

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

Bukti Bagja – Auditor (Team member)

He graduated from Bogor Agriculture University on 2000, Forestry Faculty and a Master of Science degree from University of Indonesia majoring in Environmental Sains on 2011. He involved in RSPO certification since 2010 as a team member covering assessment against RSPO P&C in Indonesia and Malaysia. He completed the ISO 9001 Lead Auditor Course, ISPO Lead Auditor endorsed Course, RSPO Lead Auditor Course, AMDAL A and B Course. During this assessment, he assessed on the aspects of OHS and EMS as well as scheme smallholder assessments.

Accompanying Persons: Nil

Section 3: Assessment Findings

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

- PT. Inti Indosawit Subur Time Bound Plan
- RSPO Group Certification Standard 2010 Checklist
- RSPO Independent smallholders INA-SWG 2010 Checklist
- RSPO P&C for Smallholders TH-WG 2012 Checklist
- RSPO P&C GN-NIWG 2010 Checklist
- RSPO P&C Generic 2013 Checklist
- RSPO P&C PNG-NIWG 2008 Checklist
- RSPO P&C SI-NIWG 2010 Checklist
- RSPO P&C TH-WG 2011 Checklist
- RSPO Scheme Smallholders INA-SWG 2009 as Guidance
- RSPO Smallholders Guidance MY-NIWG 2010 Checklist
- RSPO Supply Chain Certification Checklist on November 2014
- RSPO P&C MYNI- 2014 endorsed by BOG on March 2015

3.2 Progress against Time Bound Plan

Time Bound Plan		
Requirement	Remarks	Compliance
Summary of the Time Bound Plan		
Does the plan include all subsidiaries, estates and mills?	PT. Inti Indosawit Subur has explained the certification plan for all of its subsidiaries; indicating all palm oil mills, company-owned estates and scheme smallholder as the supply base.	Comply
Is the time bound plan challenging? <ul style="list-style-type: none"> • Age of plantations. • Location. • POM development • Infrastructure. • Compliance with applicable law. 	The time bound plan is challenging. PT. Inti Indosawit Subur demonstrate progress overtime. The age of plantation was generally mature. All of plantation has been incorporated with palm oil mill to process the FFB produced. The location of plantation was covering three provinces in Sumatera Utara Province, Riau Province and Jambi Province – Indonesia.	Comply
Have there been any changes since the last audit? Are they justified?	No changes.	Comply
If there have been changes, what circumstances have occurred?	No changes.	Comply

Have there been any stakeholder comments?	Yes, there was a report related to company's supply chain. Company has released official response. BSI was notified and provided response to this matter. BSI has also provided response to this matter.	Comply
Have there been any newly acquired subsidiaries?	There are no newly acquired subsidiaries.	Comply
Have there been any isolated lapses in implementation of the plan?	No isolated lapses. Company managed to demonstrate commitment to certify all of palm oil mill and supply base.	Comply
Un-Certified Units or Holdings		
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Yes. PT. Inti Indosawit Subur – Ukui I POM conducted internal audit.	Comply
No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	In area where BSI conducted audit, there are no replacement/conversion of primary forest after November 2005.	Comply
Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	There is no new planting after January 1 st , 2010.	Comply
Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	No more land compensation.	Comply
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	No labor dispute noted. This was based on stakeholder interview with worker union in each company. In addition, audit team found the same based on stakeholder interview with "Dinas Tenaga Kerja" on each regency audited.	Comply
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Yes. PT. Inti Indosawit Subur – Ukui I POM conducted internal audit.	Comply
Any Legal non- compliance is being resolved in accordance with the legal requirements, with	PT. Inti Indosawit Subur – Buatan II POM having its supply base, KKPA Buatan, in process to obtain the land title.	Comply

reference to RSPO criteria 2.1 and 2.2.		
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3.3 Details of findings

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

During the Certification Assessment there were three (3) Major & four (4) Minor nonconformities raised. The PT. Inti Indosawit Subur – Buatan I Palm Oil Mill Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted. The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment.

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1	<p>Requirements 1357969M1 RSPO P&C Generic 2013 indicator 4.6.5 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>Evidence of Nonconformity According to action plan of Smallholder Office, chemical spraying for all scheme smallholder under Buatan I POM will be handled by PT. Inti Indosawit Subur's resources through company's spraying team.</p> <p>However, during field visit to KUD Sejahtera, KT 110, block 241x (owned by Mr. S) and block 241x (owned by Mr. M), audit team found that there are several smallholder farmers who conducted spraying by themselves. There was no evidence of consideration regarding safety aspect of spraying activities, as well as appropriate control on ex-chemical container.</p> <p>Statement of Nonconformity During this annual surveillance assessment, audit team found some of the smallholder performed weed control/spraying themselves. Based on interview with the smallholder farmer, they cannot demonstrate sufficient evidence being provided with adequate training, using appropriate safety and application equipment when performing spraying with gramoxone (active ingredient: paraquat).</p> <p>In previous assessment, audit team raised as observation "Observation noticed on communication of the use of PPE to smallholder at KUD Jaya Makmur whose performing spraying/weed control by themselves could be improved". Lack of evidence scheme smallholder management took effective corrective action plan to address previous observation. Therefore, audit team escalated into (major) non-conformity.</p>	Major

	<p>Corrective Action: Smallholder Manager was able to demonstrate:</p> <ul style="list-style-type: none"> - Buatan I POM and the scheme smallholder management has identified smallholder member that performing spraying themselves in each "Kelompok Tani"/smallholder group; - Buatan I POM and the scheme smallholder management has conducting socialization to smallholder member, including those who had performing spraying themselves; with regards to pest and disease in oil palm plantation, integrated pest management, risk and hazard in application of agrochemical, the use of herbicide for weed control, health and safety concerns during application of herbicide, environmental concerns during application of herbicide, etc. - Buatan I POM and the scheme smallholder management has asked and persuaded the smallholder performing spraying themselves to join PT. Inti Indosawit Subur's plan to use spraying team for the purpose of control on dosage of chemical used, control of equipment used, control of affected target species and weed management program, control the health, safety and environmental aspect during herbicide application. The smallholder management was also explaining the benefit from using company's service such as: proper dosage, concern on health and safety, consideration to environment, safe handling of empty herbicide container. - Buatan I POM and the scheme smallholder management has prepared schedule for "Tim Unit Semprot"/spraying team with weed management program for all smallholder member; - Buatan I POM and the scheme smallholder management has prepared a monitoring plan to control the spraying activities in each "kelompok tani"/smallholder group; <p>NCR Close Out Visit on September 6, 2016 Based on the filed visit in KUD Sejahtera-SP 6 (KT 116) and KUD Mandiri Bhakti-SP 3 (KT 53):</p> <ul style="list-style-type: none"> - Interviews with land owners in KUD Sejahtera-SP 6 (KT-116, namely mr S) and KUD Mandiri Bhakti F-SP 3 (KT- 53, namely Mr SS) both did not conduct spraying themselves. Last spray application in March 2016 - Foremans of KUD Sejahtera-SP 6 nemely Mr. "R" and KUD Bhakti SELF-SP 3 namely Mr. "Y" has carried out inspections and daily supervision to ensure the land is not done spraying themselves. If the condition is found land spraying themselves will be recorded on the "Report of Spray Program & Realization". Based on the verification of these records, there were no reports of farmers who have land do spraying Themselves - Sample Evidence has been collected: Berita Acara Kesepakatan Bersama Pemakaian TUS dan Pupuk Rekomendasi, Laporan Program & Realisasi Semprot Gawangan, Laporan Program & Realisasi Semprot Piringan SP 3 Notulen Penyuluhan Semprot (TUS) Dan Pemupukan Tahap II 	
	<p>Status: Close on 06/09/2016.</p>	
Non-Conformity		
NCR #	Description	Category (Major / Minor)
2	Requirements 1357969M2	Major

<p>RSPO P&C Generic 2013 indicator 4.7.1 A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p>		
<p>Evidence of Nonconformity Program, Objective and Target for Health and Safety for Buatan Estate was made available. However; - Company's health and safety program for plantation did not consider risk assessment result to improve condition on high risk level activity such as: Fresh Fruit Bunches loading and fertilizer application. - Health and safety program was not reflecting compliance evaluation against the health and safety regulations as lined out in the health and safety policy. Company policy point 3 stated "Committed to implement and maintain occupational health and safety management system in compliance with national and international applicable regulation". Health and safety program was not included relevant health and safety regulation update and review.</p>		
<p>Statement of Nonconformity Buatan Estate was not able to demonstrate sufficient evidence implementation of appropriate health and safety program.</p>		
<p>Corrective Action: - Buatan Estate has reviewed and revise the risk assessment; - Buatan Estate has reviewed and revise the health and safety program, as in the "Program P2K3 Buatan Estate"; - Buatan Estate has reviewed the list of health and safety regulation; - As a corrective action plan, Buatan Estate will perform monitoring through regular health and safety meeting.</p> <p>P2K3 has prepared a program for the identification and evaluation of regulatory compliance related to HSE, are recorded in "Evaluasi Kepatuhan Hukum IIS KBN, Up dated August 2016. Such as in meeting of P2K3 on August 15, 2016 as held discussions related "Permenaker Nomor 9 Tahun 2016 Tentang Keselamatan dan Kesehatan Kerja dalam Pekerjaan pada Ketinggian. Evaluation: has done.</p> <p>Sample evidence has been collected: Analisa Resiko Buatan Rev 1 - to date 31 August 2016 Evaluasi Kepatuhan Hukum IIS KBN 2016 Notulen Rapat P2K3, 15 Agustus 2016 Program Management K3- Kebun Buatan 2016</p>		
<p>Status: Close on 06/09/2016.</p>		
Non-Conformity		
NCR #	Description	Category (Major / Minor)
3	<p>Requirements 1357969M3 RSPO P&C Generic 2013 indicator 4.7.3 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</p>	Major

<p>operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p>	
<p>Evidence of Nonconformity During field visit into Buatan I POM and Smallholder farmer's block, some workers did not use appropriate protective equipment as lined out in risk assessment: - Engine Room operator (Mr. J) used earplug when working in location with high noise level; while risk assessment recommended earmuff; - Two harvesters in KUD Bhakti Mandiri, KT38 (Mr. BDI cs), did not use helmet when performing harvesting activities; - Wheeler/FFB loading worker in KUD Sejahtera, KT 168, block number 1770 did not use safety shoes;</p>	
<p>Statement of Nonconformity Some worker at Buatan I POM and smallholder farmers block did not follow safe working practice in the use of protective equipment, as lined out in risk assessment, as well as health and safety program.</p>	
<p>Corrective Action: Buatan I POM: - Buatan I POM has reviewed the procedure and implementation on use of protective equipment in palm oil mill activities. Based on the review, management identified the cause was because the lack of disciplinary and monitoring in the use of protective equipment among mill workers. - Provision of earmuff for engine room operator evident. - Buatan I POM monitors the use of protective equipment. Monitoring of protective equipment used in Buatan I POM by safety officer through random inspection. Inspection of protective equipment sighted on 08/08/2016 and 10/08/2016.</p> <p>Smallholder: - Smallholder management of PT. Inti Indosawit Subur has identified the underlying cause in the absence of protective equipment by harvester and wheeler in smallholder blocks. - Smallholder management identified some of harvester and wheeler was not registered by the KUD/cooperative; - Smallholder management registered all harvester and wheeler in KUD Bhakti Mandiri and KUD Sejahtera. Smallholder manager then provided all harvester and wheeler in KUD Bhakti Mandiri and KUD Sejahtera with training on health and safety procedure for harvesting; - Smallholder manager provided all harvester and wheeler provided with appropriate protective equipment for harvesting activity such as helmet; As a corrective action, monitoring of protective equipment used by harvester and wheeler in scheme smallholder blocks by field supervisor.</p> <p>Based on the field visit in KUD Sejahtera-SP 6 (KT 116) and KUD Mandiri Bhakti-SP 3 (KT 53): - Harvesters in KUD Sejahtera-SP 6 (KT 116, namely Mr M) and KUD Mandiri Bhakti-SP 3 (KT 53, namely Mr Po) has been using PPE such as helmets, gloves of Egrek, and boots pull. - The foreman also has to check the completeness of the PPE for harvester during morning assembly and during field work supervision. Monitoring these checks available in the "Checklist APD Harvesters". Based Verification Checklist document APD Harvesters SP-3 and SP-6, in the month of August 2016 harvest officers have been using PPE.</p>	

RSPO Public Summary Report
Revision 3 (July /2016)

	<p>- `Interview with harvesters namely Mr M (KT 116) and Mr Po (KT 53) has stated that the use of PPE has been provided by the company. Sample evidence taken:</p> <ul style="list-style-type: none"> - Checklist APD Pemanen SP. 3 Bulan Agustus 2016, - Checklist APD Pemanen SP. 6 Bulan Agust 2016 	
	<p>Status: Close on 06/09/2016</p>	
Non-Conformity		
NCR #	Description	Category (Major / Minor)
1	<p>Requirements 1357969N1 RSPO P&C Generic 2013 indicator 4.6.10 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>Evidence of Nonconformity According to action plan of Smallholder Office, chemical spraying for all scheme smallholder under Buatan I POM will be handled by PT. Inti Indosawit Subur, through company's spraying team.</p> <p>However, observed in field visit at KUD Sejahtera, KT 110, block 241x (owned by Mr. S) and block 241x (owned by Mr. M) that there are several smallholder farmer who conducted spraying by themselves. There was no sufficient evidence of appropriate control on ex-chemical container, as well as consideration regarding safety aspect of spraying activities.</p> <p>Statement of Nonconformity During this annual surveillance assessment, audit team found some of the smallholder farmer in KUD Sejahtera performed weed control/spraying by themselves. Based on interview with the smallholder farmers, they cannot demonstrate knowledge and understanding related to procedure for proper disposal of waste material; training provided to smallholder member on proper waste disposal. Lack of evidence that smallholder farmers whose performed weed control/spraying themselves are able to demonstrate implementation of proper ways for waste material according to procedures.</p> <p>In previous assessment, audit team raised as observation "Majority of farmer members are using "Team Unit Semprot/TUS" spraying service in performing weed control/spraying. However, based on interview with sampled smallholder farmer, some of them performed weed control by themselves, have not attended training, and disposed off the empty container on the field and/or use it for cattle manure". Lack of evidence scheme smallholder management took effective corrective action plan to address previous observation. Therefore, audit team escalated into non-conformity.</p>	Minor
Non-Conformity		
NCR #	Description	Category (Major / Minor)

RSPO Public Summary Report
Revision 3 (July /2016)

<p>2</p>	<p>Requirements 1357969N2 RSPO P&C Generic 2013 indicator 4.7.6 All workers shall be provided with medical care, and covered by accident insurance.</p> <p>Evidence of Nonconformity KUD Sejahtera/Cooperative has not provides accident insurance for their worker.</p> <p>Statement of Nonconformity Cooperative has not provides accident insurance for the worker.</p>	<p>Minor</p>
Non-Conformity		
<p>NCR #</p>	<p>Description</p>	<p>Category (Major / Minor)</p>
<p>3</p>	<p>Requirements 1357969N3 RSPO P&C Generic 2013 indicator 5.1.3 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>Evidence of Nonconformity PT. Inti Indosawit Subur - Buatan has reporting the implementation of environmental management and monitoring plan (Laporan Pelaksanaan Rencana Pengelolaan Lingkungan-Rencana Pemantauan Lingkungan/RKL/RPL) to relevant authorities. Based on document review upon report of the implementation of environmental management and monitoring plan (Laporan Pelaksanaan Rencana Pengelolaan Lingkungan-Rencana Pemantauan Lingkungan/RKL/RPL) period of second half 2015. There was not sufficient evidence the implementation report have collected information, reviewed and reported the following impact: - Social aspects (perception, jealousy, etc) that should be monitored through participatory ways; - Community's health in village surrounding the estate; - Appropriate evidence of management plan for aquatic biota;</p> <p>Statement of Nonconformity There was not sufficient evidence the implementation of environmental management and monitoring report (Laporan Pelaksanaan Rencana Pengelolaan Lingkungan-Rencana Pemantauan Lingkungan/RKL/RPL) has collected information, reviewed and reported the social and environmental impact as required in the environmental management and monitoring matrix plan.</p>	<p>Minor</p>
Non-Conformity		
<p>NCR #</p>	<p>Description</p>	<p>Category (Major / Minor)</p>
<p>4</p>	<p>Requirements 1357969N4 RSPO P&C Generic 2013 Indicator 5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate</p>	<p>Minor</p>

tools.	
Evidence of Nonconformity The company cannot demonstrate monitoring of GHG based on reporting using appropriate tools (Palm GHG).	
Statement of Nonconformity Company cannot demonstrate monitoring of GHG based on reporting using appropriate tools (Palm GHG)	

Observation	
OBS #	Description
1	<p>RSPO P&C Generic 2013 indicator 4.4.1 KUD Bhakti Mandiri and KUD Sejahtera presented the water management plan. The plan has been implemented. "Rencana dan Realisasi Penyusunan Pelapah Letter U", frond stacking for 75 smallholder blocks. "Rencana dan Realisasi Perawatan Teresan sebagai Sarana Konservasi Tanah dan Air serta Upaya Pencegahan Erosi" Terrace rehabilitation for 48 smallholder blocks (5.22%). Smallholder management to consistently implementing spraying distance from water body to avoid spraying too close to water body/drainage.</p>
2	<p>RSPO P&C Generic 2013 indicator 4.7.2 Risk assessment for plantation operation in Buatan Estate have been reviewed and updated. The latest review and revision on HIRADC dated 12/31/2015. Risk assessment has identified hazard and risk from office activities, infrastructure construction activities, warehouse and workshop related activities, harvesting and FFB loading activities, fertilizer and spraying activities. Subsequent risk assessment review includes hazard and risk from activity such as replanting activities, boundary poles monitoring, HCV monitoring and land application maintenance. To improve the accuracy of risk level calculation related to FFB harvesting activity.</p>
3	<p>RSPO P&C Generic 2013 indicator 4.7.4 Buatan I POM managed their hazardous waste accordingly. Buatan I POM collected all hazardous waste from estate and mill into temporary hazardous waste storage in central workshop compound. The temporary hazardous waste storage has valid permit. The hazardous waste then sent for disposal with licensed contractor. Record of transporting seen: "Bukti Pengiriman dan Surat Jalan Limbah B3 PT. Inti Indosawit Subur kepada PT Shali Riau Lestari" – transport manifest dated 04/02/2016, hazardous waste store sent 21 drums used oil, 2.5 drums filters, 40 drums empty herbicide containers, 2 drums old jerry can, 0.2 drums medical waste, 0.2 drum contaminated rags, 16 pieces old battery; transported via PT. Shali Riau Lestari. Buatan I POM was encouraged to improve safety awareness and monitoring of use of ex-chemical container in worker housing.</p>
4	<p>RSPO P&C Generic 2013 indicator 6.9.3 Based on interview with female workers, understanding on company policy related to protection of reproductive right and protection against sexual harassment is sufficient. To improve female fertilizer worker's understanding on gender committee's role and grievance mechanism when reporting (any) case related to sexual harassment.</p>

Positive Findings	
PF #	Description
1	Company demonstrated attention to the development and capacity building of scheme smallholder.
2	PT. Inti Indosawit Subur – Buatan demonstrated commitment to prevent and (if necessary) tackle incident related to land and forest fire. Company equipped the fire fighting team with system and fire fighting equipment for land and forest fire.

Issues raised by Stakeholders
<p>Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss PT. Inti Indosawit Subur – Buatan I Palm Oil Mill Certification Unit’s environmental and social performance, legal and any known dispute issues.</p> <p>Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. These have been incorporated into the assessment findings.</p> <p>Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E.</p>

IS #	Description
1	<p>Issues</p> <p>Gender Committee PT. Inti Indosawit Subur – Buatan Group</p> <ul style="list-style-type: none"> - All female worker in sprayer team and fertilizer team shall join pregnancy test in company clinic, once a month. - Regular gender committee meeting on 3-monthly basis with focus to communicating roles and responsibilities for gender committee, understanding the definition of sexual harassment in work place. Communicating specific grievance mechanism to handle and resolve sexual harassment case. - There has been no report logged in to committee related to sexual harassment and/or violence. - There is no indication that company practising sexual harassment, no indication of gender discrimination, no indication of human right violation, and forced labour. - Company has implemented the policy related to protection reproductive right; such as not hiring female for work activity with high risk; monthly pregnancy test for sprayer and fertilizer applicator; 6-monthly check up for sprayer and fertilizer applicator. - The status of all female sprayer and fertilizer applicator are permanent worker. - The status for some of manual maintenance worker (majority female) is temporary worker. <p>Management Responses</p> <ul style="list-style-type: none"> - Management will strive to continue and improve the positive practices in implementing company commitment towards health and safety, and upholding the human rights. - Management acknowledged the status of temporary worker, and does not implicate in violation of the law. There has been proposal to upgrade the status into permanent worker. Company already conducted assessment and performance evaluation onto temporary workers so that they can be permanent worker. This was done in accordance to company regulation. <p>Audit Team Findings</p>

	<p>Audit team appreciates the positive feedback from gender committee/workers and will continuously review company performance and commitment with regards to health and safety, human rights and industrial relationship.</p>
<p>2</p>	<p>Issues Serikat Pekerja PT. Inti Indosawit Subur – Buatan Group (Worker Union)</p> <ul style="list-style-type: none"> - Worker salary has followed minimum wage as lined out by Riau Province government for year 2016. - There is a collective working agreement between company and employee. - Company has provided all normative rights for employee, such as salary as lined out in minimum wage for province level, leave entitlement, employees registered with social insurance for worker (BPJS), benefit for religious festival, provision of facilities (housing, electricity, clean water, medical clinic, school/school bus, worship house, personal protective equipment, working tools, etc.). - Company has provided regular medical check up for workers in high risk such as sprayer team, fertilizer applicator, workshop worker and mill operators. - Company and employee has agreed to established bi-partite organization to resolve issued related to industrial relationship; the organization has been registered to "Dinas Tenaga Kerja Kabupaten Pelalawan". Meeting between company and employee conducted whenever issues occurred and requires discussion. - All operators whose working in specific station has been trained and provided with operator license, such as welding operator, generator set operator, boiler operator, heavy machinery operator, etc. - Company has provided health and safety training and provided first aid kit to field supervisor/mandor. - Company has a policy to prohibit the recruitment of employee under 18 years old, including family worker in all operation. - Company has a policy to protect human rights and prohibit all kind of discrimination of gender. So far there is no report from employee related to discrimination or human right violation. - Company has a policy to protect flora and fauna. - Company does not use migrant worker and prohibit force labour. - Company using worker with temporary status for manual maintenance and nursery. <p>Management Responses</p> <ul style="list-style-type: none"> - Management will strive to continue and improve the positive practices in implementing company commitment towards health and safety, and upholding the human rights. - Management acknowledged the status of temporary worker for manual road maintenance, beneficial plant maintenance, and Buatan Estate's nursery. This practice does not implicate in violation of the law as the nature of the work is periodic need. This hiring practice was done in accordance to company and government regulation. <p>Audit Team Findings</p> <p>Audit team appreciates the positive feedback from worker union/representative and samples of worker and will continuously review company performance and commitment with regards to health and safety, best management practices, human rights and industrial relationship.</p>
<p>3</p>	<p>Issues Local contractors</p> <ul style="list-style-type: none"> - Local contractors have a working agreement with 3 months time-frame, while the other contractor has a work agreement since November 2015. - There is no bribery in contractor activities. - The payment upon work made by PT. Inti Indosawit Subur is in accordance with working agreement. - Local contractor has understood the content of the contract, which regulates right and obligation for each party. A number of detail has also followed: age of worker, social insurance for contractor worker (BPJS), tax payment, and health and safety requirement. - Contractor said there has never been a meeting between local contractor and company in order to increase/capacity building for contractors. <p>Management Responses</p> <ul style="list-style-type: none"> - Company will consider the input and continue to achieve positive output, in cooperation with local

	<p>contractors.</p> <ul style="list-style-type: none"> - Company appreciate the contractor feedback with regards to code of conduct in business practices. <p>Audit Team Findings Audit team appreciates the positive feedback from local contractors. Audit team will continuously review company performance and commitment with regards to local and community development.</p>
4	<p>Issues NGO Laskar Anti Korupsi Indonesia (local)</p> <ul style="list-style-type: none"> - Company has fairly good communication with stakeholders. - There has been no report/complaint logged in related to negative impact from company operation: pollution, human right violation, including negative impact from replanting activity. <p>Management Responses Company acknowledge the comment and always receive input from related stakeholders.</p> <p>Audit Team Findings Audit team acknowledge the feedback from NGO.</p>
5	<p>Issues Dinas Perkebunan Kabupaten Pelalawan – Plantation Agency Pelalawan District</p> <ul style="list-style-type: none"> - Company was late in submitting the plantation report (Laporan Perkembangan Usaha Perkebunan/LPUP) period first semester 2016. - There was issue related to request from community for company to release cemetery land and request for company to release land for marketplace development. - In general the way company communicating with plantation agency is fairly good – need to improve. <p>Management Responses</p> <ul style="list-style-type: none"> - Company admitted there was delay in preparing and filling the database for “Laporan Perkembangan Usaha Perkebunan” for first semester 2016. However, company actioned the case to immediately submit the report to Dinas Perkebunan Pelalawan. - Company has never received any information with regards to cemetery land. Company will follow up. - Most of deceased family member was brought back to their home town. <p>Audit Team Findings Audit team will continuously review company performance and commitment with regards to fulfillment of report obligation. Audit team cross-checking with local communities and no information on the matter. Audit team will follow up information related to cemetery during subsequent assessment.</p>
6	<p>Issues Dinas Tenaga Kerja Kabupaten Pelalawan – Manpower Agency Pelalawan District</p> <ul style="list-style-type: none"> - Company has provided all normative rights for employee, such as salary as lined out in minimum wage for province level, leave entitlement, employees registered with social insurance for worker (BPJS), benefit for religious festival, provision of facilities (housing, electricity, clean water, medical clinic, school/school bus, worship house, personal protective equipment, working tools, etc.). - There was no report/complaint logged in related to discriminative action by company. There was no report/complaint logged in related to the use of child worker/under age worker. - Company has submitted health and safety performance report regularly to the manpower agency. - Company has conducted machinery test in regular basis as per relevant regulation. - Machinery operators have been trained and issued with operator license (Surat Izin Operator/SIO), however, never reporting “Buku Kerja Operator” to manpower agency. - Complaint received from worker union related to medical service provided by “BPJS Kesehatan”, in particular medical treatment service from hospital/clinic where no cooperation with BPJS. - There was still an issue related to the use of informal worker (without direct work agreement) for loose fruit collector. - There was once industrial dispute related to employee mutation, which considered as intimidation from company to employee.

	<p>Management Responses</p> <ul style="list-style-type: none"> - Company has cooperation with a number of clinic and hospital, using the platform of BPJS such as Efarina Hospitel. - Company acknowledged there was family member requested by the husband (worker) to help in collecting loose fruit. However, company has communicating the policy to the workers that this practices was not recommended. - Mutation of workers has been regulated in Collective work agreement, based on manpower requirement and operational requirement. <p>Audit Team Findings</p> <ul style="list-style-type: none"> - Audit team will continuously review company performance and commitment with regards to fulfillment of social insurance obligation. - Audit team has reviewed the case and the collective work agreement. Audit team will continuously review commpany's performance in industrial relationship and hiring practice.
<p>7</p>	<p>Issues Dinas Koperasi Kabupaten Pelalawan – Cooperative Agency Pelalawan District</p> <ul style="list-style-type: none"> - Dinas Koperasi is responsible to the organizational and administrative status of cooperatives under its territory. - KUDs does have a good organizational structure and administration, as per "Undang-undang No.25 tahun 1992." - The authority related to KKPA is lies within Dinas Perkebunan (Izin Prinsip, Izin Lokasi, Daftar Calon petani dan Calon Lahan). <p>Management Responses Company acknowledge the comment from Cooperative Agency.</p> <p>Audit Team Findings Audit team acknowledge the feedback from Cooperative Agency and continue to monitor cooperative/smallholder performance.</p>
<p>8</p>	<p>Issues Badan Lingkungan Hidup Kabupaten Pelalawan – Environmental Body Pelalawan District</p> <ul style="list-style-type: none"> - Company has revised the AMDAL document. - Company has an environmental document related to development of biogas plant and kernel crushing plant. - Replanting activity has been covered in environmental management and monitoring plan. - Company has consistently reporting the environmental management: Laporan RKL-RPL, Laporan Pengelolaan Limbah B3, Laporan Pemanfaatan Limbah Cair. - Inner plastic bag of fertilizer categorised as hazardous waste, because issued with MSDS. <p>Management Responses Company acknowledge the comment and always monitoring in environment</p> <p>Audit Team Findings Audit team acknowledge the comments and will monitor company performance, with regards to handling of inner plastic bag of fertilizer.</p>

3.3.1 Status of Nonconformities Previously Identified and Observations

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

<p>1</p>	<p>Requirements: 1222272N1 RSPO P&C Generic 2013 - Indicator 4.7.5 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>Evidence of Nonconformity: Trained first aider is available for Clinic attendant (Ms. Dahlia Sari Agustina and Ms. Supriani). However, the trained first aider have not granted with license from relevant authorities.</p> <p>Statement of Nonconformity: Licensed first aider has not been made available in PT. Inti Indosawit Subur – Buatan I POM and Buatan estate.</p> <p>Corrective Action: Company has submitted corrective action plan (CAP) to auditor. The CAP had been reviewed and accepted. First aid officer at mill polyclinic (Mrs. MSS) has attended official first aid training conducted by Authorized Trainer (PT. Jesindo Mandiri as) on behalf of Ministry of Labour. The training was held on February 2016 at Asian Agri Grup Office, Pelalawan, Riau. The officer also holds Hyperkes certificate from Ministry of Labour, issued in year 2013. Licensed first aider under name Mrs.DSA, as approved by "Dinas Tenaga Kerja dan Transmigrasi Kabupaten Pelalawan", Lisensi No.566/DTKT-WAS/LC/P3K/101 valid from 07/01/2015 until 07/01/2018.</p> <p>Status: NC Minor closed.</p>	<p>Minor</p>
Non-Conformity		
<p>2</p>	<p>Requirements: 1222272N2 RSPO P&C Generic 2013 - Indicator 4.8.2 Records of training for each employee shall be maintained.</p> <p>Evidence of Nonconformity: Review on Training Record 2015 for Mill and Estate, it was found incomplete training record for each employee in the Estate.</p> <p>Statement of Nonconformity: The company has a training record for each employee, however it was found incomplete training record for each employee in the Estate.</p> <p>Corrective Action: Company has submitted corrective action plan (CAP) to auditor. The CAP had been reviewed and accepted. Buatan Estate: Record training for each employees is recorded in "Personal Data Training", e.g. Mr.Sahidan (operator Alat Berat) was attended "Sertifikasi Operator</p>	<p>Minor</p>

	<p>Pesawat Angkut dan Angkat" in 02/04/2016 by vendor "Jesindo Mandiri"; Mr.Afriando Flora Kirnando (Asisten Afdeling III) has attended 4 trainings: Habit & Behaviour Planter dated 02/03/2015; Training "Refreshing Hama Penyakit" on 04/29/2015; Hatch & Carry on 10/01/2015; "Refresh Pemupukan" on 12/15/2015.</p>	
	<p>Status: NC Minor closed.</p>	

Observation	
OBS #	Description
1	<p>RSPO P&C Generic 2013 - Indicator 2.1.3 Company should ensure a mechanism to check legal compliance through internal audit is effectively implemented, for instance checking on First Aid box in the mill were not fully complied with relevant regulation. Follow up action: Company has implemented internal audit and the review of laws and regulations in consistent manner. Monitoring of first aid boxes conducted consistently.</p>
2	<p>RSPO P&C Generic 2013 - Indicator 2.2.2 Care should be taken on the consistently implementation of the plan for provision and maintenance of legal boundary within smallholder plots. Follow up action: Boundary within smallholder plots are clearly identified during audit team's visit onto sampled smallholder plantation.</p>
3	<p>RSPO P&C Generic 2013 - Indicator 4.1.2 - Field visit to selected smallholder plots (e.g. plot number 2087/KT103, 2174/KT103, 1726/KT100, 1815/KT100, 1940/KT65; under KUD Sumber Rezeki) found sporadic heavy frond and hanging frond. Scheme smallholder management has planned on July-December 2015 for progressive pruning this year . Follow up for pruning is encouraged. - Improvement encouraged for weed control management in some smallholder areas (e.g. plot number 2080/KT103, 2087/KT103, 1726/KT100, 1815/KT100; under KUD Sumber Rezeki). Follow up action: Pruning of oil palm has follow the best management practives. Weed control management improved, based on field visit to sampled smallholder plantation.</p>
4	<p>RSPO P&C Generic 2013 - Indicator 4.6.5 Observation noticed on communication of the use of PPE to smallholder at KUD Jaya Makmur whose performing spraying/weed control by themself could be improved. Follow up action: Inconsistencies identified during this ASA1.1 visit. Audit team escalated into major non-conformity.</p>
5	<p>RSPO P&C Generic 2013 - Indicator 4.6.10 Majority of farmer members members are using "Team Unit Semprot/TUS" service in performing weed control/spraying. However, based on interview with sampled farmer, they performing weed control by themselves, have not attended training, and disposed off the empty container on the field and/or use it for cattle manure. Control of proper disposal needs to improve.</p>

	<p>Follow up action: Problem found to be continuously identified during this ASA1.1 visit. Audit team escalated into minor non-conformity.</p>
6	<p>RSPO P&C Generic 2013 - Indicator 4.7.1 Health and safety management program could improve by putting the area for harvesting activities as part of priority; to put the plan for licensed first aid officer, annual medical check-up as part of program. Safety officer should closely monitor the implementation of annual medical check-up plan for all worker at estate. Follow up action: Inconsistencies identified during this ASA1.1 visit. Audit team escalated into major non-conformity.</p>
7	<p>RSPO P&C Generic 2013 - Indicator 4.7.3 Observation noticed on communication of the use of PPE to smallholder at KUD Jaya Makmur whose performing spraying/weed control by themselves could be improved. Follow up action: Inconsistencies identified during this ASA1.1 visit. Audit team escalated into major non-conformity.</p>
8	<p>RSPO P&C Generic 2013 - Indicator 4.7.5 The emergency procedure (i.e. emergency shower and eye wash) for chemical handling at Mill's lubricant and chemical storages could be improved. Follow up action: Action has been taken to improve the condition of emergency procedure equipment at mill premise.</p>
9	<p>RSPO P&C Generic 2013 - Indicator 5.3.3 KUD Jaya Makmur could improve the practiced disposal of plastic bag from fertilizer bag; to be collected and sent for Buatan I hazardous waste storage. Follow up action: Disposal of plastic bag from fertilizer bag on smallholder's plantation has improved.</p>

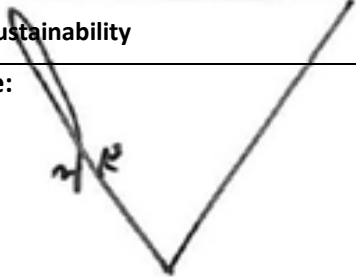

3.3.2 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1222271M1 – 4.7.3	Major	08/01/2015	Closed 09/01/2015
1222271N1 – 4.7.5	Minor	08/01/2015	Closed 07/30/2016
1222271N2 – 4.8.2	Minor	08/01/2015	Closed 07/30/2016
1357969M1 – 4.6.5	Major	07/30/2016	Closed 09/06/2016
1357969M2 – 4.7.1	Major	07/30/2016	Closed 09/06/2016
1357969M3 – 4.7.3	Major	07/30/2016	Closed 09/06/2016
1357969N1 – 4.6.10	Minor	07/30/2016	Open
1357969N2 – 4.7.6	Minor	07/30/2016	Open
1357969N3 – 5.1.3	Minor	07/30/2016	Open
1357969N4 – 5.6.3	Minor	07/30/2016	Open

RSPO Public Summary Report
Revision 3 (July /2016)

Assessment Conclusion and Recommendation:

Based on the findings during the assessment of PT. Inti Indosawit Subur – Buatan I Palm Oil Mill Certification Unit and supply base complies with the RSPO P&C 2013, and the RSPO Supply Chain Certification Standard (Nov 2014) for CPO Mill. It is recommended that the certification of PT. Inti Indosawit Subur – Buatan I Palm Oil Mill Certification Unit is approved and continued.

Acknowledgement of Assessment Findings	Report Prepared by
Name: Welly Pardede	Name: Haeruddin (finalised by Pratama Agung Sedayu)
Company name: PT. Inti Indosawit Subur	Company name: BSI Services Malaysia Sdn Bhd
Title: Head of Sustainability	Title: Lead Auditor
Signature:  Date: 10th October 2016	Signature:  Date: 10th October 2016

Appendix A: Summary of Findings

Criterion / Indicator	Assessment Findings	Compliance
Principle 1: Commitment to Transparency		
<p>Criterion 1.1: Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</p>		
<p>1.1.1</p> <p>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>Buatan Estate and Mill: The company has made a mechanism for request information no.: AA-GL-5008.1-R1 dated on 22nd August 2011. The company has owned some policies for documents created by the public relations department in the company and acknowledged by plantation manager that can be accessed by public dated 12th September 2014 that covered:</p> <ul style="list-style-type: none"> a. Legal Documents <ul style="list-style-type: none"> 1. a copy of SK HGU (Land Title) 2. a copy of AMDAL (Social and Environmental Impact Assessment) b. Environment Documents <ul style="list-style-type: none"> 1. Waste management plans 2. Report of waste water 3. Report of water management 4. Report of river water quality 5. Report of air quality. 6. Report of RKL (Environmental Management Plan) – RPL (Environmental Monitoring Plan). 7. Report of Hazardous Waste c. Social Activity Documents d. Employment Documents <ul style="list-style-type: none"> 1. Jamsostek 2. HSE management programmes <p>Scheme Smallholders: Scheme Manager cooperated with scheme smallholders has provide list of documents able to acces by their stakeholders, such as: copy of land rights, "Akte Pendirian Koperasi", Tanda Daftar Perusahaan/TDP (<i>Registered KUDs permit</i>), Rencana Kerja KUD (KUDs budget) consist of projection FFB and operational cost), monitoring of IPM, fertilizing and harvesting), accident record, OHS Manual. Scheme Smallholders also has procedure for communication, complaint and dispute as documented in "Mekanisme Komunikasi dan Komplain".</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>1.1.2</p> <p>Records of requests for information and responses shall be maintained.</p> <p>-Major compliance</p>	<p>Buatan Estate and mill: Request Information and response from Stakeholder is documented into a log book</p> <ul style="list-style-type: none"> - "Permintaan Informasi - Buatan", there was 23 information requests based on regulation have been reported to the government. - "Laporan permintaan Informasi Lain – Group Buatan" there were noted 16 information requests up to May 2016 from Stakeholder, e.g. from "BPPD Kabupaten Pelawan tentang permintaan informasi Rencana CSR tahun 2016" - request information regarding CSR Program PT. IIS – Buatan in 2016 on 6th March 2016; - Information request from "Badan Pusat Statistik (National Statistic Body)" on 29th April 2016 related Economic census – 2016. The request was responded within a week. <p>Scheme smallholders: Request Information and response from Stakeholder is documented into a log book "Kebun Plasma Buatan", there was 14 information requests in Plasma/smallholder Division, mostly request EFB for fertilizer in scheme smallholder area.</p> <p>KUD Bhakti Mandiri: Request Information and response from Stakeholder is documented into a log book "Buku Catatan Surat Masuk – Keluar", there was 5 information requests in KUD Bhakti mandiri in July 2015 up to June 2016, e.g. request information from "Dinas Koperasi Kabupaten Siak" on 7th February 2016 related to request information of "Laporan Omset dan Rencana RAT Tahun 2016 KUD" from; responded 7 days later;</p> <p>KUD Sejahtera: Request Information and response from Stakeholder is documented into a log book "Permintaan/Tanggapan Permintaan Informasi", there was 9 information requests noted in KUD Sejahtera in 2016, e.g. request information from "Dinas Koperasi Kab. Pelawan" on 11th January 2016 regarding "tindak lanjut pelaksanaan RAT 2015". Based on document review, it was seen that request information was responded in timely manner.</p>	<p>Comply</p>
<p>Criterion 1.2:</p> <p>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>		

RSPO Public Summary Report
Revision 3 (July /2016)

Criterion / Indicator	Assessment Findings	Compliance
<p>1.2.1 Publicly available documents shall include, but are not necessary limited to:</p> <p>Land titles/user rights (Criterion 2.2);</p> <ul style="list-style-type: none"> • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). <p>- Major compliance -</p>	<p>Buatan Estate and mill: The company has list of documents can access by public, such as: legal permits, SEIA (AMDAL), RKL/RPL (Management and Monitoring Plan), water management plan, waste management plan, water and air monitoring, OHS, hazardous waste management plan, CSR, employment documents, etc.</p> <p>All documents refer to the ratified International Regulation, National Regulation and local regulation, e.g. OHS documents refer to the Act 1, year 1970.</p> <p>Scheme smallholders: The KUDs has list of documents can access by public, such as: legal permits (akte pendirian Koperasi, SHM, NPWP, SIUP and SITU), Operasional keuangan, HCV, SOP/GAP/SEIA (Amdal) and Social documents.</p>	<p>Comply</p>
<p>Criteria 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.</p>		

RSPO Public Summary Report
Revision 3 (July /2016)

Criterion / Indicator	Assessment Findings	Compliance
<p>1.3.1 There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. -Minor compliance</p>	<p>Buatan Estate and Mill: The company has Code of ethical conduct and integrity in all operation and transaction, dated 1st December 2014 which stated: "Berkomitmen berperilaku pada seluruh transaksi dan operasi bisnis, pelarangan seluruh bentuk korupsi, penyuapan dan penipuan dalam penggunaan dana dan sumber daya" – committed to perform ethical conduct in all of transaction and business operation, prohibit all kind of bribery and fraud in financial and natural resources. The company has communicated this policy by socialization to the worker, e.g. on 30th October 2015, attended 67 workers and 7th February 2015, attended 61 workers in Buatan I mill and 22nd January 2016, attended 35 workers in Buatan Group Estate. The company also has erected this policy in public areas in Mill and estate.</p> <p>The company able demonstrate that policy has been communicated effectively to all level operation of workforce and based on interview with workers, it was found that they understand and aware the company policy.</p> <p>Scheme Smallholder: Each cooperative has Code of ethical conduct and integrity in all operation and transaction, dated 1st August 2013 which stated: "Berkomitmen berperilaku pada seluruh transaksi dan operasi bisnis, pelarangan seluruh bentuk korupsi, penyuapan dan penipuan dalam penggunaan dana dan sumber daya". This policy has been communicated to the members, e.g. on 23rd September 2015, attended 27 smallholder members. Based on interview with members that they aware and understand this policy.</p>	<p>Comply</p>
<p>Principle 2: Compliance with applicable laws and regulations</p>		
<p>Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.</p>		

Criterion / Indicator	Assessment Findings	Compliance
<p>2.1.1 Evidence of compliance with relevant legal requirements shall be available.</p> <p>- Major compliance -</p>	<p>Buatan Group PT. Inti Indosawit Subur - Buatan demonstrated a valid land ownership covering:</p> <ol style="list-style-type: none"> 1. Ijin Prinsip (Principle permit) No.KB.320/859/Mentan/XI/1983 dated 7th November 1983 from Agriculture minister (65,000 Ha). 2. Ijin lokasi (Location Permit) No.KPTS.57/II/1987, dated 4th February 1987 for 32,000 Ha. 3. Ijin Pelepasan kawasan from Forestry Ministry (Release forest permit) No.664/Kpts-II/89, dated 31st October 1989. 4. Ijin pembukaan lahan (land clearing permit) No.1536/II/KW-6/1988, dated 2nd November 1988 from Forestry Ministry Region Riau Province. 5. Surat Keterangan Pendaftaran Tanah (Land register) from land authority of Pelalawan District No.15/SKPT/X/2004, dated 30th September 2004. 6. Surat Pendaftaran Usaha perkebunan (SPUP) from Forestry and Plantation Ministry, No.185/Mentanhut/VII/2000, dated 3rd November 2000. 7. SK. HGU (Land Title), approved by "Menteri Negara Agraria/Kepala BPN No.10/HGU/1993, dated 13th May 1993 tentang Pemberian HGU atas nama PT. Inti Indosawit Subur, atas tanah di Kabupaten Kampar seluas 5,781.47 Ha". 8. HGU (Land titles) No.01, 1993, dated June 19th, 1993. for Buatan Estate (5,781 Ha); 9. Renewal land title No.145/HGU/BPN/2004, dated November 3rd, 2004. Expired until 2058 from Head of BPN (5,781 Ha); 10. IMB (Building licences), there were 6 permits, such as; No.106/2009, 71/2009, 09/2009, 11/1992, 56/2009, 117/1997. 11. AMDAL (Environmental and Social impact assessment), SEIA No.013/ANDAL/BA/V/95, dated 3rd May 1995, by Agriculture of Ministry. 12. Revised AMDAL (Dokumen Pengelolaan dan Pemantauan lingkungan) approved by Governor of Riau No.KPTS 975/X/2009, dated 28th October 2009. 	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>13 Surface water usage permit from "Dinas Pertambangan dan Energi, Kabupaten Pelalawan No.KPTS.540/DPE/GEO-MIGAS/2014/179", dated 2nd April 2014 (valid until 1st April 2016), renewal permit still in progress now, the company has proposed renewal surface water usage No.040/ES-KBN/EXT/03/2016, dated 31st March 2016.</p> <p>14 Temporary hazardous waste store permit No.KPTS.503/BPMP2T-PLY/14/2016 from "Badan Penanaman Modal dan Pelayanan Perijinan Terpadu, Kabupaten Pelalawan", dated 18th March 2016 (valid until 17th March 2021).</p> <p>15 Mill machineries permit:</p> <ul style="list-style-type: none"> - Permit for Sterilizer reference number: 03/B.0050.A and 03/B.0051.A issued on 19th October 1992 for capacity 3.25 kg/cm²; reference number: 113/BU/PL/2004 and 114/BU/PL/2004 issued on 14th December 2004 for capacity 3.5 kg/cm². - Permit for Back Pressure Vessel reference number: 115/BU/PL/2004 issued on 14th December 2004 for capacity 3.5 kg/cm². - Permit for Boiler reference number: 035/KU/PLLWN/2003 issued on 20th October 2003 for capacity 24 kg/cm²; reference number: 117/KU/PL/2004 issued on October 2004 for capacity 24 kg/cm²; reference number: 112/KU/PL/2004 issued on 30th October 2003 for capacity 24 kg/cm². - Permit for Diesel engine, reference number: 135/M-MD/PL/2004 and 135/M-MD/PL/2004 issued on October 2004 for capacity 420 horse power each. - Permit for Compressor, reference number: B.84/BT-M/W4/VI/1997 and B.86/BT-M/W4/VI/1997 issued on 17th September 1997. - Permit for Turbine, reference number: 003/M— TB/Plwn/2002 issued on July 2002 for capacity 800 KW; and reference number 83/TU/PLLWN/2004 issued on 1st September 2003 for capacity 1.200 KW. <p>All machineries were checked regularly by local government with the latest inspection was on 2014 for each machinery.</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>Scheme Smallholders: Document review and interviews with scheme manager, confirmed that PT. Inti Indosawit Subur – Buatan is supporting smallholders to comply with essential regulation. Some example showing compliance to relevant regulation as follows: KUD Bhakti Mandiri:</p> <ol style="list-style-type: none"> 1. Akte Pendirian Perusahaan No.1604/BH/XIII, dated 31st October 1991. 2. Renewal Tanda Daftar Perusahaan (TDP) is in progress in “Badan Penanaman Modal – Pelayanan Perizinan Terpadu, Kabupaten Siak”, evidence of acceptance renewal is available, dated on 19th July 2016. 3. Surat Izin Tempat Usaha (SITU) No.523.33/2011/13, approved by “Camat Kerinci Kanan”, dated 28th November 2011, (valid until 28th November 2016). 4. Rapat Anggota Tahunan/RAT (Annual Members Meeting) for 2014 was conducted on 5th September 2015 and for 2015 is planned in July 2016. This Annual member meeting is attended 237 members. (Minutes meeting is available). RAT is waiting “Audit Akuntan Publik” prior RAT to be conducted, KUD has proposed to the “Akuntan Publik” for audit on 21st June 2016. <p>KUD Sejahtera:</p> <ol style="list-style-type: none"> 1. Establishment deed – “Akte Pendirian Perusahaan No.1733/BH/XIII”, dated 7th January 1993. 2. “Surat Izin Usaha Perdagangan (SIUP) No.418/03-03/PDK/XI/1997”, dated 17th November 1997. 3. Renewal “Tanda Daftar Perusahaan (TDP) and Surat Izin Tempat Usaha (SITU)” in progress in “Badan Badan Penanaman Modal dan pelayanan Perijinan Terpadu Kabupaten Pelalawan” based on “Surat Keterangan No.503/BPMP2T-PLY/2016/357”, dated 11th July 2016. 4. “Rapat Anggota Tahunan/RAT” (Annual Members Meeting) for 2014 was conducted in 3rd July 2015 and RAT 2015 will be planned in August 2016. 	

Criterion / Indicator		Assessment Findings	Compliance
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -	<p>Buatan Estate and mill: List of laws are available and being evaluated regularly. Last updated on 5th April 2016: "Peraturan Pemerintah No.27 tahun 2014"; "Peraturan Menteri Tenaga Kerja No.27 tahun 2014"; "Peraturan Menteri Tenaga Kerja No.9 Tahun 2016 tentang Pekerjaan di Ketinggian". "Peraturan Menteri Pertanian No.11/2015 tentang Indonesian Sustainable Palm Oil/ISPO No.11/2015".</p> <p>Scheme Smallholders: Summary of permits and licenses checked and recorded in regulation record book - "Checklist Perizinan di KUD".</p>	Comply
2.1.3	A mechanism for ensuring compliance shall be implemented. - Minor compliance -	<p>Buatan Estate and mill: List of laws are available and being evaluated regularly, the list updated on 5th April 2016.</p> <p>Scheme Smallholders: The last update of evaluation of legal compliance is documented in "Evaluasi Kepatuhan Hukum – Kebun Plasma Buatan", the last updated in June 2016, e.g. "Keputusan Gubernur Riau No.Kpts.15/01/2016 tentang Upah Minimum Propinsi Riau" (Minimum wages).</p>	Comply
2.1.4	A system for tracking any changes in the law shall be implemented. - Minor compliance -	<p>Buatan Estate and mill: Legal requirement-evaluation and fulfilment mechanism regulated under "SOP Pemenuhan Peraturan Perundang-undangan dan Perubahannya" (No. SOP; AA-GL-5001.1-RO) dated 5th December 2009. The procedure explains the stages for evaluation applicable legal requirements, person in charge for evaluation and ensures implementation of such requirement.</p> <p>Scheme Smallholders: Scheme manager will inform the scheme smallholders (cooperative) if there is any a change or amendment in laws and regulations. Scheme manager conduct meetings with the cooperative members to ensure compliance.</p>	Comply
<p>Criterion 2.2: The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>			

Criterion / Indicator	Assessment Findings	Compliance
<p>2.2.1</p> <p>Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.</p> <p>- Major compliance -</p>	<p>Buatan Estate: PT. Inti Indosawit Subur – Buatan demonstrate a valid land ownership covering: 1. "Surat Keputusan Hak Guna Usaha" (Land Title), approved by "Menteri Negara Agraria/Kepala BPN No.10/HGU/1993 tentang Pemberian HGU atas nama PT. IIS, atas tanah di Kabupaten Kampar seluas 5,781.47 Ha", dated 13th May 1993. 2. HGU (Land titles) No.01, 1993, dated 19th June 1993. for Buatan Estate (5,781 Ha). 3. Renewal land title No. 145/HGU/BPN/2004, dated 3rd November 2004. Expired until 2058 from Head of BPN (5,781 Ha).</p> <p>Scheme Smallholders: Each smallholder member was able to demonstrate legal ownership of the land. Sampled smallholder from KUD Bhakti Mandiri: "Buku Tanah No.298"; Certificate under name 630 Supadi, No.05.16.12.01.1.00298 for 20,000m² dated 12th October 1993; based on a/n "Surat Keputusan Kepala Kantor Wilayah BPN Provinsi Riau, Kepala Kantor Pertanahan Kabupaten Kampar No.13/PIR/KW.24-KR/1993-55A 205" dated 24th September 1993; as per measurement map No.18437/1993 dated 11th October 1993. Complemented with map of scale 1:2,000. "Buku Tanah No.316"; Certificate under name 642 Misman/Misnatun, No.05.05.12.09.1.00316 for 20,010 m² dated 12th October 1993; based on "a/n Surat Keputusan Kepala Kantor Wilayah BPN Provinsi Riau, Kepala Kantor Pertanahan Kabupaten Kampar No.13/PIR/KW.24-KR/1993-554 223" dated 24th September 1993; as per measurement map No.18455/1993 dated 11th October 1993. Complemented with map of scale 1:2,000. Cooperative recorded the current name Misnatun. "Buku Tanah No.299"; Certificate under name 643 Ngateman, No.05.16.12.01.1.00299 for 20,000 m² dated 12th October 1993; based on a/n "Surat Keputusan Kepala Kantor Wilayah BPN Provinsi Riau, Kepala Kantor Pertanahan Kabupaten Kampar No.13/PIR/KW.24-KR/1993-554 206" dated 24th September 1993; as per measurement map No.18438/1993 dated 11th October 1993. Complemented with map of scale 1:2,000.</p> <p>Sampled smallholder from KUD Sejahtera: "Buku Tanah No.438"; Certificate under name 2153 Amin Toher, No.05.09.68.54.1.00438 for 20,000m² dated 24th September 1994; based on "Surat Keputusan Kepala Kantor Wilayah BPN Provinsi Riau, Kepala Kantor Pertanahan Kabupaten Kampar No.61/PIR/KW.24-KR/94389 345 dated 21st September 1994"; as per measurement map No.7862/1994 dated 23rd September 1994. Complemented with map of scale 1:2,000.</p>	<p>Comply</p>

RSPO Public Summary Report
Revision 3 (July /2016)

Criterion / Indicator	Assessment Findings	Compliance
	<p>"Buku Tanah No.442"; Certificate under name 2197 Jamhari/Jumari, No.05.05.12.10.1.00442 for 20,000 m² dated 24th September 1994; based on "Surat Keputusan Kepala Kantor Wilayah BPN Provinsi Riau, Kepala Kantor Pertanahan Kabupaten Kampar No.61/PIR/KW.24-KR/94389 345" dated 21st September 1994; as per measurement map No.7866/1994 dated 23rd September 1994. Complemented with map of scale 1:2,000. Cooperative recorded the current name Jumari.</p> <p>"Buku Tanah No.427"; Certificate under name 2154 Darji, No.05.05.12.10.1.00427 for 20,000 m² dated 24th September 1994; based on "Surat Keputusan Kepala Kantor Wilayah BPN Provinsi Riau, Kepala Kantor Pertanahan Kabupaten Kampar No.61/PIR/KW.24-KR/94389 334" dated 21st September 1994; as per measurement map No.7851/1994 dated 23rd September 1994. Complemented with map of scale 1:2,000. Cooperative recorded the current owner under name Sunarto.</p> <p>"Sertifikat Hak Milik No.455"; Certificate under name 2155 Idin/Ngatiran, No.05.05.12.10.1.00455 for 20,000 m² dated 24th September 1994; based on "a/n Surat Keputusan Kepala Kantor Wilayah BPN Provinsi Riau, Kepala Kantor Pertanahan Kabupaten Kampar No.61/PIR/KW.24-KR/94389-362" dated 21st September 1994; as per measurement map No.7879/1994 dated 23rd September 1994. Complemented with map of scale 1:2,000. Currently owned by Ngatiran.</p> <p>Sighted during field observation at sampled parcels that all boundary markers were in place and well maintained. According to interview with parcel owners, there was no land dispute among parcel owners so far. Each parcel owner understand the boundary and demarcation with the neghouring parcels.</p>	

RSPO Public Summary Report
Revision 3 (July /2016)

Criterion / Indicator	Assessment Findings	Compliance
<p>2.2.2</p> <p>Legal boundaries shall be clearly demarcated and visibly maintained.</p> <p>- Minor compliance -</p>	<p>Buatan Estate and mill: The company carried out monitoring of legal boundaries every six months, maps of boundaries identified the position of legal boundaries is available refer to the HGU’s maps. Boundary monitoring is recorded in “Laporan Pemeriksaan dan Perawatan Patok Batas”, the las monitoring in 2015 was conducted in 28 – 29th April 2016. There are 19 legal boundaries along the PT. Inti Indosawit Subur - Buatan.</p> <p>During field visit, it was seen that boundary stones is maintained and visibly demarcated along the company’s border, sample taken Boundary No.07, 15 and 17.</p> <p>Scheme Smallholders: From all sampled smallholder in KUD Bhakti Mandiri and KUD Sejahtera, the legal boundaries are clearly demarcated and maintained. Smallholder member understand their boundary between smallholder plantation blocks. Based on field visit, it was found that legal boundaries are available in place, the existing boundaries is concrete and re-install boundary pegs is made from wood. Boundaries between each plot was in form of staking frond along the border.</p> <p>There was no land condlict or land dispute noted between smallholder member with other parties.</p>	<p>Comply</p>
<p>2.2.3</p> <p>Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).</p> <p>- Minor compliance -</p>	<p>Buatan Estate and Scheme smallholders: Based on documents review and interview with local government and local communities surrounding the company, it was noted that no customary land or legal rigths within the company and scheme smallholders areas.</p> <p>All company plantation and scheme smallholder area have been issued with valid “Hak Guna Usaha/HGU” – land title.</p>	<p>Comply</p>
<p>2.2.4</p> <p>There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.</p> <p>-Major compliance</p>	<p>Buatan Estate and Scheme smallholders: Based on documents review and interview with local government and local communities surrounding the company, it was noted that no customary land or legal rigths within the company and scheme smallholders areas.</p>	<p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance	Buatan Estate and Scheme Smallholders: Based on documents review and interview with local government and local communities surrounding the company, it was noted that no land dispute was noted.	Comply
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	Buatan Estate and Scheme Smallholders: Based on documents review and interview with local government and local communities surrounding the company, it was noted that no land dispute was noted. Furthermore, from interview also noted company never using violence when resolving problems/issue with community.	Comply
Criterion 2.3:			
Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.			
2.3.1	Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).. - Major compliance -	Estate and Scheme Smallholders: The Company and scheme smallholders has "Hak Guna Usaha (HGU)"/"Sertifikat Hak Milik (SHM)" Land title for smallholders. There are no customary land or legal rights within the company and scheme smallholdres area as the land originally was allocated as part of transmigration program. Based on documents review and interview with local government and local communities surrounding the company, it was noted there was no area/land that is under dispute.	Comply

RSPO Public Summary Report
Revision 3 (July /2016)

Criterion / Indicator	Assessment Findings	Compliance
<p>2.3.2 Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p> <p>a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</p> <p>b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</p> <p>c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</p> <p>- Minor compliance -</p>	<p>Buatan Estate and Scheme Smallholder: Based on documents review and interview with local government and local communities surrounding the company, it was noted that no customary land or other legal rights within the company areas and in smallholder plantation.</p>	<p>Comply</p>
<p>2.3.3 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>Buatan Estate and Scheme Smallholder: Based on documents review and interview with local government and local communities surrounding the company, it was noted that no customary land or other legal rights within the company areas and in smallholder plantation.</p>	<p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance
2.3.4	<p>Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p> <p>-Major compliance</p>	<p>Buatan Estate and Scheme Smallholder: Based on documents review and interview with local government and local communities surrounding the company, it was noted that no customary land or other legal rights within the company areas and in smallholder plantation.</p>	Comply
<p>Principle 3: Commitment to long-term economic and financial viability</p>			
<p>Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.</p>			
3.1.1	<p>A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.</p> <p>- Major compliance -</p>	<p>Buatan Estate and Mill: PT. Inti Indosawit Subur – Buatan maintained a 3 Year working plan for Productivity per planting year of the estate and scheme smallholders, under “Rencana Kerja produksi dan Biaya 5 tahunan”. The plan indicates the target for 2016, 2017, 2018, 2019 and 2020. The estimation based on actual production realization from 2011, 2012, 2013, 2014, and 2015. The estimation including OER average, KER average, Production cost (Rupiah/tonne CPO) divided between estate cost and mill cost.</p> <p>The costs comprise of upkeep activities (such as weed control, fertilizer application, pest and disease management, pruning and castration, oil palm census and thinning out, ditch/terrace/platform maintenance, road and bridge maintenance, survey and maintenance of boundary poles) and Harvesting cost (harvesting, transport and weighing).</p> <p>Scheme Smallholders: Scheme smallholders has 4 year program (2016 – 2019), this program covering, projection of FFB production, cost (spraying, fertilizer, harvesting, transport, and general cost), Projection income and income per each member. This projection is based on actual production in last 3 year (2012, 2013, 2014 and 2015).</p>	Comply

RSPO Public Summary Report
Revision 3 (July /2016)

Criterion / Indicator		Assessment Findings	Compliance																														
<p>3.1.2</p>	<p>An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.</p> <p>- Minor compliance -</p>	<p>Buatan Estate: Replanting program is documented in the budget plan. Buatan Estate shows a series of correspondence and meeting result related to review on replanting plan. The latest replanting plan for Buatan Estate (Division I, II and III), as supply base to Buatan I POM:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Replanting Plan (year)</th> <th style="width: 60%;">Block identity</th> <th style="width: 25%;">Hectare</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>B90c</td> <td>48 Ha</td> </tr> <tr> <td>2016</td> <td>C88a, C88b, A90b, B89b, B90c and A90b</td> <td>228 Ha</td> </tr> <tr> <td>2017</td> <td>B89a, B89b, B90b</td> <td>92 Ha</td> </tr> <tr> <td>2018</td> <td>C88a, C90a, C90b, C90c, B90b, B91d</td> <td>290 Ha</td> </tr> <tr> <td>2019</td> <td>B89a, B90a, B90b</td> <td>82 Ha</td> </tr> <tr> <td>2020</td> <td>A90b, A90c, A91c, A91a, A91b, A91c, A91d, A91e, A91f, B89a, C88c, C89a</td> <td>683 Ha</td> </tr> <tr> <td>2021</td> <td>A91x</td> <td>76 Ha</td> </tr> <tr> <td>2022</td> <td>A91y, B90a, B89a, C88b, C88c, C89a, C90c, C90d, C90e</td> <td>610 Ha</td> </tr> <tr> <td>2023</td> <td>A90a, A90b, A90c, A91a, A91d, B90b, B90d, B91a, B91b, B91c, B91d, C89b</td> <td>608 Ha</td> </tr> </tbody> </table> <p>Note that there was no new planting in Buatan Estate. All of the latest planting was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.</p> <p>Company shows email correspondence explaining the result of replanting on hilly area, dated 30th March 2016. The correspondence reviewed by Head of Plantation and Services on 1st April 2016.</p> <p>Program dan Realisasi Harian Replanting PT. Inti Indosawit Subur, Kebun Buatan, dated July 2016.</p> <p>The estate demonstrated felling and chipping March 2016 felled and chipped 60 Ha - 7,506 palms; April 2016 felled and chipped 208 Ha - 26,207 palms; May 2016 felled and chipped 212 Ha - 26,764 palms; June 2016 felled and chipped 97 Ha - 14,260 palms;</p> <p>Stacking in March 2016 for 101 Ha, April 2016 for 139 Ha, May 2016 for 168 Ha, June 2016 for 195 Ha. Terracing in June 2016 for 14,478 meters, July 2016 for 16,632 meters; Drainage in June 2016 for 5,220 meters; Planting cover crop 39 Ha in June 2016.</p>	Replanting Plan (year)	Block identity	Hectare	2015	B90c	48 Ha	2016	C88a, C88b, A90b, B89b, B90c and A90b	228 Ha	2017	B89a, B89b, B90b	92 Ha	2018	C88a, C90a, C90b, C90c, B90b, B91d	290 Ha	2019	B89a, B90a, B90b	82 Ha	2020	A90b, A90c, A91c, A91a, A91b, A91c, A91d, A91e, A91f, B89a, C88c, C89a	683 Ha	2021	A91x	76 Ha	2022	A91y, B90a, B89a, C88b, C88c, C89a, C90c, C90d, C90e	610 Ha	2023	A90a, A90b, A90c, A91a, A91d, B90b, B90d, B91a, B91b, B91c, B91d, C89b	608 Ha	<p>Comply</p>
Replanting Plan (year)	Block identity	Hectare																															
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RSPO Public Summary Report
Revision 3 (July /2016)

Criterion / Indicator	Assessment Findings	Compliance
	<p>Scheme smallholders: The replanting plan was available under "Schedule Pelaksanaan Replanting Kebun Plasma Buatan". For instance KUD Bhakti Mandiri: 2017 for 872 Ha (planting year 1989 and 1990); 2019 for 108 Ha (planting year 1991 and 1992); changed into 562 Ha in 2017 for planting year 1989 and 1990 and 418 Ha for 2019 (planting year 1991 and 1992). KUD Bhakti Mandiri demonstrated "Deklarasi Replanting" dated 17th May 2016 by 9 smallholder groups which will start replanting in 2017. In KUD Sejahtera, the replanting will commenced in year 2018 for 434 Ha (oil palm with planting year 1990 and 1991); 2020 for 444 Ha (planting year 1991 and 1992). The replanting plan changed into: 424 Ha in year 2018 and 454 Ha for year 2020. The company has conducted replanting program socialization to the KUDs, e.g. in KUD Sejahtera was conducted on 23rd April 2016, attended 22 members and on 28th May 2016, attended 113 members (attendance list and minutes meeting was available).</p> <p>The replanting progress in scheme smallholder blocks has been reviewed on 16th July 2016. The youngest planting year for scheme smallholder was 1993. No new planting in smallholder after November 2005.</p>	
<p>Principle 4: Use of appropriate best practices by growers and millers</p>		
<p>Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.</p>		

RSPO Public Summary Report
Revision 3 (July /2016)

Criterion / Indicator		Assessment Findings	Compliance
4.1.1	<p>Standard Operating Procedures (SOPs) for estates and mills are documented</p> <p>- Major compliance -</p>	<p>PT. Inti Indosawit Subur has a set of standard operating procedure, which reflects the best management practices for oil palm plantation and palm oil production.</p> <p>In Buatan Estate: The procedures for estate is available under Agricultural Policy Manual. The Manual consist of: SOP AA-APM-OP-1100.01-R2, 10th June 2015 Pembibitan, for Seedling preparation; SOP AA-APM-OP-1100.02-R3, 10th June 2015 Penanaman Areal Baru, for new planting; SOP AA-APM-OP-1100.03-R2, 24th July 2015 Pembuatan dan Perawatan Jalan dan Jembatan, explains road and bridge construction and maintenance; SOP AA-APM-OP-1100.04-R3, 7th December 2015 Pembuatan dan Pemeliharaan Parit explains culvert/drainage construction and maintenance; SOP AA-APM-OP-1100.05-R2, 24th July 2015 Konservasi Tanah dan Air explains Soil & Water Conservation; SOP AA-APM-OP-1100.06-R4, 4th March 2016 Menanam kacang related to Planting cover crops; SOP AA-APM-OP-1100.07-R4, 7th December 2015 Menanam Kelapa Sawit related to Planting; SOP AA-APM-OP-1100.08-R5, 7th December 2015 Pengendalian Gulma, for weed control; SOP AA-APM-OP-1100.09-R3, 20th April 2015 Pemupukan, related to Fertilizer application; SOP AA-APM-OP-1100.10-R5, 11th January 2016 Pengendalian Hama dan Penyakit, explains Pests & Disease Control; SOP AA-APM-OP-1100.11-R1, 1st February 2009 Pestisida, dan Pengolaannya for pesticide handling; SOP AA-APM-OP-1100.12-R2, 10th June 2015 Kastrasi, explains castration (cutting all generative product (male flower, female flower, all fruit, to support vegetative growth) – done 5-6 months before being harvested; SOP AA-APM-OP-1100.13-R3, 4th March 2016 Tunas Pokok, for pruning; SOP AA-APM-OP-1100.14-R2, 2nd December 2013 Sensus dan Identifikasi Pokok, explains census and palm identification; SOP AA-APM-OP-1100.15-R2, 1st October 2010 Sensus Produksi related to production census; SOP AA-APM-OP-1100.16-R1, 1st February 2009 Konsolidasi Pohon Tumbang, explains provision of support to fallen palm; SOP AA-APM-OP-1100.17-R1, 23rd October 2014 Pengelolaan Air, related to water management; SOP AA-APM-OP-1100.18-R3, 20th April 2015, Potong Buah, related to harvesting; SOP AA-APM-OP-1100.19-R1, 1st February 2009 Pengelolaan Transport, explains FFB Transport;</p>	Comply

RSPO Public Summary Report
Revision 3 (July /2016)

Criterion / Indicator	Assessment Findings	Compliance
	<p>SOP AA-APM-OP-1100.20-R5, 4th March 2016 Replanting;</p> <p>Buatan I POM: The Mill Policy Manual explains the flow process, specification of material and process, machinery and tools required, step-by-step process, control, monitoring and measurement and health and safety requirements. Signed on 1st February 2014. SOP AA-MPM-OP-1400.02.R2 Stasiun Penerimaan for FFB receiving station; SOP AA-MPM-OP-1400.03.R1 Stasiun Rebusan for sterilizer; SOP AA-MPM-OP-1400.04.R1 Stasiun Pemisahan Berondolan for loose fruit separation; SOP AA-MPM-OP-1400.05-R1 Stasiun pengadukan dan pengempaan for pressing station; SOP AA-MPM-OP-1400.06-R1 Stasiun pemurnian for clarification; SOP AA-MPM-OP-1400.07-R1 Stasiun pemisahan nut dan fiber for nut and fiber separation; SOP AA-MPM-OP-1400.08-R1 Stasiun kernel for kernel station; SOP AA-MPM-OP-1400.09-R1 Stasiun boiler; SOP AA-MPM-OP-1400.10-R1 Stasiun engine room; SOP AA-MPM-OP-1400.11-R1 Stasiun water treatment; SOP AA-MPM-OP-1400.12-R1 Laboratorium; SOP AA-MPM-OP-1400.13-R1 Stasiun pengelolaan limbah for palm oil mill effluent treatment; SOP AA-MPM-OP-1400.14-R2 Stasiun penimbunan dan pengiriman CPO dan kernel for CPO and PK bulking and despatch operation; SOP AA-MPM-OP-1400.15-R1 Perawatan for preventive maintenance;</p> <p>Scheme Smallholder: KUD/cooperative refers to Agricultural Policy Manual issued by PT. Inti Indosawit Subur – Buatan dated 2nd January 2013. The manual comprise of seedling preparation, pest and disease control, fertilizer application, spraying, pest control, IPM, harvesting, pruning, road maintenance and transport, and FFB harvesting. This manual was a simplified version for ease of use by smallholder. SOP AA-PLASMA-PP-KS-01 Panduan Pelaksanaan Pembibitan for Seedling preparation; SOP AA-PLASMA-PP-KS-02 Pengendalian Hama dan Penyakit for Control of Pest and disease; SOP AA-PLASMA-PP-KS-03 Pemupukan for fertilizer application; SOP AA-PLASMA-PP-KS-04 Potong Buah for Harvesting (tools, harvesting quality and FFB quality).</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p>4.1.2</p> <p>A mechanism to check consistent implementation of procedures shall be in place.</p> <p>- Minor compliance -</p>	<p>PT. Inti Indosawit Subur implemented an internal audit process to monitor implementation of procedures and management practices within company operational activities.</p> <p>Buatan Estate:</p> <p>PT. Inti Indosawit Subur follows procedure for internal audit under Standard Operating Procedures AA-SOP-ES-6001-R1 dated 3rd January 2013. The procedure stating internal audit of minimum once a year. Upon finding, management unit shall prepare review on audit finding and prepare root cause analysis, prepare corrective action – with person in charge and completion target.</p> <p>The latest RSPO internal audit was done in 15 – 16th April 2016 for Buatan Estate. 18 findings have been actioned upon, sample: HGU boundary poles has not been completed with boundary check documentation period September 2015 and March 2016 – completed on 29th April 2016.</p> <p>“Laporan Penyakit Plantation II-AA, Kebun Buatan, Sensus hama dan Penyakit June – 2016” - pest and disease report. The report shows there was no infestation of nettle caterpillar, <i>Oryctes</i> and bagworm that above threshold in Division I, II and III. Barn owl boxes census, data from January, April and June 2016. Latest census in June 2016, Division I have 29 barn owl boxes with 19 occupied boxes (65.5%); team also found 7 adult owls with 11 chicks and 17 eggs. Division II have 40 barn owl boxes with 25 occupied boxes (62.5%); team also found 4 adult owls with 5 chicks and 37 eggs.</p> <p>Visiting Agent Report No.KBN/VA/FULL01-16 by Ngu Heng Shiow, dated 22 – 26th February 2016. A number of comments were made related to spraying of media for fertilizer application has resulted in rather bare field conditions and this drastic change in conditions will potentially result in leaf pest attacks; action plan with weed control on interrow area for first and second rotation – implemented 314 Ha in February 2016. Application of EFB and POME in the field is inconsistent and problematic lacking proper supervision, action plan EFB application on ravine area block-by-block basis 146 Ha in February 2016, flatbed cleaning 33 Ha in February 2016.</p>	<p>Comply</p>

	<p>Buatan I POM: Schedule and Implementation of Preventive Maintenances Buatan I POM period 01/2016 - 05/2016 was evident. The maintenance scheduled for daily, weekly, monthly maintenance of loading ramp station (FFB conveyor, chain, scrapper, electro motor); sterilizer station (discharge conveyor, strainer compressor, sterilizer door packing); threshing station (EFB conveyor, bearing, shaft, joints, bunch crusher, EFB press knife); press station (digester, screw press, sand trap tank, vibrating screen, crude oil tank, crude oil pump, clean oil tanks); clarification station (oil pump, v-belt, steam inject); ripple mill station (ripple mill, destoner, nut polishing drum, cake breaker conveyor, dust cyclone, hydrocyclone, kernel silo); engine room (turbine, power generators, boilers, feed water tank); water treatment station (clarifier tank, water tanks, sand filter, water pumps); POME station (circulation pump, land application pump, aerator, robot pump); biogas plant. Record of maintenance in engine room, exciter station was checked on 15th April 2016 and 19th April 2016 (week III 04/2016) and replacement of oil filter (250 hours), fuel filter (500 hours) on 19th April 2016.</p> <p>Scheme smallholder: "Action Plan Kualitas TBS dan Produksi" dated 29th February 2016, highlight related to FFB from scheme smallholder to independent mills. The action plan taken related to coordination with cooperatives, reward and punishment, consistent monitoring with mill management. KUD Bhakti Mandiri: "Monitoring Sortasi dan Timbang TPH KT 30" – harvesting sortation monitoring period January – July 2016. Sample seen: on smallholder Supadi, harvesting period 6th June 2016 FFB production 76 ripe bunches and 3 unripe bunches/1,800 kg; period 15th June 2016 FFB production 50 ripe bunches and 1 unripe bunches/1,175 kg; period 25th June 2016 FFB production 41 ripe bunches/900 kg. Total in KT 30 for period of June 2016 was 70,225 kg. Discrepancy with field weighing kept as cashflow for KT 162.</p> <p>KUD Sejahtera: Monitoring Sortasi dan Timbang TPH KT 168 period January 2016. Sample seen: on smallholder Kariden, harvesting period 4th January 2016 FFB production 53 ripe bunches, 2 unripe bunches/1,010 kg; period 14th January 2016 FFB production 54 ripe bunches and 1 unripe bunch/1,015 kg; period 24th January 2016 FFB production 42 ripe bunches/835 kg. Total in KT 168 for period of January 2016 was 59,752 k</p>	
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<p>4.1.3</p>	<p>Records of monitoring and any actions taken shall be maintained and available, as appropriate.</p> <p>- Minor compliance -</p>	<p>It is a routine that the estate and mill management prepare monthly reports and send to the company's head office for monitoring purpose as well. All field inspection results are recorded in Monthly Report.</p> <p>Buatan Estate: Visiting Agronomy and Visiting Engineer reports are available, it was noted that correction action was done. Visiting Agent Report No.KBN/VA/FULL01-16 by Ngu Heng Shioh, dated 22-26th February 2016. A number of comments were made related to spraying od media for fertilizer application has resulted in rather bare field conditions and this drastic change in conditions will potentially result in leaf pest attacks; application of EFB and POME in the field is inconsistent and problematic lacking proper supervision. Overgrown Asystasia noted, action plan with initiating specific program to spraying Aystasia in blocks with rapid weed growth – 4 rotation per annum; spraying done 1,151 Ha in February 2016.</p> <p>Buatan I POM: To ensure implementation of SOPs and work instruction, two internal audits have been implemented annually, namely:</p> <ul style="list-style-type: none"> - Internal audit on integrated sustainability (ISPO, RSPO, ISCC, and SMK3) which covers all aspects of sustainability practises in mills in accordance with applicable standard. - VE (Visit Engineering) at least once in a year by appointed engineer. <p>Standard Operating Procedures of internal audit available under SOP "AA-SOP-ES-6001-R2" dated 15th August 2014. For daily implementation, mill managers has responsible for monitoring of SOP implementation. Latest VE was done on 25-28th April 2016 by TCH Thomas. No major issues, and mill is in good state of upkeep. Total score was 83%. Available action plan as follow up of the recommendation from VE, such as:</p> <ul style="list-style-type: none"> - Setting up the switch board and panel instrument - Recondition of boiler door - Reparation of Weigh meter at KCP - Service of Turbin 1200 KW - Washing of flatbed <p>Scheme smallholder: Action Plan Kualitas TBS dan Produksi dated 29th February 2016, highlight related to FFB from scheme smallholder to independent mills. The action plan taken related to coordination with cooperatives, reward and punishment, consistent monitoring with mill management.</p>	<p>Comply</p>
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<p>4.1.4</p>	<p>The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).</p> <p>- Major compliance -</p>	<p>Buatan I POM: PT. Inti Indosawit Subur-Buatan has a policy related to purchase of non-certified FFB under "Kebijakan Perusahaan". Point 17 stated "Melakukan komunikasi dan evaluasi kepada pihak ketiga terkait asal penerimaan TBS dari lahan yang legalitasnya dapat dibuktikan, tidak ada pembakaran untuk pembukaan areal baru maupun peremajaan (replanting), tidak melakukan pembukaan areal gambut setelah September 2014, tidak terdapat konflik lahan dan tidak mempekerjakan anak-anak dalam pengelolaannya" – To communicate and evaluate third party related to purchase of FFB from legally demonstrable area, ...".</p> <p>PT. Inti Indosawit Subur – Buatan I POM shows SOP to communicate and evaluate the source of third party FFB (non-certified). "SOP Pengawasan Sumber Pembelian TBS Luar AA-MM-506.2-R0", dated 1st January 2014. The procedure for monitoring and evaluation of source of FFB. Purpose to ensure third party FFB sourced from non-forest area, completed with legal use of the land. The procedure: check supporting document from supplier (delivery order, Surat pernyataan, plantation block maps); compare the plantation location map/coordinate against the legal documents; team will compare the plantation location map against the RTRWP; conduct field verification to the source of FFB (oil palm plantation belong to farmer), randomly selected; team prepares database, listing the complying suppliers. Supply of FFB from area which legally contested or coming from protected forest, plantation forest, conservation area – will be rejected.</p> <p>SOP Traceability – FFB Purchase AA-SOP-MM-506.3-R0, dated 1st January 2015. The procedure stated all supplier shall fulfill legal requirement, not limited to: legal ownership/legal use of the land, hectarage, planting year, production, type of soil, type of seedling, distance from palm oil mill, etc. All supplier shall completed with coordinate points, listed in weighbridge system. While grading and sortation follows SOP for FFB receiving.</p> <p>Company has conducted verification along with independent team (Tropical Forest Trust) against all supplier, including scheme smallholder and third party supplier (non-certified). This exercise has been carried out since May 2015. Verification carried out including taking coordinates of farmer's oil palm block, mapping of coordinates and overlay against forest area status in Riau province.</p>	<p>Comply</p>
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		<p>FFB incoming from third parties is recorded daily basis and incorporated into the Monthly Report. The third parties FFB supplied from Plasma (Included in the certificate scope), and others supplier is not certified (Supplier).</p> <p>List of supplier FFB from outside is available in mill, there are 9 suppliers, such as:</p> <ul style="list-style-type: none"> - Asosiasi Petani sawit Swadaya Karya Bhakti mandiri (± 2,000 Ha), planting year 2003/2004, distance ± 12 km, located Desa kerinci kanan, kec. Kerinci kanan, projection FFB 1,500 tonnes. - Mr. Sunarto (± 175 Ha), planting year 2000/2001, distance ± 15 km, located Desa Buana Bhakti, Kec. Kerinci kana, kab. Siak, projection FFB 250 tonnes. - Mr. Misnatun (± 200 Ha), planting year 2000/2001, distance ± 20 km, located Desa bukit Harapan, Kec. Kerinci kanan, kab. Siak, projection FFB 350 tonnes. - Mr. Sugeng Kiswinarno (± 150 Ha), planting year 2000/2001, distance ± 20 km, located Desa bukit Harapan, Kec. Kerinci kanan, kab. Siak, projection FFB 350 tonnes. - Mr. Ilham (± 175 Ha), planting year 2000/2001, distance ± 10 km, located Desa Mekar Jaya, Kec. Pangkalan kerinci , Kab. pelalawan, projection FFB 200 tonnes. - Mr. Rustamari (± 100 Ha), planting year 2000/2001, distance ± 5 km, located Pekarangan SP4, Desa Bukit Harapan, Kec. Kerinci kanan, kab. Siak, projection FFB 250 tonnes. <p>Outside FFB received was reported under weighbridge report and Laporan Harian Pabrik/LHP (daily mill production report), Laporan Unit Pabrik/LUP (monthly mill reports). For example "Laporan Penerimaan TBS Luar dari supplier "Asosiasi Petani Sawit Swadaya Karya Bhakti Mandiri" period July 2016 of 130.41 tons.</p>	
<p>Criterion 4.2:</p> <p>Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>			
<p>4.2.1</p>	<p>There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible.</p> <p>- Minor compliance -</p>	<p>PT. Inti Indosawit Subur – Buatan has a procedure related to fertilizer application, in order to manage soil fertility and ensure sustainable yield. Company has "SOP AA-APM-OP-1100.09-R3 - Pemupukan" 20th April 2015, related to Fertilizer application.</p>	<p>Comply</p>

<p>4.2.2</p>	<p>Records of fertiliser inputs shall be maintained.</p> <p>- Minor compliance -</p>	<p>Buatan Estate: Fertilizer recommendation and actual implementation is recorded under "Rekomendasi Pemupukan Kebun Buatan tahun 2016". The fertilizer recommendation defines the fertilizer recommendation per division, type of fertilizer, dosage per palm, total tonnage and month of application.</p> <p>Division I, block A91b, planting year 1991, 20 Ha, mineral soil, rolling/hilly area. Recommendation ZA 1.25kg/palm – total 3,306 kg in February 2016; total applied 3,306 kg in April 2016. Recommendation to apply MOP 1 kg/palm – total 2,645 kg in March 2016; total application 2,645 kg on April 2016. Recommendation to apply HGFB 0.1 kg/palm-total 265 kg in July; total applied 265 kg in July 2016. Field visit and interview with fertilizer applicator block A91b – implemented 0.1 kg/palm.</p> <p>Division II, block B91d, planting year 1991, 54 Ha, mineral soil with organic material, swamp area. Recommendation for ZA 1.75 kg/palm in each February and June 2016 and 1.5 kg/palm in September 2016, total 50,239 kg; total applied 1.75 kg/palm in March and June 2016, total 20,724 kg. There is increase in ZA dosage 0.25 kg/palm compared to fertilizer recommendation 2015. Recommendation to apply rock phosphate 1.5 kg/palm – total 8,882 kg in April 2016; actual application 8,882 kg in May 2016.</p> <p>Scheme Smallholder: KUD Bhakti Mandiri: Fertilizer recommendation KUD Bhakti Mandiri total 980 Ha, 125,440 palms – however, due to replanting plan only applicable for 418 Ha. The program for ZA 120,384 kg in February and August 2016. Program for Rock phosphate 66,688 kg in June 2016. Program for 88,000 kg MOP in February and 85,256 kg MOP in August 2016. Kieserite 9,472 kg in March 2016. HGFB 1,997 kg in April 2016; Record of fertilizer application: KT 162 recommends to applying 6,912 kg ZA in February 2016 – implemented 6,000 kg ZA, dosage 2.25 kg/palm in February 2016. Recommendation to applying 4,608 kg MOP in February 2016 – implemented 4,000 kg MOP, dosage 1.5 kg/palm in February 2016. Recommendation to applying 3,072 kg Rock phosphate in June 2016 – implemented 3,000 kg Rock phosphate, dosage 1 kg/palm in June 2016.</p>	<p>Comply</p>
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		<p>Scheme Smallholder: KUD Sejahtera: Fertilizer recommendation for KUD Sejahtera, total area 878 Ha - 112,384 palms – however, due to replanting plan only applicable for 444 Ha in 10 farmer groups. The program for ZA is 130,752 kg in February and 127,296 kg in August 2016. Program for Rock phosphate is 58,112 kg in June 2016. Program for MOP is 91,968 kg in February and 90,368 kg MOP in August 2016. Kieserite 12,544 kg in March 2016. Dolomite 40,448 kg in March 2016. HGFB 5,811 kg in April 2016. Record of fertilizer application: KT 70 received recommendation to applying 13,824 kg ZA in February 2016 – implemented 13,824 kg ZA, dosage 2.25 kg/palm in February 2016. Recommendation to applying 9,216 kg MOP in February 2016 – implemented 9,216 kg MOP, dosage 1.5 kg/palm in February 2016. Recommendation to applying 6,144 kg Rock phosphate in June 2016 – implemented 6,144 kg Rock phosphate, dosage 1 kg/palm in June 2016. Recommendation to applying 614 kg HGFB in April 2016, dosage 0.1 kg per palm.</p>	
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<p>4.2.3</p>	<p>There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.</p> <p>- Minor compliance -</p>	<p>Buatan Estate: Foliar Analysis Report by PT. Nusa Pusaka Kencana Analytical and QC Laboratory. Sample: Analysis report No.045/INT/R&D/MEI/L/15 dated 27th May 2015; analysis of 33 samples from oil palm tissue and oil palm rachis from block A90A, A90B, A90C, A91A, A91B, A91C, A91D, etc. The date of sampling taken 05/02/2015. The foliar sampled for analyzing the major element such as N, P, K, Mg and Ca; and micro element such as Br, Cu, Zn and Fe. Analysis report No.040/INT/R&D/JUN/L/16 dated 24th June 2016 analysis of 41 samples from oil palm tissue and oil palm rachis from block A90B, A90C, A91B, A91C, A91D, A91E, A91F, B91B, B91C, B91D, B89A, etc. The date of sampling taken 11th May up to 4th June 2016. The foliar sampled for analyzing the major element such as N, P, K, Mg and Ca; and micro element such as Br, Cu, Zn and Fe. The foliar analysis being consideration for Nusa Pusaka Kencana to monitor the dynamics in nutrient status, in order to prepare fertilizer recommendation subsequent year.</p> <p>Soil survey carried out in December 2008. Reported under "Laporan Survey Tanah Semidetil Area Perkebunan Kelapa Sawit PT Inti Indosawit Subur Kebun Buatan". Based on the report, the physiographic location in plain with felsic sedimentary rock. Lithology parent material is clay and sand. Topographic of the area is rolling to hilly. Natural fertility is low to medium. The soil type identified in Division I, II and II Buatan Estate composed of <i>Typic dystrodepts</i> (dominant), <i>Typic haplosaprists</i>, <i>Typic endoaquents</i>, <i>Typic endoaquepts</i>, <i>Typic endoaquults</i>, <i>Typic udipsaments</i>. Soil map scale 1:20,000 available, from semi-detailed soil survey 2008 by R&D Asian Agri.</p> <p>Soil analysis was done in September 2015 for Buatan Estate. Soil sample taken from division II, block B91d, planting year 1991, topography flat – identified soil classification <i>Typic haplosaprists</i>, the source material from organic matter. The organic material layer 50 cm, has been completely decomposed, mature decomposition, very porous.</p> <p>Scheme smallholder: Foliar analysis was carried out in line with analysis for company-owned estate. Soil survey was based on 2008 semi-detail soil survey result.</p>	<p>Comply</p>
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<p>4.2.4</p>	<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>The Agricultural policy manual lines out the EFB application recommended at 250 kg/palm – equals to 35 tons/Ha up to 370 kg/palm – equals to 50 tons/Ha. The area selected for EFB application prioritize for terrace/slope, sandy soil.</p> <p>The Agricultural policy manual lines out the POME application recommended at 840 m³/Ha/annum for flat-undulating area; and at rate of 710 m³/Ha for rolling to hilly area, 250 kg/palm – equals to 35 tons/Ha up to 370 kg/palm – equals to 50 tons/Ha. The area selected for EFB application prioritize for terrace/slope, sandy soil.</p> <p>Buatan Estate: Recommendation for EFB input in Division III, block C88c, planting year 1988, 31 Ha, mineral soil, rolling/hilly area. EFB application was recommended at 250 kg/palm – total 977,750 kg; total EFB applied 923,120 kg for 12 Ha in February June 2016.</p> <p>The application of POME in Division II, block C89a XIIB, 4.4 Ha, with 400 flatbeds, length 2,155 meters, total capacity 1,293 m³; flowed with 422 m³ POME in February and May 2016.</p> <p>The application of POME in Division II, block B89a XIIA, 5.4 Ha, with 419 flatbeds, length 2,095 meters, total capacity 1,257 m³; flowed with 380 m³ POME in January and April 2016.</p> <p>Scheme smallholder: KUD Bhakti Mandiri and KUD Sejahtera Smallholder does not applied EFB and POME to oil palm blocks. Smallholder only relies on organic mater from decaying palm fronds.</p>	<p>Comply</p>
<p>Criterion 4.3: Practices minimise and control erosion and degradation of soils.</p>			

<p>4.3.1</p>	<p>Maps of any fragile soils shall be available.</p> <p>- Major compliance -</p>	<p>Buatan Estate: Soil map scale 1:20,000 available, from semi-detailed soil survey 2008 by R&D Asian Agri. The soil type identified in Division I, II and III Buatan Estate composed of Typic dystrochrepts (dominant), Typic haplosaprists, Typic endoaquents, Typic endoaquepts, Typic endoaquults, Typic udipsaments.</p> <p>Topographic map scale 1:20,000 available, from semi-detailed soil survey the slope between 0-8%, 8-15%, 15-30% and >30%. The data and field information from semi-detailed soil survey 2008 by R&D Asian Agri.</p> <p>Soil suitability: S2 is 2,656 Ha (47.2%) with limiting factor of low natural fertility; S3 2,050 Ha (36.4%) with limiting factor of topographic condition; N1 (not suitable) 925 Ha (16.4%) with limiting factor of slope more than 30% and sandy soil with rapid drainage.</p> <table border="1" data-bbox="659 936 1209 1099"> <thead> <tr> <th>Slope class</th> <th>Hectarage</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>0-8%</td> <td>2,165 Ha</td> <td>38.5%</td> </tr> <tr> <td>8-15%</td> <td>1,388 Ha</td> <td>24.6%</td> </tr> <tr> <td>15-30%</td> <td>1,188 Ha</td> <td>21.1%</td> </tr> <tr> <td>>30%</td> <td>890 Ha</td> <td>15.8%</td> </tr> <tr> <td></td> <td>5,631 Ha</td> <td>100.0%</td> </tr> </tbody> </table> <p>Scheme smallholder: PT. Inti Indosawit Subur – Buatan prepared map of soil type and slope class:</p> <table border="1" data-bbox="659 1216 1225 1462"> <thead> <tr> <th colspan="3">Soil Type</th> </tr> <tr> <th></th> <th>Hectarage</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Typic dystrochrepts</td> <td>6,369 Ha</td> <td>58.15%</td> </tr> <tr> <td>Typic endoaquents</td> <td>554 Ha</td> <td>5.00%</td> </tr> <tr> <td>Typic endoaquepts</td> <td>739 Ha</td> <td>6.70%</td> </tr> <tr> <td>Typic endoaquults</td> <td>24 Ha</td> <td>0.20%</td> </tr> <tr> <td>Typic haplosaprist</td> <td>167 Ha</td> <td>1.50%</td> </tr> <tr> <td>Typic haplohemist</td> <td>733 Ha</td> <td>6.70%</td> </tr> <tr> <td>Typic kandiudults</td> <td>2,370 Ha</td> <td>21.63%</td> </tr> </tbody> </table> <p>KUD Bhakti Mandiri: The limiting factors identified area poor drainage, limited natural fertility, topography. Some of smallholder blocks sampled during ASA 1.1 located on hilly area, some on flat area.</p> <p>KUD Sejahtera: Soil maps indicating the predominant soil type is Typic dystrochrepts and Typic endoaquepts. The soil texture consists of sandy loam. The limiting factors identified area poor drainage and limited natural fertility. Cooperative developed a simple map, indicating flat area, low-lying area and hilly area for each smallholder group/KT.</p>	Slope class	Hectarage	Percentage	0-8%	2,165 Ha	38.5%	8-15%	1,388 Ha	24.6%	15-30%	1,188 Ha	21.1%	>30%	890 Ha	15.8%		5,631 Ha	100.0%	Soil Type				Hectarage	Percentage	Typic dystrochrepts	6,369 Ha	58.15%	Typic endoaquents	554 Ha	5.00%	Typic endoaquepts	739 Ha	6.70%	Typic endoaquults	24 Ha	0.20%	Typic haplosaprist	167 Ha	1.50%	Typic haplohemist	733 Ha	6.70%	Typic kandiudults	2,370 Ha	21.63%	<p>Comply</p>
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>30%	890 Ha	15.8%																																														
	5,631 Ha	100.0%																																														
Soil Type																																																
	Hectarage	Percentage																																														
Typic dystrochrepts	6,369 Ha	58.15%																																														
Typic endoaquents	554 Ha	5.00%																																														
Typic endoaquepts	739 Ha	6.70%																																														
Typic endoaquults	24 Ha	0.20%																																														
Typic haplosaprist	167 Ha	1.50%																																														
Typic haplohemist	733 Ha	6.70%																																														
Typic kandiudults	2,370 Ha	21.63%																																														

<p>4.3.2</p>	<p>A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific).</p> <p>- Minor compliance -</p>	<p>Buatan Estate: The recommendation from soil survey is to have fertilizer application, on time, with correct dosage, with correct type; terrace and silt pit as soil conservation; application of EFB and; drain maintenance. Continuous Improvement Plan Kebun Buatan is to have continuous terrace, road drainage, drain maintenance. "Program dan Realisasi Harian Replanting PT. Inti Indosawit Subur Kebun Buatan", dated July 2016. The estate demonstrated felling and chipping March 2016 felled and chipped 60 Ha - 7,506 palms; April 2016 felled and chipped 208 Ha - 26,207 palms; May 2016 felled and chipped 212 Ha - 26,764 palms; June 2016 felled and chipped 97 Ha - 14,260 palms; Stacking in March 2016 for 101 Ha, April 2016 for 139 Ha, May 2016 for 168 Ha, June 2016 for 195 Ha. Terracing in June 2016 for 14,478 meters, July 2016 for 16,632 meters Drainage in June 2016 for 5,220 meters; Planting cover crop 39 Ha in June 2016;</p> <p>Scheme smallholder: Cooperative follows PT. Inti Indosawit Subur's procedure for land clearing stated that no land clearing should performed on area with slope >40%. The strategy implemented by cooperatives is frond stacking and maintain natural vegetation as cover crop. Specific for low-laying area, the strategy is to maintain cover crop, drainage ditch and frond stacking. Based on semi-detail soil survey map and field visit – there is 2,854 Ha area with limiting factors of topography and poor drainage.</p>	<p>Comply</p>
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<p>4.3.3</p>	<p>A road maintenance programme shall be in place.</p> <p>- Minor compliance -</p>	<p>Buatan Estate: Buatan Estate prepared a yearly budget for road maintenance program. The road maintenance program available under document "Master Plan Continuous Improvement Kebun Buatan 2016". The road maintenance consist of mechanical road maintenance (with heavy machinery: grader and compactor) and improvement on road material (with additional sand and stone aggregate). The planning for Division I: Mechanical maintenance: 47,039 meters, material (sand and stone): 740 m³ for 1,820 meters. The planning for Division II: Mechanical maintenance: 33,710 meters, material (sand and stone): 288 m³ for 2,304 meters. The planning for Division III: Mechanical maintenance: 48,038 meters, material (sand and stone): 649 m³ for 2,690 meters. Based on field visit, the road condition in Division I, II and III was in good condition.</p> <p>Scheme smallholder: KUD Bhakti Mandiri: The road maintenance in KUD Bhakti Mandiri financed from deduction on FFB sales: main road Rp.4/kg FFB production/smallholder block; collection road Rp.2/kg FFB production/smallholder block. KUD demonstrated Rencana Perbaikan Jalan Manual 2016: Total road length in KUD Bhakti Mandiri is 60,444 meters. The planning for KT 30 is to maintain/repair 267 meters per month – totalling 3,208 meters. Road maintenance record, in KT 30 has been repaired 1,920 meters up to June 2016. The planning for KT 52 is to maintain/repair 267 meters per month – totalling 3,207 meters. Road maintenance record, in KT 30 has been repaired 2,100 meters up to June 2016.</p> <p>KUD Sejahtera: The road maintenance in KUD Sejahtera financed from deduction on FFB sales. Cooperative demonstrated "Rencana Perbaikan Jalan Manual 2016": Total road length in KUD Sejahtera is 59,920 meters. The planning for KT 70 is to maintain/repair 240 meters per month per smallholder group – totalling 2,880 meters. Road maintenance record, in KT 70 has been repaired 1,440 meters up to June 2016. The planning for KT 117 is to maintain/repair 3,000 meters per annum; 250 meters per month. Road maintenance record, in KT 117 has been repaired 1,500 meters up to June 2016.</p>	<p>Comply</p>
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<p>4.3.4</p>	<p>Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.</p> <p>- Minor compliance -</p>	<p>Buatan Estate: Based on semi-detailed soil survey, there is 85 Ha of <i>typic haplosaprist</i> soil type in Buatan estate. The soil is shallow organic soil (52 cm) with mature organic matter, with high pH; lower layer is mineral soil. Management implemented drainage to control water and maintain ground cover.</p> <p>Scheme smallholder: Based on soil map, there is no peat soil in the area of KUD Bhakti Mandiri and KUD Sejahtera. Furthermore, based on field visit there is no peat soil on farmer plots.</p>	<p>Comply</p>
<p>4.3.5</p>	<p>Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.</p> <p>- Minor compliance -</p>	<p>Buatan Estate: Based on semi-detailed soil survey, there is 85 Ha of <i>typic haplosaprist</i> soil type in Buatan estate. The soil is shallow organic soil (52 cm) with mature, with high pH; lower layer is mineral soil.</p> <p>Scheme smallholder: Based on soil map, there is no peat soil in the area of KUD Bhakti Mandiri and KUD Sejahtera. Furthermore, base on field visit there is no peat soil on farmer plots.</p>	<p>Comply</p>
<p>4.3.6</p>	<p>A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).</p> <p>- Minor compliance -</p>	<p>Buatan Estate: Recommendation for area with steep slope (>30%) is not to open. Planning for terrace rehabilitation for 333,060 meters in Buatan Estate, as planned in "Master Plan Continuous Improvement Plan Kebun Buatan 2016". Progress seen in Division VI, block D89a. The other program was to apply EFB for sandy-textured soil. EFB application programmed for Division I: application to 453 Ha, with 18,949,007 kg EFB. Division II: application for 435 Ha, with 26,671,755 kg EFB. Division III: application for 303 Ha, with 11,298,855 kg EFB.</p> <p>Scheme smallholders: KUD Bhakti Mandiri: Smallholder implemented minimum spraying (using spraying team service), frond stacking against contour line and maintain natural vegetation and beneficial plants. This best management practices implemented at a number of farmer plot of KUD Bhakti Mandiri, where slope identified >25%.</p> <p>KUD Sejahtera: Smallholder member implemented frond stacking against contour line and maintain natural vegetation and beneficial plants. This best management practices implemented at a number of farmer plot of KUD Sejahtera, for area with slope/hilly area.</p>	<p>Comply</p>

Criterion 4.4:
Practices maintain the quality and availability of surface and ground water.

<p>4.4.1</p>	<p>An implemented water management plan shall be in place.</p> <p>- Minor compliance -</p>	<p>Buatan Estate: A water drainage installation program was in place to response the poor drain soil characteristic. Buatan Estate planned in "Master Plan Continuous Improvement Plan Kebun Buatan 2016", to have 12 units of 80 cm diameter culvert and 25 units of 30 cm diameter culvert to be installed in division VI.</p> <p>Scheme smallholder: KUD Bhakti Mandiri: Rencana dan Realisasi Penyusunan Pelapah Letter "U", frond stacking for 75 smallholder blocks. "Rencana dan Realisasi Perawatan Teresan sebagai Sarana Konservasi Tanah dan Air serta Upaya Pencegahan Erosi" Terrace rehabilitation for 48 smallholder blocks (5.22%).</p> <p>KUD Sejahtera: Data Perawatan pelepah Letter "U" oleh Petani Plasma 2016; letter "U" frond stacking. Frond stacking for 61 smallholder blocks. "Rencana dan Realisasi Perawatan Teresan oleh petani plasma"; terrace rehabilitation for 61 smallholder blocks.</p> <p>Observation: KUD Bhakti Mandiri and KUD Sejahtera presented the water management plan. The plan has been implemented. "Rencana dan Realisasi Penyusunan Pelapah Letter U", frond stacking for 75 smallholder blocks. "Rencana dan Realisasi Perawatan Teresan sebagai Sarana Konservasi Tanah dan Air serta Upaya Pencegahan Erosi" Terrace rehabilitation for 48 smallholder blocks (5.22%). Smallholder management to consistently implementing spraying distance from water body to avoid spraying too close to water body/drainage.</p>	<p>Comply</p>
<p>4.4.2</p>	<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>Buatan Estate: Company has water source management: Identification of water source and wetland, as indicated in HCV report. The water source identified mill's water reservoir and river. Policy to prohibit chemical application in riparian zone. Policy to prohibit fish poisoning and prohibit wood cutting in area of company plantation.</p> <p>Scheme smallholder: KUD Bhakti Mandiri: Training on water and soil conservation dated 2nd June 2016 attended by three (3) smallholder members of KUD Bhakti Mandiri: Maryanto, Saepi, Yulianto.</p>	<p>Comply</p>

<p>4.4.3</p>	<p>Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6).</p> <p>- Minor compliance -</p>	<p>Buatan I POM: For mill effluent treatment, Buatan 1 Mill (PBS) has 11 ponds in effluent treatment system (WWTP), which consists of Colling Pond, Primary Anaerobic pond, Secondary Anaerobic pond, Acidification pond, and buffering pond. Procedure of WWTP operation available in Mill Policy Manual (MPM) dated February 1, 2013, chapter AA-MPM-OP-1400.13-R1. PBS Mill is undergoing Biogas power plant construction since April 2015 to generate electrical power by using waste water treatment. The biogas system has Anaerobic MBR system through digester Thermophilic fermentation, and anaerobic membrane tank.</p> <p>According to effluent monitoring data, all produced mill effluent used for land application. Mill holds permit to discharge waste water into land application from local authority through Decree number KTPS.660/BLH/780/2014, issued on 10th September 2014 valid for 5 years. Total area of land application covers 679 hectares at Block B and C.</p> <p>As required by LA permit, Mill conducts monthly check on discharged effluent in cooperation with accredited Laboratory (UPT Pengujian Material, Dinas Bina Marga Provinsi Riau). According to recent testing result, BOD level of applied effluent has met the applicable threshold of KepmenLH No.28/2003 regarding BOD limits of effluent discharge for land application. The level is maintained consistently less than 5,000 mg/L and debit <600 m³ per day.</p> <p>Records of effluent quality monitoring result for the recent three months: - May 2016: BOD was 1,321 mg/L, average debit 456.91 m³/day - April 2016: BOD was 1,384 mg/L, average debit 427.07 m³/day - March 2016: BOD was 654 mg/L, average debit 481.86 m³/day</p>	<p>Comply</p>
<p>4.4.4</p>	<p>Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored.</p> <p>- Minor compliance -</p>	<p>Buatan I POM: Mills monitor the use of water includes monitoring of water usage for mill processing and domestic usage. Result of water usage monitoring is recorded under "Mill Operation Summary 2016". Review on record confirmed met with the approved budget for processing and domestic,</p> <p>Record of water usage for FFB processed is recorded in "Data Monitoring Pemakaian Air PMB", e.g. Water usage in 2016 is 1.02 MT/tonnes TBS.</p> <p>Estate and Scheme Smallholders: Not Applicable</p>	<p>Comply</p>

Criterion 4.5:			
Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.			
<p>4.5.1</p>	<p>Implementation of Integrated Pest Management (IPM) plans shall be monitored.</p> <p>- Major compliance -</p>	<p>Buatan Estate: Integrated Pest Management including regular pest and disease census and maintenance of natural predators. "Master Plan Continuous Improvement Plan Kebun Buatan 2016" indicates: Barn Owl Boxes repair, Division I: 5 barn owl boxes; Division II: 8 barn owl boxes; Division III: 7 barn owl boxes. Estate also planning to plants beneficial plant such as <i>Cassia sp.</i>, <i>Antigonon</i> and <i>Hibiscus rosa-sinensis</i> for all division. Division I: 25,880 meters <i>Cassia sp.</i>, 350 plants <i>Hibiscus</i>; 32 plants <i>Antigonon</i>. Division II: 14,890 meters <i>Cassia sp.</i>, 554 plants <i>Hibiscus</i> and 28 plants <i>Antigonon</i>. Division III: 16,200 meters <i>Cassia sp.</i>, 450 plants <i>Hibiscus</i> and 44 plants <i>Antigonon</i>.</p> <p>Scheme smallholder: KUD Bhakti Mandiri: KUD shows pest and disease census program and record. "Formulir Sensus Hama Pemakan Daun" period January – June 2016. The pest and disease census shows no leaf eating caterpillar infestation above economic threshold (5%).</p> <p>KUD Sejahtera: Cooperative shows pest and disease census program and record. "Formulir Sensus Hama Pemakan Daun" period June 2016. The pest and disease census shows no leaf eating caterpillar infestation above economic threshold (5%) in KT 70, KT 110, KT 117, KT 168. "Formulir Sensus Burung Hantu dan KBH", barn owl and barn owl box census, period 13-15th July 2016. For KT 70, 2 barn owl boxes; 1 adult barn owl. KT 110, 2 barn owl boxes; 2 adult barn owls. KT 168, 2 barn owl boxes and 1 adult barn owl.</p>	<p>Comply</p>
<p>4.5.2</p>	<p>Training of those involved in IPM implementation shall be demonstrated.</p> <p>- Minor compliance -</p>	<p>Buatan Estate: Training for workers involved with early warning system was carried out in 21st May 2015 for field supervisors in Buatan Estate.</p> <p>Scheme smallholder: KUD Sejahtera: Integrated Pest Management training provided to smallholder member on 20th May 2015, attended by 27 smallholder members and cooperative committee.</p>	<p>Comply</p>
Criterion 4.6:			
Pesticides are used in ways that do not endanger health or the environment			

<p>4.6.1</p>	<p>Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available.</p> <p>- Major compliance -</p>	<p>Buatan Estate: Inspection of records confirmed only chemicals that are registered and approved by the Department of Agriculture are used. Data on pesticides usage are recorded on the PT. Inti Indosawit Subur – Buatan Group Estate office. Justification for all pesticide used was recorded in “Rencana Kerja Kebun Buatan” 2016. There are specific target and activities used for selective products such as:</p> <ul style="list-style-type: none"> - <i>Glyphosate, Fluoroxypyr, Methyl Metsulfuron</i> and <i>Paraquat</i> are used for circle spraying. - <i>Glyphosate</i> and <i>Fluoroxypyr</i> used for FFB collection point spraying - <i>Glyphosate, Trichlopyr, Methyl Metsulfuron</i> are used for wooden weeds - <i>Methyl Metsulfuron, Paraquat</i> are used for wooden fern - <i>2,4-Diamine</i> and <i>Glyphosate</i> are used for soft wooden grass (<i>Asystasia</i> sp). <p>Scheme smallholder: Document titled “Penggunaan Agrokimia Terdaftar” indicates the permitted pesticide (herbicide) allowed to be used on smallholder blocks. The herbicide listed: Elang brand, active ingredients: <i>Isopropil Amine Glyphosate</i>, listed No.RI.01030119941170, valid until 09/01/2017; Garlon brand, active ingredients: <i>Trichlopyr</i>, listed No.RI.0103011984695. These herbicide programmed for weed control on circle and path spraying only.</p>	<p>Comply</p>
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RSPO Public Summary Report
Revision 3 (July /2016)

<p>4.6.2</p>	<p>Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided.</p> <p>- Major compliance -</p>	<p>Buatan Estate: Agrochemicals used are monitored each time it is used. Records includes active ingredients used, area treated, quantity applied per hectare, type of equipment used and number of applicators involve. Records observed during the audit i.e. Estate Monthly Report, Daily Field Supervisor Book.</p> <table border="1" data-bbox="659 591 1217 1061"> <thead> <tr> <th>Chemical</th> <th>Application up to June 2016 (liter/kg)</th> <th>a.i. used</th> <th>a.i per Ha applied (5,621 Ha)</th> <th>a.i. per production (49,758 tons)</th> </tr> </thead> <tbody> <tr> <td>Metsulindo (Metil metsulfuron 20%)</td> <td>837 kg</td> <td>60,400 gram</td> <td>10,71 gram/Ha</td> <td>1.21 gram/ton</td> </tr> <tr> <td>Gramoxone (on paraquat)</td> <td>1645 liters</td> <td>197,800 gram</td> <td>35.18 gram/Ha</td> <td>3.975 gram/ton</td> </tr> <tr> <td>Bionasa 480 AS (Isopropyl amina glifosat)</td> <td>1,500 liters</td> <td>1,286.4 gram</td> <td>0.22 gram/Ha</td> <td>0.025 gram/ton</td> </tr> <tr> <td>Kenrane 288 EC (Fluoroksipir)</td> <td>35 liters</td> <td>10.9 gram</td> <td>0.0019 gram/Ha</td> <td>0.00022 gram/ton</td> </tr> <tr> <td>2,4 Dimetil Amina</td> <td>389 liters</td> <td>134 gram</td> <td>0.024 gram/Ha</td> <td>0.0026 gram/ton</td> </tr> </tbody> </table>	Chemical	Application up to June 2016 (liter/kg)	a.i. used	a.i per Ha applied (5,621 Ha)	a.i. per production (49,758 tons)	Metsulindo (Metil metsulfuron 20%)	837 kg	60,400 gram	10,71 gram/Ha	1.21 gram/ton	Gramoxone (on paraquat)	1645 liters	197,800 gram	35.18 gram/Ha	3.975 gram/ton	Bionasa 480 AS (Isopropyl amina glifosat)	1,500 liters	1,286.4 gram	0.22 gram/Ha	0.025 gram/ton	Kenrane 288 EC (Fluoroksipir)	35 liters	10.9 gram	0.0019 gram/Ha	0.00022 gram/ton	2,4 Dimetil Amina	389 liters	134 gram	0.024 gram/Ha	0.0026 gram/ton	<p>Comply</p>
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RSPO Public Summary Report
Revision 3 (July /2016)

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<p>4.6.3</p>	<p>Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines.</p> <p>- Major compliance -</p>	<p>Buatan Estate and Scheme Smallholders: PT. Inti Indosawit Subur - Buatan and scheme smallholder control weeds through identification to select appropriate control to be applied. Identification record of weeds comes under "Identifikasi Gulma Dominan". The record is identifying the target of weeds, the location, and active ingredient. Dosage used for herbicide application refers to Agricultural Policy Manual AA-APM-OP-1100.08-R1. There is no use of prophylactic use of pesticides.</p>	<p>Comply</p>
<p>4.6.4</p>	<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>Buatan Estate: Paraquat is not banned in Indonesia. Buatan Estate (Division I, II, III) shows limited use of paraquat.</p> <p>Scheme smallholders: There was no pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat – used by smallholder. PT. Inti Indosawit Subur indicating the type of herbicide allowed to be used by smallholder: Roundup 486 SL, active ingredient <i>isopropyl amina glifosat</i> 486 g/l. Permit No.RI.01030120001560. Metsulindo 20 WP, active ingredient <i>metil metsulfuron</i> 20%. Permit No.RI.010301199991484.</p>	<p>Comply</p>

<p>4.6.5</p>	<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>Buatan Estate and Scheme smallholder: PT. Inti Indosawit Subur – Buatan has ensured that applicators are trained; all personnel handling agrochemical was trained for the use of limited pesticide in collaboration with Manpower office of Batanghari regency. Record of training for spraying operators is kept in estate office. Field visit to Buatan estate chemical’s storage showed the pesticide stores continued to be well maintained and the chemicals were labelled clearly and stored within spill containment. Observation of spray-mix preparation and spraying showed that the workers were wearing PPE correctly and they were working safely and in accordance with the chemical manufacturer’s recommendations. MSDS available in Buatan Estate’s chemical store. Chemical storekeeper understood the critical control based on MSDS. The Personal Protective Equipment was provided in accordance to MSDS information.</p> <p>Sprayer that perform herbicide spraying in Buatan estate also perform spraying activity in smallholder plantation. Sprayer team has been trained with pesticide handling training, agrochemical application training and limited pesticide training. Spraying team only handles herbicide to control the weed. Sprayers understood the type of chemical for each weed type, the hazard, the application and appropriate PPE to wear.</p> <p>Estate retained record of training: Efendi limited pesticide training 19th May 2011 certificate No.1505/Set-KP3/VII/2011. Mawardian limited pesticide training 22nd October 2012 certificate No.539/Set-KP3/I/2013. Ruslina Pasaribu, Lamria boru Sianturi, Helen boru Siahaan, Rismawan boru Haloho, Dorkas Rumanti Sitohang limited pesticide training 22nd October 2012 with certificate No.547/Set-KP3/I/2013. Morestu Sidabutar, Anni Derita boru Sitompul limited pesticide training 22nd October 2012 with certificate No.622/Set-KP3/I/2013. Saloma boru Ginting limited pesticide training No.550/Set-KP3/I/2013. Lisdar boru Silaban limited pesticide training 21st September 2015 No.1329/Set-KP3/IX/2015 (Division III) – 11 persons.</p>	<p>Comply</p>
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<p>4.6.6</p>	<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>Buatan Estate and Scheme smallholders: PT. Inti Indosawit Subur – Buatan Estate has a chemical storage including chemical containers washing and bathing places for the sprayers. Based on a field visit to the chemical storage, it was found that: The storage is in form of permanent building with good ventilation; Permanent floor was cemented, the floor of the mixing of pesticides using ceramics, and equipped with a "spillage trap"; The storage facility completed with eye wash shower, first aid box, PPE and Fire extinguisher at immediate premise.</p> <p>Estate has also perform operation control: MSDS are available for all types of existing chemical; The pesticide management and safety instructions are available; waste water from pesticides containers collected in "spillage trap"; The flow of waste water is channeled and stored so that it is not discharged into the environment; The water was re-used for its dilution.</p> <p>Handling of empty chemical: Empty pesticide containers were clean washed in a wash basin, then, it was dried in a provided place; Dried empty container were stored in temporary warehouse before being taken / sent by a third party who has a license.</p> <p>The company had a SOP of waste pesticide management which is SOP of hazardous waste management No.AA-KL-06-EFP. The company disposed their hazardous waste, included empty container pesticides to the licensed company.</p>	<p>Comply</p>
<p>4.6.7</p>	<p>Application of pesticides shall be by proven methods that minimise risk and impacts.</p> <p>- Minor compliance -</p>	<p>Buatan Estate and Scheme smallholders: Agrochemical had been applied using the Best Management Practices that minimize risk and impacts. Sprayer team and chemical mixer are trained and provided with standard PPE (face shield, respiratory, rubber glove, apron and rubber boot). The agrochemical storekeepers, supervisors and sprayers found to understand use of the correct pesticide type, dosage, nozzle, spray factor, spray quality and spray techniques.</p> <p>During audit, audit team interviewed the sprayers and checks on inquire for any skin rashes, breathing difficulties and nail problem. Auditors also check worker's nail colour. No sign of intoxication noted.</p>	<p>Comply</p>

<p>4.6.8</p>	<p>Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.</p> <p>- Major compliance -</p>	<p>Buatan Estate and Scheme smallholders: There is no aerial application of pesticide in company-owned plantation and/or in smallholder plantation.</p>	<p>Comply</p>
<p>4.6.9</p>	<p>Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8).</p> <p>- Minor compliance -</p>	<p>Buatan Estate: Sprayer that perform herbicide spraying in Buatan estate also perform spraying activity in smallholder plantation. Sprayer team has been trained with pesticide handling training, agrochemical application training and limited pesticide training. Spraying team only handles herbicide to control the weed. Sprayers understood the type of chemical for each weed type, the hazard, the application and appropriate PPE to wear. Estate retained record of training: Efendi limited pesticide training 19th May 2011 certificate No.1505/Set-KP3/VII/2011. Mawardian limited pesticide training 22nd October 2012 certificate No.539/Set-KP3/I/2013. Ruslina Pasaribu, Lamria boru Sianturi, Helen boru Siahaan, Rismawan boru Haloho, Dorkas Rumanti Sitohang limited pesticide training 22nd October 2012 with certificate No.547/Set-KP3/I/2013. Morestu Sidabutar, Anni Derita boru Sitompul limited pesticide training 22nd October 2012 with certificate No.622/Set-KP3/I/2013. Saloma boru Ginting limited pesticide training No.550/Set-KP3/I/2013. Lisdar boru Silaban limited pesticide training 21st September 2015 No.1329/Set-KP3/IX/2015 (Division III) – 11 persons.</p>	<p>Comply</p>

<p>4.6.10</p>	<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>NC Minor: During this annual surveillance assessment, audit team found some of the smallholder farmer in KUD Sejahtera performed weed control/spraying by themselves. Based on interview with the smallholder farmers, they cannot demonstrate knowledge and understanding related to procedure for proper disposal of waste material; training provided to smallholder member on proper waste disposal. Lack of evidence that smallholder farmers whose performed weed control/spraying themselves are able to demonstrate implementation of proper ways for waste material according to procedures.</p> <p>In previous assessment, audit team raised as observation "Majority of farmer members members are using "Team Unit Semprot/TUS" service in performing weed control/spraying. However, based on interview with sampled smallholder farmer, some of them performed weed control by themselves, have not attended training, and disposed off the empty container on the field and/or use it for cattle manure".</p> <p>Lack of evidence scheme smallholder management took effective corrective action plan to address previous observation. Therefore, audit team escalated into non-conformity.</p> <p>Objective evidence: According to action plan of Smallholder Office, chemical spraying for all scheme smallholder under Buatan I POM will be handled by PT. Inti Indosawit Subur, through company's spraying team. However, observed in field visit at KUD Sejahtera, KT 110, block 241x (owned by Mr. S) and block 241x (owned by Mr. M) that there are several smallholder farmer who conducted spraying by themselves. There was no sufficient evidence of appropriate control on ex-chemical container, as well as consideration regarding safety aspect of spraying activities.</p>	<p>NC Minor</p>
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<p>4.6.11</p>	<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>Buatan Estate: PT. Inti Indosawit Subur-Buatan provides medical checkup to monitor intoxication level for all sprayers, comprise of blood test, urinal test, Rontgen and spirometry test. The medical check-up carried out on annual basis. Latest medical check-up carried out in 3rd May 2016. Sprayer: Efendi, Mawardian, Ruslina Pasaribu, Lamria boru Sianturi, Helen boru Siahaan, Rismawan boru Haloho, Dorkas Rumanti Sitohang, Morestu Sidabutar, Ani Derita boru Sitompul, Saloma boru Ginting, Lisdar boru Silaban (Division III) – 11 persons. Medical check-up results have been verified by company doctor, no signs of intoxication, all found to be fit for work. Fertilizer applicator: Pujiati, Purwati, Sabar boru Tarigan, Sariyah, Rahmayanti (Division I)</p> <p>Scheme smallholders: Company provided specific medical check up for all sprayers working in smallholder plantation; comprise of blood test, urinal test, rontgen and spirometric test. The medical check up carried out on annual basis. Latest medical check up result dated 26th July 2015. Sample verified Mrs.Yanna, Mrs.Supriati, Mrs.Siti Muthmainah, Mrs.Junita. all found to be fit for work.</p>	<p>Comply</p>
<p>4.6.12</p>	<p>No work with pesticides shall be undertaken by pregnant or breast-feeding women.</p> <p>- Major compliance -</p>	<p>Buatan Estate and Scheme smallholders: PT. Inti Indosawit Subur – Ukui Group prohibits pregnant or breast-feeding women to perform chemical spraying. In order to mitigate, estate performed monthly pregnancy test.</p>	<p>Comply</p>
<p>Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:</p>			

<p>4.7.1</p>	<p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p>- Major compliance -</p>	<p>Buatan Estate: An Occupational Health and Safety Policy has been established and in place, issued and signed by the Managing Director dated 1st December 2014. Point 3. Committed to implement and maintain occupational health and safety management system in compliance with national and international applicable regulation. Point 5. Integrating social, environmental, food security, occupational health and safety issues into operational activities, adopting best technology available, and maintain trained manpower, with skills, and motivated to improve performance through continuous improvement program.</p> <p>Health and safety program for Kebun Buatan has been prepared since January 2016. The program consist of identifying new potential risk and review the risk analysis; to conduct basic safety and basic fire fighting training; to conduct PPE monitoring on daily basis; to conduct refreshment training on the use of limited pesticide; to distribute PPE for worker at high risk station (spraying and harvesting).</p> <p>Medical check up provided for all workers in Buatan Estate on 13th August 2015. 5 office workers, 42 workers from Division I, 21 workers from Division II, 66 workers from Division III, 32 workers from Division IV, 23 workers from Division V, 21 workers from Division VI, 8 workers from Nursery, 2 workers from warehouse, 13 workers from vehicle workshop, 56 workers from KKPA Estate.</p> <p>Buatan I POM: OHS policy at PBS mill available under document "Company Policy / Kebijakan Perusahaan" signed by Managing Director on December 1, 2014. Point 4 of the policy states "To determine measurable objective and target to prevent accident and occupational disease for all worker and other interested parties, through continuous improvement". The policy is written in Bahasa Indonesia as standard language and has been socialized to all workers on October 30, 2015. List of attendance and materials available, The briefing was delivered by Mill Manager (Mr. PS) and OHS assistant.</p> <p>Derived from the policy, there is OHS plan under document "Programme of OHS Management" which is updated annually and contains set of objectives and programmes that was derived from the health and safety policy. For year 2016, the programme covers three main objectives, which are: 1) Increase safety an culture in work place, 2) Prevent dengue fever spread, 3) Train the employees on emergency situation particularly natural disaster and fires. H & S Programmes covers: 1) signboard and banner, 2) fogging and hygiene, 3) basic fire training, earth quake, and first aider.</p> <p>---</p>	<p>Comply</p>
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	<p>Buatan I POM: Improvement of plan is needed as:</p> <ol style="list-style-type: none"> 1. some activities which are actually implemented not yet mentioned in the plan, e.g.: medical surveillance, PPE distribution, H&S committee meeting, etc. 2. The objectives has not yet fully accommodate ILO Convention 184 (2001) Safety and Health in Agriculture, e.g.: "Preventive and protective measures to ensure health and safety at workplaces, machinery, equipment, chemicals, tools and processes; ensure dissemination of information, appropriate training, supervision and compliance; special protections for youth and women workers; coverage against occupational injuries and disease" <p>Amongst evidences of OHS implementation in PBS mill are available under the following records:</p> <ol style="list-style-type: none"> 1. Periodic monitoring of emergency equipment e.g.: fire extinguisher, hydrant, first aid box, eye shower at TPS LB3, etc. 2. Medical surveillance for chemical operators on April, 2016 <p>Monitoring of OHS implementation effectivity has been done by mill management through:</p> <ul style="list-style-type: none"> - Monthly meeting of H&S committee, discussing update of H&S issues. e.g. MoM on April 2, 2016; MoM on May 3, 2016; MoM of June 3, 2016. - Annual Mill Performance report, section 1.2.7 regarding work accident, near miss, & potency. <p>Record of occupational safety and healthy implementation available and has been reported to manpower office on monthly basis. Report for January – March 2016 has been sent on 2nd May 2016. Action plan available when targets are not achieved annually.</p>	
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		<p>Scheme smallholder:</p> <p>KUD Bhakti Mandiri: Kebijakan KUD Bhakti Mandiri signed 1st August 2013, point 3 "memperhatikan dan menerapkan budaya kesehatan dan keselamatan kerja (K3), memakai Alat Pelindung Diri jika diperlukan dalam melaksanakan tugas sehari-hari dengan memperhatikan tempat dan kondisi kerja" – to pay attention and implementing health and safety culture, using personnel protective equipment, if necessary, in performing daily work and to maintain the work premises. Prosedur Kesehatan dan Keselamatan Kerja including the risk assessment for harvesting, fertilizer application, plantation block upkeep (including spraying). "Daftar Pemeriksaan APD" – PPE use checklist, dated 15th May 2016 for KT 162, PPE monitoring for weed cutting for Wiwik, Anik, Rahmad, Anto, Yono. "Daftar Pemeriksaaan APD", dated 24th April 2016 for KT 30, PPE monitoring for harvesting Imron, Ari, Niran, Puput, Muslih – using helmet, glove, gum boot, goggle, sickle cover.</p> <p>KUD Sejahtera: Kebijakan KUD Sejahtera signed 1st August 2013, point 3 "memperhatikan dan menerapkan budaya kesehatan dan keselamatan kerja (K3), memakai Alat Pelindung Diri jika diperlukan dalam melaksanakan tugas sehari-hari dengan memperhatikan tempat dan kondisi kerja" – to pay attention and implementing health and safety culture, using personnel protective equipment, if necessary, in performing daily work and to maintain the work premises. "Prosedur Kesehatan dan Keselamatan Kerja KUD Sejahtera" dated 10th June 2016 including the risk assessment for harvesting, fertilizer application, spraying, plantation block upkeep. Risk from harvesting: falling frond, falling loose fruit, falling bunch, etc. The control proposed through administrative/training and PPE use for harvester.</p>	
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<p>4.7.2</p>	<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>Buatan Estate: Company has a procedure to identify and prepare a risk assessment register. The procedure including calculation of risk level considering the frequency and severity, as well as determining control for each risk level identified. Risk assessment for plantation operation in Buatan Estate have been reviewed and updated. The latest review and revision on HIRADC dated 31st December 2015. Risk assessment has identified hazard and risk from office activities, infrastructure construction activities, warehouse and workshop related activities, harvesting and FFB loading activities, fertilizer and spraying activities.</p> <p>Buatan I POM: Risk assessment has been conducted for all operation at PBS mill. The result can be seen in document "Hazard identification & Risk Assessment and Control / Analisis Resiko". The document is updated periodically, most recent update is available on July 1, 2016.</p> <p>Observed taht the Risk Assessment document has covered all of mill processes and activities such as: Housing, offices, traffic, road access to mill, security post, parking, weighbridge, sterilizer, tippler, kernel, bulk silo, loading ramp, loading hopper, boiler, water treatment plant, clarification, press, thressing, laboratory, chemical storage, warehouse, WWTP, waste, sortation, workshop, biogass, etc.</p> <p>The assessment document contains following information: Unit, location, activity, step, human, material, equipment, working equipment, working place environment, dangers, risik, frequency, consequencey, risk level, control, explanation of control, PIC, and target.</p> <p>All precautions attached to products been properly observed and applied such as: first aid equipment and PPE for safety treatment of chemical material in chemical storage and boiler, safety treatment (PPE) and for hazardous material at hazardous material storage.</p> <p>Scheme smallholders: KUD Bhakti Mandiri: Risk assessment in form of "Prosedur Kesehatan dan Keselamatan Kerja" including the risk assessment for harvesting, fertilizer application, plantation block upkeep (including spraying).</p> <p>---</p>	<p>Comply</p>
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		<p>Scheme smallholders: KUD Sejahtera: Risk assessment in the cooperative documented in "Analisis Bahaya dan Resiko dan Program Kesehatan dan Keselamatan Kerja K3" explaining risk assessment for harvesting, fertilizer application, spraying, plantation block upkeep. Risk from harvesting: falling frond, falling loose fruit, falling bunch, etc. The control proposed through administrative/training and PPE use for harvester.</p> <p>Observation: Risk assessment for plantation operation in Buatan Estate have been reviewed and updated. The latest review and revision on HIRADC dated 31st December 2015. Risk assessment has identified hazard and risk from office activities, infrastructure construction activities, warehouse and workshop related activities, harvesting and FFB loading activities, fertilizer and spraying activities. Subsequent risk assessment review includes hazard and risk from activity such as replanting activities, boundary poles monitoring, HCV monitoring and land application maintenance. To improve the accuracy of risk level calculation related to FFB harvesting activity.</p>	
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<p>4.7.3</p>	<p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Minor compliance -</p>	<p>Buatan Estate: Sprayer team has been trained with pesticide handling training, agrochemical application training and limited pesticide training. Spraying team only handles herbicide to control the weed. Sprayers understood the type of chemical for each weed type, the hazard, the application and appropriate PPE to wear. All sprayers and agrochemical operators using protective equipment: hat, goggle, masker, apron, hand glove, gumboot. Estate retained record of training; sample: Mawardian limited pesticide training 22nd October 2012 certificate No.539/Set-KP3/I/2013. Ruslina Pasaribu, Lamria boru Sianturi, Helen boru Siahaan, Rismawan boru Haloho, Dorkas Rumanti Sitohang limited pesticide training 22nd October 2012 with certificate No.547/Set-KP3/I/2013. Morestu Sidabutar, Anni Derita boru Sitompul limited pesticide training 22nd October 2012 with certificate No.622/Set-KP3/I/2013. Saloma boru Ginting limited pesticide training No.550/Set-KP3/I/2013. Lisdar boru Silaban limited pesticide training 21st September 2015, No.1329/Set-KP3/IX/2015. Heavy machinery operators are trained and using protective equipment: helmet and safety shoes. Mr.Sahidan Nasution, excavator operator trained with "Pembinaan Teknik Keselamatan dan Kesehatan Kerja Pesawat Angkat dan Angkut" certified and licensed No.Ser.1761/OPK3/PAA/III/2014 dated 7th March 2014. License No.14.32827-OPK3-PAA/III/2014 valid until 7th March 2019. Mr.Ahmad Fauzi, Motor Grader operator trained with "Operator Pesawat Angkat dan Angkut" certified No.09.2076/OPF/KK/IV/2009; holds license No.P14.2076-OPK3-PAA/VIII/2014, valid until 8th August 2019. Mr.Murdiono Sinaga, bulldozer operator trained with with "Pembinaan Teknik Keselamatan dan Kesehatan Kerja Pesawat Angkat dan Angkut" certified and holds licensed No.Ser.11.10019-OPK3-PAA/VII/2011 valid until 29th July 2016.</p> <p>Buatan I POM: All workers involved in the operation has been appropriately trained in safe working practise, as seen by he following evidences:</p> <ul style="list-style-type: none"> - Safety Officer Training: Mr. YP as safety officer on 10-21st September 2014. The training was conducted by PT. Arpindo Pratama as Authorized Training Conductor on behalf of Ministry of Manpower of Republic of Indonesia. - Hyperkes training for Physician and paramedics: Mrs MSS (mill), has attended hyperkes training on February 2013, Mrs. DSA (estate) has attended has attended hyperkes training on February 2013, Dr. ZIA (estate) has attended has attended hyperkes training on February 2013. Training was held by Ministry of Labour. 	<p>Comply</p>
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	<p>Buatan I POM:</p> <ul style="list-style-type: none"> - First aid training: Ms. MSS (mill) 3 – 5th February 2016, Mrs. DSA on 18-21st February 2015. The training was conducted by PT. Jesindo Mandiri as Authorized Training Conductor on behalf of Ministry of Manpower of Republic of Indonesia. Training covers: basic theory and practical works. - Records of inhouse safety training / socialization to workers in mills: e.g. on May 27, 2016 attended by 25 workers, March 11, 2106 attended by 24 workers, April 15, 2016 attended 25 workers, - Training on safety working practice for operators, such as: boiler, heavy load vehicle, welding, and electrician. <p>Company provides PPE for all workers in mill as seen under document "Monitoring pembagian APD" for the following PPE: Safety shoes, Uniform, Gloves, Ear Plug. Field inspection to mill site confirmed all workers who exposed in high risk job were provided with proper PPE, for instance: earplug for boiler operators, safety helmet and shoes for all workers, gloves for sterilizer and workshp, welding PPE for welder, etc.</p> <p>All workers has had medical surveillance including adminstration officer. Recent medical check up for all workers and audiometry test for high risk workers was held on August 14, 2015 and the next has been scehduled on August 2016. For 22 workers with high risk (exposed by chemical), surveillance has been done on May 04, 2016. All workers are fit and health.</p> <p>Scheme smallholder: KUD Bhakti Mandiri: Notulen Pelatihan Sustainability Awareness dan K3 dated 1st April 2016, attended by 36 smallholder members. Cooperative also provided protective equipment "Berita Acara Penyerahan APD" (100 helmets and 100 safety goggles) to harvester in KUD Bhakti Mandiri.</p> <p>KUD Sejahtera: Provision of PPE "Berita Acara Penyerahan Alat Pelindung Diri bagi Pemanen dan Kelompok Tani", minutes of PPE handover to harvester and smallholder member. 100 helmets and 100 sickle covers being distributed to 36 harvesters on 5th January 2016. Monitoring on PPE used by harvester, dated 10th May 2016 for worker, Mr.Tumirin and Badri, using helmet, goggle, sickle cover and gum boot. Training for harvester dated 6th June 2016 for 30 harvesters covering harvesting plan, harvesting implementation, grading, etc.</p>	
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<p>4.7.4</p>	<p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>- Major compliance -</p>	<p>Buatan Estate: The responsible person for health and safety is Mr.Afriando Flora Kirnando, No.Ser.13.10233/AK3/U/XI/2014 dated 14th November 2014. The person was appointed through "Keputusan Menteri Tenaga Kerja dan Transmigrasi RI No.KEP.9262/M/DJPPK/XI/2014 tentang Penunjukan Ahli K3" dated 14th November 2014, valid for 3 years.</p> <p>The safety committee structure has been established, and approved by manpower office, "Keputusan Kepala Dinas Tenaga Kerja dan Transmigrasi Kabupaten Pelalawan No.KPTS.566/DTKT-WAS/2016/34 tentang Pengesahan Susunan Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3) Perusahaan PT. Inti Indosawit Subur Kebun Buatan, dated 10th May 2016.</p> <p>Safety committee regularly meeting with worker. Sample: P2K3 meeting 15th March 2016, discussing safety talk effectiveness, PPE use monitoring, pregnancy test for female worker performing spraying and fertilizer application; attended by 10 workers. P2K3 meeting 16th May 2016, discussing safety talk effectiveness, PPE use monitoring, pregnancy test for female worker performing spraying and fertilizer application; attended by 10 workers.</p> <p>The safety committee has reported the health and safety performance to manpower office on regular basis. Confirmed with manpower office during stakeholder consultation, confirmed during document review: "Laporan P2K3" period of March-June 2016, reported on 20th June 2016.</p> <p>Buatan I POM: Safety committee structure has been established for Buatan I Mill and has been registered at local manpower authorities through decree number KPTS.566/DTKT-WAS/2015/43 March 5, 2015. The committee is headed by Parnel Saragih, secretary is Mr. Yakop Panjaitan as Licensed Safety Officer through Keputusan Menteri Tenaga Kerja dan Transmigrasi RI No.KEP.9261/M/DJPPK/XI/2014 tentang Penunjukan Ahli K3" dated 14th November 2014, valid for 3 years. Safety committee meeting is held monthly, led by Safety Committee Head or secretary. Most recent meeting were on April 2, 2016, MoM on May 3, 2016, MoM of June 3, 2016.</p> <p>Minutes of meeting and list of attendance available. E.g.: Meeting on June attended by 7 committee members with meeting agenda as follows: the health and safety programme, monitoring of PPE use and accident occurrence, sanitation and hygiene of housing complex, smoking area regulation, mill inspection, medical check up, accident review, near miss review, etc.</p>	<p>Comply</p>
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		<p>Scheme smallholder: KUD Bhakti Mandiri: Minutes of meeting discussing Health and Safety (PPE usage, work accident) on 9th February 2016, attended by 18 smallholder members.</p> <p>KUD Sejahtera: Meeting in cooperative discussing health and safety performance conducted on 28th May 2016. The discussion also related to provision of PPE, and training for harvester.</p> <p>Observation: Buatan I POM managed their hazardous waste accordingly. Buatan I POM collected all hazardous waste from estate and mill into temporary hazardous waste storage in central workshop compound. The temporary hazardous waste storage has valid permit. The hazardous waste then sent for disposal with licensed contractor. Record of transporting seen: "Bukti Pengiriman dan Surat Jalan Limbah B3 PT. Inti Indosawit Subur kepada PT. Shali Riau Lestari" – transport manifest dated 2nd February 2016, hazardous waste store sent 21 drums used oil, 2.5 drums filters, 40 drums empty herbicide containers, 2 drums old jerry can, 0.2 drums medical waste, 0.2 drum contaminated rags, 16 pieces old battery; transported via PT. Shali Riau Lestari. Buatan I POM was encouraged to improve safety awareness and monitoring of use of ex-chemical container in worker housing.</p>	
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<p>4.7.5</p>	<p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>- Minor compliance -</p>	<p>Buatan Estate: Licensed first aider under name Mrs.Dahlia Sari Agustina, as approved by "Dinas Tenaga Kerja dan Transmigrasi Kabupaten Pelalawan", Lisensi No.566/DTKT-WAS/LC/P3K/101 valid until 1st July 2018. First aid kits are available with field supervisor. Confirmed during interview with harvester and fertilizer applicator in Division I.</p> <p>Accidents are recorded under "Laporan Kecelakaan Kerja". 2016 records shows up to June 2016, 19 work related accidents resulted in 38 lost working days. 10 cases related to fallen frond, 4 cases related to fallen debris from palm, etc. Accident investigation reported in form called "Rekaman Kecelakaan Kerja" are kept in estate office.</p> <p>Buatan I POM: Sighted SOPs for accident and emergencies under the following documents:</p> <ul style="list-style-type: none"> - EMS Manual 4.10 – Emergency Preparedness and Response issued March 1,2004 - EMS Procedurs chapter 4.4.7 regarding Emergency Preparedness. <p>These two documents cover emergency preparedness procedure for several emergency situation such as land fires, housing and mill fires, WWTP leakage, hazardous waste spill, boiler and gas explosion. Observed from sampling interview that all workers understand and aware on emergency response and safety working practice at work place. Sighted at each station work instruction, signboard and first aid kit.</p> <p>Sighted appropriate first aid faciities at mill: Hydrant (6); Fires extenghuisher (35 units); First aid box at 8 locations, Eye washer at Chemical Storage. First aid equipment were adequately stocked and checked as seen by monitoring bin card at each first aid facilities.</p> <p>Company has assigned two licensed paramedic as first aider at mill and estate. The first aider at mill (Mrs. MSS) and estate (Mrs DSA) have attended official first aid training by Authorized Training Conductor (PT. Jesindo Mandiri) on behalf of Ministry of Manpower of Republic of Indonesia. The training was held on 03 – 05 February 2016 (mill) and 18-21 February 2015 (estate) at Asian Agri Grup Office, Pelalawan, Riau. Training materials covers: basic theory and practical works. First aid officer at estate (Ms. Dahlia S.A) has had license number: 566/DTKT-WAS/LC/P3K/101, valid until July 1, 2018 issued by Manpower and Transmigrant Agency of Pelalawan District on July.</p>	<p>Comply</p>
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**RSPO Public Summary Report
Revision 3 (July /2016)**

		<p>Buatan I POM: Records of all accident available and well maintained under document "Work Accident Records / Rekaman Kecelakaan Kerja". According to available data, total number accident for 2015 was 5 accident case: 1 mechanical worker at clarification (splashed by hot CPO), 1 operator at storage (hit by fallen overweight iron beam), 1 operator at sterilizer (steam has not emptied), 1 worker at biogass plant (snake burst), 1 worker at loading ramp (sling lory). Total accident cases for year 2016 was 2 cases, all were at KCP (PKE ash outburst).</p> <p>Scheme smallholders: KUD Bhakti Mandiri: Pengobatan Pekerja tahun 2016 shows Puskesmas did not treated any patient from work accident.</p> <p>KUD Bhakti Mandiri: "Deskripsi dan Rekaman Kejadian Kecelakaan 2015 and 2016" shows in period 2015 and 2016 no accident on field.</p>	
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<p>4.7.6</p>	<p>All workers shall be provided with medical care, and covered by accident insurance.</p> <p>- Minor compliance -</p>	<p>Buatan Estate: The company has provided clinic for all workers and it's covered also by Social Insurance, namely Jamsostek (BPJS). Record payment of BPJS Ketenagakerjaan/Kesehatan in "Bukti Transfer Bank". Payment BPJS Kesehatan in June 2016: Payment BPJS Kesehatan for Kebun Buatan Group in June 2016 is Rp. 107,248,500 for 1,046 employees, included PHL (Temporary workers) as list employees payment enclosed "Daftar Peserta BPJS Kesehatan KBN – PT. IIS Todate June 2016", the list consist of ID. Number, name, date of birth, employee ID number, date of joined, BPJS Kesehatan number, iuran (BPJS Kesehatan fee).</p> <p>Payment BPJS Ketenagakerjaan in June 2016:</p> <table border="1" data-bbox="657 846 1222 1039"> <thead> <tr> <th>Unit</th> <th>Employee Status</th> <th>Payment (Rp.)</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Buatan Estate</td> <td>SKU (permanent workers)</td> <td>104,807,964</td> </tr> <tr> <td>PHL (Temporary workers)</td> <td>63,254,880</td> </tr> <tr> <td rowspan="2">Plasma Buatan</td> <td>SKU (permanent workers)</td> <td>3,360,942</td> </tr> <tr> <td>PHL (Temporary workers)</td> <td>6,082,200</td> </tr> <tr> <td rowspan="2">Buatan I Palm Oil Mill</td> <td>SKU (permanent workers)</td> <td>25,459,928</td> </tr> <tr> <td>PHL (Temporary workers)</td> <td>5,286,353</td> </tr> </tbody> </table> <p>Total employee as of June 2016 is 1,046 orang: PHL (590 employees), SKU – H (368 employees), SKU Bulanan (98 employees).</p> <p>Buatan I POM: The company has provided clinic for all workers and it's covered also by Social Insurance, namely Jamsostek (BPJS). Record payment of BPJS Ketenagakerjaan/Kesehatan in "Bukti Transfer Bank", e.g.</p> <ul style="list-style-type: none"> - Payment BPJS Ketenagakerjaan in June 2016 for PHL (temporary workers) is Rp. 5,286,353 for 33 workers and SKU Harian/Bulanan (permanent workers) is Rp. 25,459,928 for 108 workers. - Payment BPJS Kesehatan in June 2016 for is Rp. 19,102,975 for 182 employees (mill: 141 employees + Central Workshop 41 employees). <p>Total employee Bulan June 2016 was 141 orang: PHL (33 employees), SKU – H (61 employees), SKU Bulanan (47 employees). Evidence PHL has registered BPJS Ketenagakerjaan dan BPJS kesehatan, e.g. Supriono (BPJS Ketenagakerjaan) No.06B20026253.</p> <p>NC Minor: Cooperative has not provides accident insurance for the worker.</p> <p>Objective Evidence: KUD Sejahtera/Cooperative has not provides accident insurance for their worker.</p>	Unit	Employee Status	Payment (Rp.)	Buatan Estate	SKU (permanent workers)	104,807,964	PHL (Temporary workers)	63,254,880	Plasma Buatan	SKU (permanent workers)	3,360,942	PHL (Temporary workers)	6,082,200	Buatan I Palm Oil Mill	SKU (permanent workers)	25,459,928	PHL (Temporary workers)	5,286,353	<p>NC Minor</p>
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<p>4.7.7</p>	<p>Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics</p> <p>- Minor compliance -</p>	<p>Buatan Estate: Buatan Estate demonstrating the Lost Time Accident database 2015 and 2016. In 2015: 8 cases of First aid, 90 cases of medical aid.</p> <p>Buatan I POM: All occupational injuries has been recorded and analyzed using LTI metrics. Example of LTI analysis a 2015 and 2016 area as follow:</p> <p>a. Occupational injuries for 2015,</p> <ul style="list-style-type: none"> - Incident: 3 medical aid, 6 injuries - lost time injuries: 12 days - Number of workers 146, with total working hours 347,458, Lost time injury frequency rate: 0, total recordable injury frequency rate 8,63, Lost time injury incidence rate: 0, and average time lost rate 2, <p>b. Occupational injuries for 2016 (until June) ,</p> <ul style="list-style-type: none"> - Incident: 2 medical aid, 8 injuries - lost time injuries: 14 days <p>Number of workers 141, with total working hours (until June) 169,050, total recordable injury frequency rate 59,15, Lost time injury incidence rate: 5,67, and average time lost rate 1,75</p> <p>Scheme smallholder: KUD Bhakti Mandiri: Accident record as in "Pengobatan Pekerja tahun 2016" shows Puskesmas did not treated any patient from work accident.</p> <p>KUD Sejahtera: Accident record in "Deskripsi dan Rekaman Kejadian Kecelakaan 2015 and 2016" shows in period 2015 and 2016 no accident on field.</p>	<p>Comply</p>
<p>Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.</p>			

<p>4.8.1</p>	<p>A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme.</p> <p>- Major compliance -</p>	<p>Buatan Estate:</p> <p>The company has its own training institution assigned to arrange its training programmes. The training is created annually. Training programs in 2016 in "Program Pelatihan Tahun 2016, such as: Sustainability Awareness training for RSPO, ISPO and ISSC; HCV Training; Basic Safety/K3; Basic Fire; First Aider; Handling of hazardous waste; Sertifikasi operator pesawat angkat dan angkut – lifting machinery for operator; Procedure pemupukan – fertilizer regime; Sertifikasi juru las – welding training; Fire Danger Rating; Program Pelatihan Teknis and Managerial – technical and management training; Self Development Mandor – supervisor development;</p> <p>Based on document review, it was noted the program is implemented, such as training:</p> <ol style="list-style-type: none"> 1. Barn Owl Census Training was conducted on 21st February 2016, attended 15 workers; 2. Basic Fire Training was conducted on 19th April 2016, attended 52 workers; 3. Pelatihan Pacu Bakat (Technical and Managerial Training) was conducted on 4 – 5th April 2016, attended 11 workers; 4. Pelatihan Evaluasi Staff (Technical and Managerial Training) was conducted on 6 – 8th April 2016, attended 27 workers. 5. Fire Danger Rating was conducted on 9th February 2016, attended 23 workers, 6. Sertifikasi Operator Pesawat Angkut dan Angkat was conducted on 4th February 2016, attended 26 workers. 7. Welding training "Sertifikasi juru las" was conducted on 12/02/2016, attended 18 workers. <p>Mill:</p> <p>The company has its own training institution assigned to arrange its training programmes. The training is created annually. Training programs in 2016 in "Program Pelatihan Tahun 2014 , such as: Sustainability Awareness training for RSPO, ISPO and ISSC; Traceability and mass Balance; HCV training; Handling of Hazardous Waste; SEIA and Environmental Management; Basic Fire; Basic Safety/K3; Basic Fire; First Aider.</p> <p>---</p>	<p>Comply</p>
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		<p>Mill: Based on document review, it was noted the program is implented, such as training:</p> <ol style="list-style-type: none"> 1. Handling of Hazardouus waste was conducted on 01/03/2016, attended 9 workers, and handling of domestic waste on 18/02/2016, attended 48 workers. 2. HCV was conducted on 19/04/2016, attended 24 workers. 3. OHS was conducted on 26/03/2016, attended 24 workers and 12/03/2016, attended 50 workers. 4. Sustainability awereness on 02/04/2016, attended 28 workers 5. Basic Fire was conducted on 19/04/2016, attended 52 workers. <p>Attendance list, minutes meeting and photograph is available and verified during audit.</p> <p>Scheme smallholder: PT. Inti Indosawit Subur – Buatan has prepared a training program for smallholder members in four (4) cooperatives supplying FFB to Buatan I POM. Training matrix seen: Training on Sustainable Principle and Criteria: 08/11/2016-08/13/2016, speaker from FASDA Riau, planned for 72 training participants. Training on basic safety and use of protective equipment 04/01/2016, planned for 60 training participants, located in Training Center Buatan Estate. Training on Emergency Response Procedure and First aid planned for 08/20/2016, speaker from PT. Inti Indosawit’s company doctor, 60 participants, located in Training Center Buatan Estate. Basic Fire Fighting Training planned for 09/10/2016, planned for 60 training participants. Limited Pesticide Training planned for 10/10/2016, speaker from “Komisi Pengawasan Peredaran Pestisida”, planned for 60 training participants. Training on Harvesting Technique and FFB quality planned in 09/20/2016, planned for 360 training participants, training location on each cooperative’s oil palm plantation.</p>	
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<p>4.8.2</p>	<p>Records of training for each employee shall be maintained.</p> <p>- Minor compliance -</p>	<p>Buatan Estate: Record training for each employees is recorded in "Personal Data Training", e.g. Mr. Sahidan (operator heavy machinery) was attended "Sertifikasi Operator Pesawat Angkut dan Angkat" in 04/02/2016 by Vendor "Jasindo Mandiri", Mr. Afriando Flora Kiranando (Asisten Afdeling III were attended 4 training: Habit & Behaviour Planter dated 2nd March 2015, Refreshing training for pest and disease 29th April 2015, Hatch & Carry 1st October 2015, Fertilizer training 15th December 2015.</p> <p>Mill: The company has recorded training training records for each employee as documented in: "Rekapitulasi Pelatihan Karyawan PBS", e.g.</p> <ul style="list-style-type: none"> - Mr. Sahter Barus (Process Assisstant); attended training electrical on 8th April 2014, GMP Plus on 7th April 2014, communication skill on 27th March 2014. - Mr. Yakob Panjaitan (Process Assisstant); attended EMS 28th January 2015, Evaluasi Aspek dan dampak lingkungan on 28th January 2015; HSE on 10th December 2015; <p>Scheme smallholder: KUD Bhakti Mandiri: Representative from KUD Bhakti Mandiri attended training related on AMDAL (Social Environmental Impact Assessment), HCV, soil and water conservation on 2nd June 2016. Training attendee under name Maryanto, Saepi, Yulianto. Representative from KUD Bhakti Mandiri attended training related to use of limited pesticide by "Komisi Pengawasan Pestisida" on 19th October 2015. Training participants from KUD Bhakti Mandiri: Heri Susanto and Mohamad Sukiyanto.</p> <p>KUD Sejahtera: Representative from KUD Sejahtera attended training related on AMDAL (Social Environmental Impact Assessment), HCV, soil and water conservation on 2nd June 2016. Training attendee under name Sabar, Tulus, Supandi, Rahman. Smallholder member from KUD Sejahtera attended training related to use of limited pesticide by Komisi Pengawasan Pestisida on 19th October 2015. Training participants from KUD Sejahtera: Rahman and Suryadi.</p>	<p>Comply</p>
<p>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity</p>			

Criterion 5.1:

Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.

<p>5.1.1</p>	<p>An environmental impact assessment (EIA) shall be documented. - Major compliance -</p>	<p>PT. Inti Indosawit Subur demonstrate Analisis Mengenai Dampak Lingkungan (AMDAL) consist of document ANDAL, RKL and RPL as approved through "Persetujuan Komisi Amdal Departemen Pertanian No. 013/ANDAL/BA/V/95, dated 3rd May 1995, tentang Studi Analisis Dampak Lingkungan (ANDAL) Perkebunan Kelapa Sawit Pola PIR-Transmigrasi dan Pabrik Minyak kelapa Sawit (PMKS) di Kab. Kampar, Indragiri Hulu dan Bengkalis, Propinsi Riau, mill capacity 30 tonnes FFB/hours.</p> <p>Subsequently, company has prepared "Dokumen Pengelolaan dan Pemantauan Lingkungan" – Environmental Management and Monitoring Document, back in 2009; as an evaluation for a number of operational activity covering new palm oil mill unit and the supporting function, and development of tissue culture in PT. Inti Indosawit Subur – Buatan Group. The document has been approved by Governor of Riau through "Surat Keputusan Gubernur Riau No.Kpts.975/X/2009 tentang Penetapan Dokumen Pengelolaan dan Pemantauan Lingkungan Penambahan Kapasitas Produksi Pabrik Minyak Kelapa Sawit PT. Inti Indosawit Subur dan Kegiatan Pendukungnya, Sentral Workshop Buatan dan Pembuatan Laboratorium Kultur Jaringan Berlokasi di Kecamatan Pangkalan Kerinci dan Kecamatan Pelalawan, Kabupaten Pelalawan; Kecamatan Kerinci Kanan dan Kecamatan Dayun, Kabupaten Siak, Provinsi Riau" – dated 28th September 2009.</p> <p>The document was explaining the review and evaluation upon impact from operational activity that has been performed and activity that was going to be performed, such as: Evaluation upon impact from ongoing activity:</p> <ul style="list-style-type: none"> - Impact from main activities in oil palm plantation (spraying activity, natural vegetation conservation); - Impact from main activities in palm oil mill (utilization of palm oil mill manpower, FFB processing, palm oil mill effluent management, land application of palm oil mill effluent, application of empty fruit bunch, transport of crude palm oil, palm kernel and logistics, provision and use of clean water). - Impact from supporting activities (energy source operation, central workshop operation, temporary hazardous waste storage, landfill operation); <p>Review and evaluation upon future activity:</p> <ul style="list-style-type: none"> - Activity in tissue culture laboratory; 	<p>Comply</p>
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	<p>- Replanting activity; Within the replanting activity review, team has identified type of impact such as: change in micro climate, air quality decrease, increase of noise, dynamics in quantity and quality of surface water, erosion and sedimentation, decrease in terrestrial flora and fauna, disturbance in aquatic life, effect on community health.</p> <p>The document has also completed with environmental management and monitoring plan, gives description type of impact, source of impact, impact parameter, management objective, management/monitoring plan, period of management/monitoring, PIC for management/monitoring.</p> <p>The environmental impact assessment carried out by PT. Holistika Primagrahita with team consist of: Team leader: Ir.Nur Iskandar (Fisheries/AMDAL B); Physic/Chemical team: Azni Hamzah, S.Si (Chemical/AMDAL B); Biology team: Khairunnazmi, S.Pi (Aquatic biology/AMDAL B), Marualat Harahap (Agriculture/AMDAL B); Activity: Marualat Harahap (Agriculture/AMDAL B); Social team: Yandra Mufialdo, S.Sos (Social economy); Mapping: M.Irsyadul Anwar, S.Pi</p> <p>Buatan I POM: For Kernel Crushing Plant and Biogas Plant, EIA available under document "UKL-UPL (Environmental Management Effort / Environmental Monitoring Effort)" year 2012. Capacity of KCP 260 MT/day. UKL UPL has been approved by Local authorities through letter No.660/BLH-AM/2012/202 dated February 2012. Identified impacts: domestic solid waste, POME, hazardous waste, emission, dust, and noise from KC activities.</p> <p>Scheme smallholders: Cooperative holds a set of copy of latest AMDAL documents in the Cooperative office, similar to company. <i>KUD Bhakti Mandiri and KUD Sejahtera</i> EIA of scheme small holder has been covered by the "Dokumen Pengelolaan dan Pemantauan Lingkungan", for mill with capacity 60 tonnes FFB/hour , Own Estate 5,781 hectares, and Plasma 12,000 hectares. The EIA (DPPL) has met the applicable requirement and has been approved on 2009 through Governor Decree number Kpts.975/X/2009 dated 28th October 2009. All significant impacts have been identified i.e. reduction of soil and water quality, reduction of air quality, impact to socioeconomic of local community, etc. Plan to monitor and manage of each identified environment impact have been provided and documented. The EIA document contained evidence of involvement of surrounding community during study and public consultation with relevant stakeholder.</p>	
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<p>5.1.2</p>	<p>Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons.</p> <p>- Minor compliance -</p>	<p>There is an environmental management and monitoring plan in term of "Rencana Pengelolaan dan Pemantauan Lingkungan" under Section IV of EIA document. Plan has covered all significant impacts with detail activities programme, relevant regulation, person in charge, and time table. Review of record and field inspection found all activities plan have been implemented and reported in "Laporan RKL RPL", it was reported regularly to the government, e.g. RKL – RPL report semester II 2015 (period July – December 2015), the evidence of acceptance RKL RPL report by government is available in place., e.g. acceptance by BLH Prov. Riau on 13th April 2016. Summary of management plan for mills:</p> <ul style="list-style-type: none"> - Air quality and noise, to be managed by emission and transportation arrangement. Has been implemented through periodic maintenance of machinery, traffic sign, safety briefing to workers, etc. - Odor from waste, to be managed by good WWTP management. Has been implemented by WWTP construction, SOP of WWTP management. - Ground water quality, to be managed by WWTP and monitoring wells. Has been implemented by WWTP construction and monitoring wells construction. - Surface water quality, managed by good WWTP management, drainage, etc. Has been implemented. - Employment and bussines opportunities, managed by local manpower absorption and coordination. Has been implemented by employment for local people as seen in labor register. <p>Scheme smallholders: KUD Bhakti Mandiri and KUD Sejahtera: Environmental management plan of scheme smallholder available Section IV of EIA document. The plan has covered all significant impacts with detail activities programme, relevant regulation, person in charge, and time table. Summary of management plan are: Ground water quality, managed by Land Application and monitoring wells</p> <ul style="list-style-type: none"> - Surface water quality, managed by land application of POME, safe chemical use, integrated pest management, etc. - Erosion and sedimentation, managed by soil conservation procedures, river buffer zone and steep soil protection, etc. - Flora and fauna composition change, managed by conservation area, signboard of fauna protection, river buffer zone protection, <p>---</p>	<p>Comply</p>
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RSPO Public Summary Report
Revision 3 (July /2016)

		<p>Scheme smallholders: KUD Bhakti Mandiri and KUD Sejahtera:</p> <ul style="list-style-type: none"> - Employment and bussines opportunities, managed by local manpower absorption and coordination - Social jealousy, managed by prioritizing local manpower and partisipatory - Community's health and hygiene - Soil quality changes, managed by natural vegetation conservation and Land Application 	
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<p>5.1.3</p>	<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>In 2009, company has prepared a supplementation document, "Dokumen Pengelolaan dan Pemantauan Lingkungan (DPPL) as evaluation upon new activity, covering construction of new palm oil mill and supporting facilities, as well as construction of tissue culture laboratory in PT. Inti Indosawit Buatan Group. The environmental management and monitoring document has been approved through "Surat Keputusan Gubernur Riau No.Kpts.975/X/2009 tentang Penetapan Dokumen Pengelolaan dan Pemantauan Lingkungan (DPPL) Penambahan Kapasitas Produksi PMKS PT. Inti Indosawit Subur dan Kegiatan Pendukungnya, Sentral Workshop Buatan dan Pembuatan Kultur Jaringan berlokasi di Kecamatan Pangkalan Kerinci dan Kecamatan Pelalawan, Kabupaten Pelalawan; Kecamatan Kerinci Kanan dan Kecamatan Dayun, Kabupaten Siak, Provinsi Riau. The environmental document has explained evaluation upon operational activity, as well as the impact.</p> <p>Impact evaluation upon ongoing activities:</p> <ul style="list-style-type: none"> - Impact from main activities in oil palm plantation (spraying team operation, natural vegetation conservation; - Impact from main activities in palm oil mill: use of manpower within palm oil mill, material processing, palm oil mill effluent processing, land application, empty fruit bunch application, transportation of CPO, PK and logistic, clean water utilization; - Impact from supporting activities: operational of energy source, operation of central workshop, temporary storage of hazardous waste, activity related to waste disposal/landfill area; <p>Impact evaluation from upcoming activities:</p> <ul style="list-style-type: none"> - Tissue Culture Laboratory activities; - Replanting activities; <p>The impact assessment for replanting has identified impacts such as: changes in micro climate, a decrease in air quality, increase in noise level, quantity and quality of surface water, soil erosion and sedimentation, loss of flora and fauna, disturbance to aquatic biota, community health and surrounding environment health.</p> <p>The document has also completed with environmental management and monitoring plan. The plans were explaining type of impact, source of impact, impact parameter, management purpose, management and monitoring plan, management/monitoring location, management/monitoring timeframe, etc.</p>	<p>NC Minor</p>
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		<p>NC Minor: There was not sufficient evidence the implementation of environmental management and monitoring report (Laporan Pelaksanaan Rencana Pengelolaan Lingkungan-Rencana Pemantauan Lingkungan/RKL/RPL) has collected information, reviewed and reported the social and environmental impact as required in the environmental management and monitoring matrix plan.</p> <p>Objective Evidence: PT. Inti Indosawit Subur - Buatan has reporting the implementation of environmental management and monitoring plan (Laporan Pelaksanaan Rencana Pengelolaan Lingkungan-Rencana Pemantauan Lingkungan/RKL/RPL) to relevant authorities. Based on document review upon report of the implementation of environmental management and monitoring plan (Laporan Pelaksanaan Rencana Pengelolaan Lingkungan-Rencana Pemantauan Lingkungan/RKL/RPL) period of second half 2015. There was not sufficient evidence the implementation report have collected information, reviewed and reported the following impact:</p> <ul style="list-style-type: none"> - Social aspects (perception, jealousy, etc) that should be monitored through participatory ways; - Community's health in village surrounding the estate; - Appropriate evidence of management plan for aquatic biota; 	
<p>Criterion 5.2: The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and and operations managed to best ensure that they are maintained and/or enhanced.</p>			

<p>5.2.1</p>	<p>Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). - Major compliance -</p>	<p>Buatan Estate/KKPA and Scheme Smallholders: HCV assessment was conducted by Bogor Agriculture University (IPB) in 2009 refer to the HCV Indonesian-Toolkit 2008 who have experience and approved by RSPO.</p> <p>Based on HCV identification in Division I, II and III, it was noted that:</p> <ul style="list-style-type: none"> - HCV 1.1, 1.2 and 4.1: Riparian zone Kerinci Besar River (38.9 Ha); - HCV 1.2 and HCV 6: Conservation forest for Manggeris trees (Pohon Madu): 2 Ha; - HCV 1.2 and HCV 6: Conservation forest for Manggeris trees (Pohon Madu): 3.60 Ha; - HCV 6: ancient graveyard: 0.25 Ha; - HCV 6: ancient graveyard: 0.01 Ha; <p>Based on HCV identification in Afdeling IV, V, VI, VII and VIII, it was noted that:</p> <ul style="list-style-type: none"> - HCV 1.1, 1.2 and 4.1: Riparian zone Laniago river 4.50 Ha; <p>Based on HCV identification in Plasma Area, it was noted that :</p> <ul style="list-style-type: none"> - HCV 1.2 and HCV 6: Conservation forest for Manggeris trees – <i>Koompassia malaccensis Maing. Ex.Benth</i> (Pohon Madu): 35 Ha; - HCV 6: ancient graveyard: 0.40 Ha; <p>HCV identification was consulted to the relevant stakeholder and HCV map is available in place.</p> <p>Scheme smallholders: HCV assessment was conducted by Bogor Agriculture University (IPB) in 2009 refer to the HCV Indonesian-Toolkit 2008 who have experience and approved by RSPO also being used in scheme smallholder operation.</p> <p>KUD Bhakti Mandiri and KUD Sejahtera: Coopeartive area have been covered in HCV was conducted by Bogor Agriculture University (IPB) in 2009 refer to the HCV Indonesian-Toolkit 2008. KUD Bhakti Mandiri keeps a set of copy of HCV assessment report. Based on HCV assessment report, no HCV area was identified in area Cooperative.</p>	<p>Comply</p>
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<p>5.2.2</p>	<p>Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan.</p> <p>- Major compliance -</p>	<p>Buatan Estate: Based on HCV Identification assessment, it was found that there are 8 mammals species and 10 birds species according to national regulation (PP No.7 tahun 1999, CITES and IUCN). It was found RTEs during HCV identification, such as:</p> <ul style="list-style-type: none"> - 8 mammals species: Rusa Sambar (<i>Cervus unicolor</i>), Kucing Hutan (<i>Felis bengalensis</i>), Owa (<i>Hylobates agilis</i>), Monyet Ekor Panjang (<i>Macaca fascicularis</i>), Trenggiling (<i>Manis javanica</i>), Musang luwak (<i>Paradoxurus hermaphrodites</i>), Lutung Dada Putih (<i>Presbytis femoralis</i>) and Kancil (<i>Tragulus javanica</i>); - 10 birds species: Burung Madu Sepah Raja (<i>Aethopyga siparaja</i>), Raja Udang Meninting (<i>Alcedo meninting</i>), Baza Hitam (<i>Aviceda leuphotes</i>), Rangkong Badak (<i>Buceros rhinoceros</i>), Tokhtor Sunda (<i>Carpococcyx radiceus</i>), Beo (<i>Gracula religiosa</i>), Cekakak cina/belukar (<i>Halcyon pileata</i>), Cekakak Batu (<i>Lacedo pulchella</i>), Betet Ekor Panjang (<i>Psittacula langicauda</i>) and Elang Ular Bido (<i>Spilomis cheela</i>); <p>Based on field visit, PT. Inti Indosawit Subur – Buatan demonstrate efforts to protect rare species and its habitat through planting of wooden tree, HCV area patrol, flora and fauna monitoring. The Estates have maintained notice-boards at the entrance to the properties and next to buffer zones or worker housing to prohibit the capture or hunting of fauna and disturbance of vegetation.</p> <p>PT. Inti Indosawit Subur – Buatan created posters listing all protected flora and fauna, endangered and threatened species and placed on location accessible to public such as Estate offices, worker housing, village offices as well as entrance way to plantation area.</p> <p>The company conducted monitoring of HCV and RTEs regularly (every six month), the last monitoring was conducted in July 2015 for period January – June 2015.</p> <p>Scheme smallholders: The scheme smallholders also have commitment to maintain HCV and protect RTEs as documented in “Kebijakan Koperasi”, dated 1st March 2015.</p> <p>KUD Bhakti Mandiri According to HCV assessment in PT. Inti Indosawit Subur, several important species were found in the area of PT. Inti Indosawit Subur and surrounding smallholders. In line with HCV protection measures by PT. Inti Indosawit Subur, cooperative has taken several measures, such as:</p> <ul style="list-style-type: none"> - Periodic monitoring on wild life and preparataion of poster of RTE species. - Socialization and outreach to community as seen by record of socialization and poster distribution. 	<p>Comply</p>
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		<p>KUD Sejahtera According to HCV assessment in PT. Inti Indosawit Subur, several important species were found in the area of PT. Inti Indosawit Subur and surrounding smallholders. As part of RTE protection and monitoring, KUD has taken several measures, such as:</p> <ul style="list-style-type: none"> - Periodic monitoring on wild life and preparing list and poster of RTE species. - Socialization and outreach to community as seen by record of socialization and poster distribution. 	
<p>5.2.3</p>	<p>There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance -</p>	<p>Buatan Estate: The company has established policy for protect RTEs in "Kebijakan Perusahaan", dated 1st December 2014 which stated that: "Melakukan penilaian HCV sejalan dengan AMDAL dan resiko sosial terpadu, sbelum kegiatan dimulai di suatu kebun baru, untuk mengelola dampak dan meningkatkan nilai konservasi serat sosial budaya dimana kita beroperasi" - to conduct an HCV assessment in line with AMDAL and social impact assessment, prior to activity in new estate, to manage the impact and improve conservation, social and cultural value where company operating.</p> <p>The company has appointed HCV officer who is responsible to monitor HCV areas (Adi Surya Pradana) based on memorandum No.135/ES-KBN/MEMO/IV/2010, dated 21st April 2010.</p> <p>The company has communicated the HCV areas to the workforce and local communities regularly, e.g. HCV training awereness to the workers on 11 September 2014, attended 47 participants (Attendance list and training material is available) and HCV socialization to the local communities was conducted on 15th June 2015, attended 18 participants (Attendance list and socialization material is available).</p> <p>Scheme smallholder: <i>KUD Bhakti Mandiri</i> HCV training is part of annual activity. Latest training conducted on 30th March 2015 attended by 26 farmers and on 10th May 2016 attended by 20 farmers of KUD Bhakti Mandiri. Interview with KUD members showed that KUD members (parcel owners) aware on RTE protection policy.</p> <p><i>KUD Sejahtera</i> Available periodic refreshment and training of HCV area. Latest training conducted on 3rd June 2016 attended by 38 farmers from KUD Sejahtera. Interview with KUD members showed that KUD members (parcel owners) aware on RTE protection policy.</p>	<p>Comply</p>

<p>5.2.4</p>	<p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. <p>- Minor compliance -</p>	<p>Buatan Estate: The company has established HCV management and monitoring plan as documented in "Conservation Management Plan (CMP) - Program Management and Monitoring 2015". HCV management and monitoring plan based on HCV recommendation and HCV Review. HCV review was conducted by experienced personnel on 19 – 20th November 2009.</p> <p>The company has conducted management and monitoring plan, monitoring of HCV is conducted monthly and reported per semester, the last report period January – June 2016 is available in place. The monitoring of HCV activities, such as: patrol, erected sign-board, socialization, planted natural trees, no any applied chemical along the river (50 metres along the river – left and right side), monitoring RTEs.</p> <p>Scheme smallholders: <i>KUD Bhakti Mandiri</i> A number of RTE species was identified in the area of KUD Bhakti Mandiri. Periodic monitoring on wild life have been doing by HCV officer. Based on most recent monitoring data, several wildlifes that still exist by the time ASA-1.1. was held, are: <i>Phyton sp.</i>, <i>Varanus salvator</i>, Eagle, Wild cat, <i>Manis javanica</i>, <i>Prionailurus</i>, etc. KUD has appointed Mr. Alamsyah on 10th July 2014 as HCV officer to monitor status of wildlifes.</p> <p><i>KUD Sejahtera</i> Periodic monitoring on wild life and preparing list and poster of RTE species. Based on monitoring data, several important wildlife specieses that still exist by the time ASA-1.1 was held such as: Kucing hutan (<i>Prionailurus sp.</i>), Sanca bodo (<i>Phyton sp.</i>), Elang ular (<i>Spilornis cheela</i>), Cekakak belukar (<i>Halycon sminensis</i>). KUD has appointed Mr. Suyadi on April 15, 2016 as HCV officer to monitor status of wildlifes.</p>	<p>Comply</p>
<p>5.2.5</p>	<p>Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>- Minor compliance -</p>	<p>There is no HCV status set aside in existing local communities and smallholder areas.</p>	<p>Comply</p>

Criterion 5.3:
Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.

<p>5.3.1</p>	<p>All waste products and sources of pollution shall be identified and documented. - Major compliance -</p>	<p>Buatan Estate and mill: Waste and pollution sources have been identified and documented, including used lubricant and filter, old battery, used laboratory chemical, clinical/medical waste, mill effluent, EFB, smoke, dust, fiber and shell, empty agrochemical container, boiler ash, scrap iron, used tires, waste water and domestic household refuse. Record of identification was presented in "Evaluasi Aspek Dampak Lingkungan" EMS-431-003-LT issued 1st January 2014.</p> <p>There is a mechanism "Mekanisme Penanganan Sampah Domestik" to segregate organic and an-organic waste, further to re-use or re-cycle an-organic domestic waste (such as plastic) and composting the organic domestic waste. Socialization of this mechanism takes place in 24th December 2012.</p> <p>Scheme smallholder: <i>KUD Bhakti Mandiri and KUD Sejahtera</i> Cooperative has followed company documentation to identify All waste products and sources of pollution and selected which activities are applicable for scheme smallholders.</p>	<p>Comply</p>
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<p>5.3.2</p>	<p>All chemicals and their containers shall be disposed of responsibly. - Major compliance -</p>	<p>Buatan Estate: PT. Inti Indosawit Subur-Buatan collects all hazardous waste from estate and mill into temporary hazardous waste storage in central workshop compound. The temporary hazardous waste storage in Buatan Estate has valid permit, "Keputusan Kepala Badan Penanaman Modal dan Pelayanan Perizinan Terpadu Kabupaten Pelalawan No.KPTS.503/BPMP2T-PLY/14/2016 tentang Izin Pengelolaan Limbah Bahan Berbahaya dan Beracun untuk Kegiatan Penyimpanan Sementara Limbah Limbah Bahan Berbahaya dan Beracun (B3) kepada PT. Inti Indosawit Subur PMKS Buatan I" dated 18th March 2016, valid for 5 years. The hazardous waste with storage time 180 days: used battery, waste from laboratory containing hazardous waste, uncodified solvent, waste contaminated with hazardous waste, sulfic acid, other acid waste, used refrigerant, clinical waste with infectious characteristic, expired medicine, expired agrochemical, laboratory equipment contaminated with hazardous waste, medical equipment with heavy metal. Hazardous waste type with storage time 365 days: lead scrub, ex-hazardous waste packing, used lubricant, resin waste or ion exchanger, used filter, used rags. Temporary hazardous waste storage has been equipped with fire extinguisher, emergency shower and emergency eyewash, alarm, spill kit. The building also built with floor bund and sufficient ventilation.</p> <p>PT. Inti Indosawit Subur-Buatan has an agreement in transporting the hazardous waste with contractor: "Perjanjian Kerjasama antara PT. Inti Indosawit Subur dengan PT. Shali Riau Lestari No.060/SRL-PKU/MOU/II/2016 dated 23rd February 2016; valid up to 22nd February 2017. The type of hazardous waste to be transported: used oil, old battery, waste oil, old lamp bulb, used chemical container, used filter, used jerry can, medical waste, contaminated waste and used filter.</p> <p>The contractor, PT. Shali Riau Lestari holds valid permit: "Keputusan Menteri Negara Lingkungan Hidup No.237 tahun 2011 tentang Izin Pengumpulan Limbah Bahan Beracun PT Shali Riau Lestari" dated 8th November 2011 valid for 5 years; "Surat Kementerian Lingkungan Hidup No.B.14559/Dep.IV/LH/PDAL/12/2014 tentang Rekomendasi Pengangkutan Limbah Bahan Berbahaya dan Beracun kepada Direktorat Jenderal Perhubungan Darat Kementerian Perhubungan RI", valid for 5 years.</p>	<p>Comply</p>
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	<p>Buatan I POM: Observed that all chemicals containers and other hazardous waste (LB3) from mill are stored at temporary hazardous storage at Estate and disposed by registered hazardous waste collectors. Available record of hazardous waste delivery note to temporary storage at estate under document "Catatan Serah Terima Limbah B3". E.g. Waste delivery note on 25th April 2016 from PBS to Temporary LB3 Store at Traksi, items broken neon lamp (5 pcs), signed by two officers. Waste delivery note on 15th February 2016 from Buatan I POM to Temporary LB3 Store at Traksi, items: ex lubricant and chemical drum (11 pcs), signed by two officers.</p> <p>Scheme smallholder: KUD Bhakti Mandiri All farmers under KUD Bhakti Mandiri using the service from spraying unit team developed by company to control weed (Tim TUS). Thus there is no hazardous chemical waste has been produced. All used chemical containers is managed by company.</p> <p>KUD Sejahtera Formally, all farmers under KUD Sejahtera using the service from spraying team of PT. IIS or so called with Tim TUS. Thus there is no hazardous chemical waste has been produced. All used chemical containers is managed by company.</p> <p>To prevent uncontrolled use of chemical material during spraying, Head of Sejahtera Cooperatives has issued "Letter of Prohibition of blanket spraying at KUD area" on 21st January 2016. Due to uncontrolled self spraying case that happend on 21st June 2106, KUD Sejahtera has forced fine to KUD members who did uncontrolled self spraying (Mr. Sn, Mr. Mr. Sl, and Mr. Sn).</p>	
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<p>5.3.3</p>	<p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>- Minor compliance -</p>	<p>Buatan Estate: Waste and pollution sources have been identified and documented in Buatan Estate. The identification of waste and pollution including used lubricant and filter, old battery, used laboratory chemical, clinical/medical waste, mill effluent, EFB, smoke, dust, fiber and shell, empty agrochemical container, boiler ash, scrap iron, used tires, waste water and domestic household refuse. Record of identification was documented in "Evaluasi Aspek Dampak Lingkungan" EMS-431-003-LT issued 11th June 2015.</p> <p>The company started at the beginning this year to re-cycle anorganic waste where the company built the waste storage.</p> <p>Buatan I POM: Implementation of waste management and disposal at mills to reduce pollution:</p> <ul style="list-style-type: none"> - Appropriate POME treatment at WWTP (IPAL) and dailiy discharges to land application area. Available data of daily POME discharge volume and monthly POME quality test. - Domestic waste at housing complex collected twice a week and disposed collectively to final disposal (landfill). - Hazardous waste are stored at permitted temporary storage at Estate (traksi) and then disposed by permitted third party. Sighted records of waste delivery note to traksi. - Fibre and shell are used for boiler fuel. Records are available in the form of montioring form of fibre and shell production and use for renewable fuel. - Periodic maintenance of machinary and equipment to ensure efficiency and low pollution. Available checklist of periodic machinary maintenance. - No indication of waste disposal using open fire at mill housing complex. Sighted signboard of open fire prohibition and waste collection facilities. <p>Scheme smallholders: KUD Sejahtera: "Mekanisme Pengelolaan Sampah", explains the handling of organic to be composted and inorganic waste to be segregated and sold.</p>	<p>Comply</p>
<p>Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>			

<p>5.4.1</p>	<p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -</p>	<p>Fossil fuel usage in the plantation was recorded and documented by monthly for all equipment and machineries. Monitoring of fossil fuel usage/km to assess the efficiency of fuel usage of each vehicle/machineries sighted well implemented. The renewable energy sources monitored as part of the palm oil mill operation.</p> <p>All energy used in both mills is monitored and recorded under document of "<i>Pemakaian Energi 2015</i>". Fossil fuel records are maintained and trends shown. Energy use records include accurate measurements of renewable energy use per tonne of FFB processed. Company already maximise the renewable energy use. All the shell and fibre is consumed internally as boiler fuel.</p> <p>Fossil fuel usage is recorded for operational purpose, including the efficiency analysis.</p> <p>Renewable energy in 2015: Fibre: 50,355 tonnes Shell: 17,931 tonnes Fossil Fuel: 37,467 litres Electrical produce: Steam turbin: 5,801,226 kWh (55.58 %) Genset: 114,192 kWh (1.09 %) Bio Gas Engine: 4,522,006 kWh (43.33 %) Total kWh: 10,437,424</p>	<p>Comply</p>
<p>Criterion 5.5: Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>			

<p>5.5.1</p>	<p>There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Major compliance -</p>	<p>Buatan Estate: Company policy, "Kebijakan Perusahaan" point 17: "company to communicate and evaluate other party in relation to FFB from legal area, no land burning for new area development and replanting, no land development on peat area after September 2014, no land dispute and prohibit the use of child worker in operation". Replanting record: "Program dan Realisasi Harian Replanting PT Inti Indosawit Subur Kebun Buatan", dated July 2016. The estate demonstrated felling and chipping March 2016 felled and chipped 60 Ha - 7,506 palms; April 2016 felled and chipped 208 Ha - 26,207 palms; May 2016 felled and chipped 212 Ha - 26,764 palms; June 2016 felled and chipped 97 Ha - 14,260 palms; Stacking in March 2016 for 101 Ha, April 2016 for 139 Ha, May 2016 for 168 Ha, June 2016 for 195 Ha. Terracing in June 2016 for 14,478 meters, July 2016 for 16,632 meters; Drainage in June 2016 for 5,220 meters; Planting cover crop 39 ha in June 2016; Based on field visit to Buatan Estate, company was able to demonstrate no burning during replanting. Company also equipped the emergency response team with a set of fire fighting equipment and tool.</p> <p>Scheme smallholder: KUD Bhakti Mandiri: Commitment of zero burning available under document of "Policy of Bhakti Mandiri Cooperatives", point 2 which states that KUD applies zero burning practice in development or replanting activities. Field visit and interviewed with local communities and workers reveals that there is no open burning was noted in the company and scheme smallholders. Field visit to KUD reveals that KUD also has provide sets of tools for basic fire fighting, consist of knapsacks (2), portable water pumps (1), water hoses (5), hoes (2), machetes (2), etc. All of the equipments are ready to use as seen by field visit and periodic checking form of fire equipment</p> <p><i>KUD Sejahtera</i> Commitment of zero burning available under document of "Policy of Sejahtera Cooperatives", point 2 which states that KUD applies zero burning practice in development or replanting activities. Field visit and interviewed with local communities and workers reveals that there is no open burning was noted in the company and scheme smallholders. Basic fire training has been conducted for KUD members on September 22, 2015, attended by 37 trainee. Material of training including fire in housing and land.</p>	<p>Comply</p>
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<p>5.5.2</p>	<p>Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Minor compliance -</p>	<p>Buatan Estate: There was no burning/no use of fire, during replanting. There was no burning/no use of fire for pest control.</p> <p>Scheme smallholder: KUD Bhakti Mandiri: There was no burning/no use of fire, during replanting. There was no burning/no use of fire for pest control.</p>	<p>Comply</p>
<p>Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>			
<p>5.6.1</p>	<p>An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).</p> <p>- Major compliance -</p>	<p>Buatan Estate and mill: Company has ISO 14001 EMS – Environmental Aspect Impact, latest update on 27 January 2015. All polluting activities has been assessed including emission from boiler and generator, effluent from mill waste water, particulate from boiler stack, noise, etc. The company has conducted assessment of polluting activities as documented in "Mitigasi GRK".</p> <p>Scheme smallholders: Not applicable for smallholder</p>	<p>Comply</p>
<p>5.6.2</p>	<p>Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p>- Major compliance</p>	<p>Buatan Estate and mill: Company has implemented and monitored a plan to reduce pollutant and emission. Emission, particulate, and noise from boiler and generator are tested and monitored every six month. Effluent is treated into Biogas plant to reduce green house emission. Records of all monitoring are kept and documented e.g. Laporan RKL-RPL, and PBS Biogas Plant Processing.</p> <p>Scheme smallholders: KUD Bhakti Mandiri and KUD Sejahtera Plantation area of Bhakti Mandiri Cooperatives has been covered in AMDAL. AMDAL study has covered identification of pollutant and greenhouse gas emission.</p> <p>PT. IIS has also assisted scheme smallholder to provide identification on sigificant pollutants from scheme smallholder acitivities was emission and diesel fuel usage from FFB transport (truck).</p>	<p>Comply</p>

<p>5.6.3</p>	<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>Buatan I POM: The company has prepared a strategy in effort to reduce and mitigate pollution and emission. Monitoring of pollution and emission quality for plantation has been planned and implemented as well as reported to the government every six months (Laporan Semester RKL/RPL). Monitoring of emission and pollution is conducted regularly by the company, e.g.</p> <ol style="list-style-type: none"> 1. Ringel Chart Based on AMDAL document, PT. IIS has monitors emission from static source and ambient air quality regularly every 6 month. Recent test available for second half of 2016, and has been reported to local authorities on February 2016. 2. Udara emisi for Genset 1 -2, Boiler 1 – 3 and Biogas engine, certificate monitoring result no. 0090/CLAIAJ, dated 8th January 2016, conducted by Independent Laboratory (Sucofindo), result of emission for SO₂, NO₂, CO dan total particleis comply with Kepmen LH No.13/2009 for Genset and Kepmen LH No.07/MENLH/2007 for Boiler. 3. Udara Ambient (radius + 1 km from mill and mill housing complex), vibration (getaran in Press station, air quality in room station and noise in Kernel station, Engine Room, Sterilizer, certificate monitoring result No.00066/CLAIAJ, dated 8th January 2016, result of emission, CO and unclassified particulat is comply with Permenaker No.13/MEN/x/2011. <p>Scheme smallholder: <i>Bhakti Mandiri and KUD Sejahtera</i> Company assisted scheme smallholder to do regular monitoring of pollution source. Based on AMDAL document, PT. IIS has monitors emission from static source and ambient air quality regularly every 6 month. Recent test available for second half of 2016, and has been reported to local authorities on February 2016.</p> <p>NC Minor: The company cannot demonstrate monitoring of GHG based on reporting using appropriate tools (Palm GHG).</p> <p>Objective Evidence: Based on document review, company was not able to demonstrate monitoring of GHG based on reporting using appropriate tools (Palm GHG).</p>	<p>NC Minor</p>
<p>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers</p>			

Criterion 6.1: Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.		
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	<p>Company: PT. Inti Indosawit Subur – Buatan has prepared a social impact assessment with cooperation with Forestry Faculty - Institut Pertanian Bogor, in 2009. The impact assessment documented within “Identifikasi dan Analisis Sosial untuk menyusun Roadmap Kelestarian Sosial Perusahaan Perkebunan Kelapa Sawit PT. Inti Indosawit Subur Kabupaten Pelalawan, Provinsi Riau”. The document has covered social impact from nucleus estate (5,515 Ha) and scheme smallholder (11,000 Ha) as well as KKPA (1,500 Ha). The assessment was evaluating social impact from scheme smallholder and KKPA development by PT. Inti Indosawit Subur - Buatan. The review process has involving stratified random sampling (110 samples) with local community through primary data collection (interview) and secondary data collection. All parties such as transmigrate communities, local communities, original oil palm blocks, new owners, communities with private oil palm block, local contractors, cooperative committees, smallholder/farmer groups – as sampled respondents. The scope of assessment covering tenurial conflict, legality of the scheme-nucleus partnership, production, FFB sortation, road and bridge condition, palm oil mill capacity, environmental pollution, local community participation for plantation activity, CSR/Community development impact for local community, occupational health and safety, training provision for scheme smallholders.</p> <p>The document has also explained the positive and negative impacts from operation of PT. Inti Indosawit Subur, as well as the supply base: scheme smallholders and KKPA, in appendix 7.</p> <p>Scheme smallholder: A copy of the SIA document was made available in KUD Bhakti Mandiri.</p>
		Comply

<p>6.1.2</p>	<p>There shall be evidence that the assessment has been done with the participation of affected parties.</p> <p>- Major compliance -</p>	<p>Buatan Estate, Scheme smallholders and mill: The process was involving various stakeholders including impact on scheme smallholder development. During the process for the document and social impact management actively involving community participation through interview and stakeholders meeting. The assessment process has involved community through primary data extraction (interview and questionnaire) and secondary data to community which cooperative member and non-cooperative member, local community, new community, community with private land, local contractors, cooperative staff, farmer group/kelompok tani, and KKPA, etc. The sampling method using stratified random sampling with 110 respondents.</p>	<p>Comply</p>
<p>6.1.3</p>	<p>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.</p> <p>- Major compliance -</p>	<p>Buatan Estate, Mill and Scheme Smallholders: Within the SEIA document, the negative and positive impact of oil palm development has been explained. The environmental management and monitoring plan document has lined out effort that company should carry out in order to minimize negative impact and promote positive impact from oil palm development. The SEIA document has explained the recommendation that should be done by company to minimize negative impact and promote positive impact from social impact management.</p> <p>All process of extracting data or database processing has been shown in Social Impact Assessment Document: respondent list; respondent identity data; respondent's household economic data; respondent's legality and history of land ownership; condition of boundary between farmers; recapitulation data related to relation between respondents and PT. Inti Indosawit Subur – Buatan; data related to community perception on company performance. The SIA evaluation report has presenting recommendation on social management recommendation – based on evaluation result. This was available in Chapter IX, which consist of 5 types of recommendation that can be used by company. From the recommendation, translated into Corporate Social Responsibility plan, on annual basis. The annual program has explains time-frame and person in charge.</p>	<p>Comply</p>

<p>6.1.4</p>	<p>The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.</p> <p>- Minor compliance -</p>	<p>Buatan Estate and mill:</p> <p>In 2009, company has prepared a supplementation document, "Dokumen Pengelolaan dan Pemantauan Lingkungan (DPPL) as evaluation upon new activity, covering construction of new palm oil mill and supporting facilities, as well as construction of tissue culture laboratory in PT. Inti Indosawit Buatan Group. The environmental management and monitoring document has been approved through "Surat Keputusan Gubernur Riau No.Kpts.975/X/2009 tentang Penetapan Dokumen Pengelolaan dan Pemantauan Lingkungan (DPPL) Penambahan Kapasitas Produksi PMKS PT. Inti Indosawit Subur dan Kegiatan Pendukungnya, Sentral Workshop Buatan dan Pembuatan Kultur Jaringan berlokasi di Kecamatan Pangkalan Kerinci dan Kecamatan Pelalawan, Kabupaten Pelalawan; Kecamatan Kerinci Kanan dan Kecamatan Dayun, Kabupaten Siak, Provinsi Riau. The environmental document has explained evaluation upon operational activity, as well as the impact.</p> <p>Impact evaluation upon ongoing activities:</p> <ul style="list-style-type: none"> - Impact from main activities in oil palm plantation (spraying team operation, natural vegetation conservation; - Impact from main activities in palm oil mill: use of manpower within palm oil mill, material processing, palm oil mill effluent processing, land application, empty fruit bunch application, transportation of CPO, PK and logistic, clean water utilization; - Impact from supporting activities: operational of energy source, operation of central workshop, temporary storage of hazardous waste, activity related to waste disposal/landfill area; <p>Impact evaluation from upcoming activities:</p> <ul style="list-style-type: none"> - Tissue Culture Laboratory activities; - Replanting activities <p>The impact assessment for replanting has identified impacts such as: changes in micro climate, a decrease in air quality, increase in noise level, quantity and quality of surface water, soil erosion and sedimentation, loss of flora and fauna, disturbance to aquatic biota, community health and surrounding environment health.</p> <p>The document has also completed with environmental management and monitoring plan. The plans were explaining type of impact, source of impact, impact parameter, management purpose, management and monitoring plan, management / monitoring location, management / monitoring timeframe, etc.</p>	<p>Comply</p>
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		<p>Scheme smallholders: Company currently start conducting replanting for scheme smallholder. Prior to the replanting activity, company has conducted evaluation in 2015, which presented in "Laporan Studi KelayakanUsaha Revitalisasi Kebun Kelapa Sawit Plasma PT. Indosawit 2015". The evaluation document has explained the feasibility of replanting in scheme smallholder plantation, particular attention given to economic feasibility. However the evaluation document has also explaining positive and negative impact from environmental and social-economic point of view. The feasibility study was conducted and covering 12 Koperasi Unit Desa/KUD (smallholder cooperative) with total coverage of 10,838 Ha for replanting program in 2015 – 2021. The exercise was conducted between PT. Inti Indosawit Subur – Buatan and "Kantor Jasa Penilai Publik Samsul Hadi-Wahyono Hadi, Hendragunawan & Rekan (SAH & Rekan)".</p>	
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<p>6.1.5</p>	<p>Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).</p> <p>- Minor compliance -</p>	<p>The assessment was evaluating social impact from scheme smallholder and KKPA development by PT. Inti Indosawit Subur - Buatan. The review process has involving stratified random sampling (110 samples) with local community through primary data collection (interview) and secondary data collection. All parties such as transmigrate communities, local communities, original oil palm blocks, new owners, communities with private oil palm block, local contractors, cooperative committees, smallholder/farmer groups – as sampled respondents. The scope of assessment covering tenurial conflict, legality of the scheme-nucleus partnership, production, FFB sortation, road and bridge condition, palm oil mill capacity, environmental pollution, local community participation for plantation activity, CSR/Community development impact for local community, occupational health and safety, training provision for scheme smallholders.</p> <p>The document has also explained the positive and negative impacts from operation of PT. Inti Indosawit Subur, as well as the supply base: scheme smallholders and KKPA, in appendix 7.</p> <p>Company currently start conducting replanting for scheme smallholder. Prior to the replanting activity, company has conducted evaluation in 2015, which presented in “Laporan Studi KelayakanUsaha Revitalisasi Kebun Kelapa Sawit Plasma PT. Indosawit 2015”. The evaluation document has explained the feasibility of replanting in scheme smallholder plantation, particular attention given to economic feasibility. However the evaluation document has also explaining positive and negative impact from environmental and social-economic point of view.</p> <p>The feasibility study was conducted and covering 12 Koperasi Unit Desa/KUD (smallholder cooperative) with lotal coverage of 10,838 Ha for replanting program in 2015 – 2021. The exercise was conducted between PT. Inti Indosawit Subur – Buatan and “Kantor Jasa Penilai Publik Samsul Hadi-Wahyono Hadi, Hendragunawan & Rekan (SAH & Rekan)”.</p>	<p>Comply</p>
<p>Criterion 6.2:</p> <p>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>			

<p>6.2.1</p>	<p>Consultation and communication procedures shall be documented.</p> <p>- Major compliance -</p>	<p>Buatan Estate and mill: Company has developed a communication procedure under "Mekanisme Penanganan Permintaan Informasi Stakeholder "(No. SOP; AA-GL-5008.1-R1) dated 22nd August 2011, which explains the company responses against all information request sent by stakeholders including response time of 14 working days after information request accepted. In addition, record related to information request and company response kept and maintained for three (3) years. Based on public stakeholder consultation with KUD/cooperative chairman, local contractor, NGO and public official, it was revealed that company has communicating in good manner. Company also provide response to information request in accordance to authority and the communication SOP.</p> <p>Scheme smallholders: KUD Bhakti Mandiri, in Bukit Harapan village, Kerinci Kanan district, Siak Regency has a consultation and communication procedures as documented in "Mekanisme Komunikasi, konsultasi dan keluhan, dated 3rd January 2011. The procedure covers mechanism to receive information request, receive complaint, request for consultation; handle information/consultation request and handle complaint; provide response to such requests in timely manner. The procedure also completed with flowchart for ease of use in farmer level.</p>	<p>Comply</p>
<p>6.2.2</p>	<p>A management official responsible for these issues shall be nominated.</p> <p>- Minor compliance -</p>	<p>Buatan Estate and mill: The company has appointed officers responsible to carried out communication and consultation with local communities is Public Relations Department – Mr. Lindu Simatupang, the Public relation officer in PT. Inti Indosawit Subur – Buatan Group. The appointment was through "Memorandum Group Manager PT. Inti Indosawit Subur - Buatan No.388/ES-KBN/Memo/06/2015 perihal Tugas dan Tanggungjawab Humas Kebun Buatan" dated 1st June 2015. The letter explicitly mentioned the roles is to consulting and communicating with community and follow up the result of consultation and communication. The public relation officer is reporting directly to Estate Manager.</p> <p>Scheme smallholders: KUD Bhakti Mandiri, has appointed Mr.Sugeng as the responsible officer to communicating and consulting with stakeholder as per "Surat Keputusan No.6/Kpts/KUD-BM/II/2012 tentang Penunjukan/Pengangkatan Petugas Komunikasi dan Konsultasi KUD Bhakti Mandiri" dated 10th February 2012.</p>	<p>Comply</p>

<p>6.2.3</p>	<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>Buatan Estate and mill: Company has a list of stakeholder which update on annual basis in "Updated Daftar Stakeholders PT. Inti Indosawit Subur – Buatan Group", latest update 29th June 2016. From the document, it was known that company is consulting and communicating with 28 parties from government authorities: government in village-level, district-level, regency-level, and agencies such as Badan Pertanahan Nasional/BPN (national land body), Badan Konservasi Sumber Daya Alam/BKSDA (natural resources conservation agency); 28 parties from community-level: cooperative staff, community figures, mass media, etc.; 38 parties from contractors: outside FFB suppliers, FFB-collectors, school bus transport contractors, employee housing repair contractor, heavy machinery contractors, etc.; 3 Non-governmental Organizations: WWF, Laskar Anti Korupsi Indonesia (LAKI), Elang;</p> <p>Scheme smallholders: KUD Bhakti Mandiri has prepared a list of stakeholder 2016 which consist of 32 stakeholders such as Bukit Harapan village head, Cooperative agency in Siak Regency, all other Koperasi Unit Desa/KUD (smallholder cooperatives), local supplier, PT. Inti Indosawit Subur - Buatan, bank and other financial agencies, etc.; Consultation and communication recorded in "Rekaman Komunikasi dan Aspirasi Anggota dan Masyarakat".</p>	<p>Comply</p>
<p>Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.</p>			

<p>6.3.1</p>	<p>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.</p> <p>- Major compliance -</p>	<p>Buatan Estate and mill:</p> <p>The company has established a mechanism to handle complaint from external party, as written in "Mekanisme Penanganan Keluhan" – complaint handling mechanism (Doc.No.SOP AA-GL-5005-R0 01) while complaint from internal regulated under "Mekanisme Penyampaian Keluhan dan Penyelesaian Keluhan Karyawan" – Employee' complaint and resolution mechanism (Doc.No.SOP-AA-HR-3008-R0 05). This procedure was supported with mechanism to protect the confidentiality ad anonymity of reporter and/or whistleblower – if requested.</p> <p>These mechanisms has been communicated to external parties and disseminated to PT. Inti Indosawit Subur employees. Based on interview with local communities, Gender committee leader and worker union leader; they understood the procedure and mechanism to communicating complaint and/or grievance to company.</p> <p>It was noted no any complaint or grievance from external was received in 2016, just from internal complaint which recorded in "Buku Keluhan Karyawan". There were 16 complaint received from employees in 2015 in Afdeling II, e.g. from Mr. A**** on 22nd July 2016 complaint house roof is leakage. It was seen that all internal complaints have been responded in timely manner.</p> <p>Scheme smallholders:</p> <p>KUD Bhakti Mandiri has a mechanism for communication, consultation and complaint, issued on 3rd January 2011. The procedure covers mechanism to receive information request, receive complaint, request for consultation; handle information/consultation request and handle complaint; provide response to such requests in timely manner. The procedure also completed with flowchart for ease of use in farmer level. The mechanism also printed and made available in cooperative office. Cooperative has also appointed Mr.Sugeng as the responsible officer to communicating and consulting with stakeholder as per "Surat Keputusan No.6/Kpts/KUD-BM/II/2012 tentang Penunjukan/Pengangkatan Petugas Komunikasi dan Konsultasi KUD Bhakti Mandiri" dated 10th February 2012.</p>	<p>Comply</p>
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<p>6.3.2</p>	<p>Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>- Major compliance –</p>	<p>Buatan Estate and mill: Company is recording each complaint and response provided in the Logbook "Buku Keluhan Karyawan (Internal) dan Buku Rekaman Proses Konsultasi Masyarakat Lokal".</p> <p>Based on public consultation with worker union, gender committee, NGO, local contractor and relevant government offices/agencies; it was known that company has responded all type of information request, communication, or complaint. However, no complaint from external parties so far.</p> <p>Scheme smallholders: KUD Bhakti Mandiri: Communication and consultation record has been documented in "Permintaan dan Tanggapan Informasi" whereby in 2015 there was 5 information requests and in 2016 there was 2 information requests. For example: e.g. request information from "Dinas Koperasi Kabupaten Siak" on 7th February 2016 related to request information of "Laporan Omset dan Rencana RAT Tahun 2016 KUD" from; responded 7 days later. Aspiration and complaint documented in "Rekaman Komunikasi dan Aspirasi Anggota dan Masyarakat dan Daftar Keluhan", whereby in 2015 and 2016 there was no community's complaint or aspiration to KUD Bhakti Mandiri.</p>	<p>Comply</p>
<p>Criterion 6.4: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>			

<p>6.4.1</p>	<p>A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.</p> <p>- Major compliance -</p>	<p>Buatan Estate: Based on interview with government agencies: Badan Lingkungan Hidup/BLH (environmental agency), Dinas Perkebunan (plantation agency) dan Badan Pertanahan Nasional/BPN (national land body), stated there was no incoming report related to land conflict between PT. Inti Indosawit Subur – Buatan with other party. Company has prepared a mechanism to identify and calculate fair compensation or loss of legal or customary rights to land set out in the standard operating procedure (SOP) "Prosedur Penyelesaian Sengketa Lahan No. AA-GL-5003-1-R2", dated 8th May 2015. The mechanism has taken into account FPIC Guide for RSPO Member 2015, whereby the procedure regulated information convey, negotiation, participative boundary measurement, involvement of other party and neighboring parties – in the boundary of the conflicted area (if any).</p> <p>There is no negotiation/compensation payment currently both estate and scheme smallholders, the land has settled now, no any complaint was received in the last few years. In Scheme smallholders area, it was settled sine the "PIR Project" started due to this project from Central Government, where the land status is "Clean and Clear".</p> <p>Scheme smallholders: KUD Bhakti Mandiri: The scheme smallholder area of PT. Inti Indosawit Subur – Buatan falls in government program for "Perkebunan Inti Rakyat – Transmigrasi/PIR-Trans" as per "Keputusan menteri Transmigrasi No.Kep.90/MEN/1990 tentang Izin Pelaksanaan Transmigrasi PIR-Trans kepada PT. Inti Indosawit Subur I dengan Komoditas Kelapa Sawit di Lokasi Pangkalan Kuras, Kabupaten Kampar dan Pasir Penyau, Kabupaten Indragiri Hulu, Provinsi Riau" dated 29th July 1991. Based on this official letter, the whole smallholder plantation area of PT. Inti Indosawit Subur – Buatan was gazetted by government therefore no compensation to traditional land owner, because the land was state land, free from ownership right. Currently, all scheme smallholder member has been granted with "Sertifikat Hak Milik/SHM" (land title) from "Badan Pertanahan Nasional/BPN" (national land body) – See 2.2.1.</p>	<p>Comply</p>
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<p>6.4.2</p>	<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>	<p>Buatan Estate: PT. Inti Indosawit Subur – Buatan has prepared a mechanism to identify and calculate fair compensation or loss of legal or customary rights to land set out in the standard operating procedure (SOP) "Prosedur Penyelesaian Sengketa Lahan No.AA-GL-5003-1-R2", dated 8th May 2015. The mechanism has taken into account FPIC Guide for RSPO Member 2015, whereby the procedure regulated information convey, negotiation, participative boundary measurement, involvement of other party and neighboring parties – in the boundary of the conflicted area (if any).</p> <p>Scheme Smallholders: Based on interview, KUD Bhakti Mandiri and KUD Sejahtera, sampled smallholder member and relevant authority, Dinas Perkebunan Kabupaten Pelalawan (plantation agency); there was no case of land conflict between smallholder member and/or conflict with other party related to land status or boundary. Cooperatives has a condlict resolution mechanism in "Mekanisme Penanganan Konflik" dated 1st August 2014. The mechanism explaining flow process to resolution on land conflict, with involvement of company, village government and all related agencies.</p>	<p>Comply</p>
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<p>6.4.3</p>	<p>The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.</p> <p>- Major compliance -</p>	<p>Buatan Estate: Based on stakeholder consultation, audit team understand PT. Inti Indosawit Subur – Buatan no longer conduct plantation expansion for some year. There is no expansion plan in business plan. There is no land conflict between PT. Inti Indosawit Subur – Buatan with other party including with surrounding village.</p> <p>Scheme smallholder: The scheme smallholder area of PT. Inti Indosawit Subur – Buatan falls in government program for “Perkebunan Inti Rakyat – Transmigrasi/PIR-Trans” as per “Keputusan menteri Transmigrasi No.Kep.90/MEN/1990 tentang Izin Pelaksanaan Transmigrasi PIR-Trans kepada PT. Inti Indosawit Subur I dengan Komoditas Kelapa Sawit di Lokasi Pangkalan Kuras, Kabupaten Kampar dan Pasir Peny, Kabupaten Indragiri Hulu, Provinsi Riau” dated 29th July 1991. From this background, it was understood the scheme smallholder obtained the land ownership through government program PIR-Trans. Therefore it was not gone through compensation process to previous traditional landowners because the land was state land, free from ownership right. Currently, all scheme smallholder member has been granted with “Sertifikat Hak Milik/SHM” (land title) from “Badan Pertanahan Nasional/BPN” (national land body) – See 2.2.1.</p>	<p>Comply</p>
<p>Criterion 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>			

<p>6.5.1</p>	<p>Documentation of pay and conditions shall be available. - Major compliance -</p>	<p>Buatan Estate and mill: The company determines minimum wages based on the Government regulation every year, the minimum wages in 2016 as regulated in "Surat Keputusan Gubernur Riau No.KPTS.15/I/2016", dated 7th January 2016 is Rp. 2,176,480,-/month which effective from 1st January 2016 and "Kesepakatan Bersama-Badan Kerjasama Perusahaan Perkebunan Sumatera (BKS – PPS), dated 8th March 2016. Memorandum from company to all unit No.010/HR-AAS/MEMO/04/16, dated 25th April 2016: minimum wages for temporary workers is Rp.2,325,000/month (Rp. 93,000/day), SKU Harian Rp.2,190,000 + Rice allowance. Basic Salary for permanent workers included rice allowance: 15 kg/employees, wife 9 kg, children 7.5 kg/each for 3 children (rice price; Rp. 8.350/kg in April 2016)</p> <p>Based on review of payslip, there is no worker paid below minimum wages, e.g. Mill: Payment receipt in June 2016 for S**** – PHL (Gardener) is Rp.2,139,000 (23 days @ Rp. 93,000) + insentif Rp.146,143, M***** – PHL (Cleaning Service) is Rp.1,953,000 (21 days @ 93,000) + insentif Rp. 0.</p> <p>Estate: Payment receipt for J**** – SKU Harian (Panen/Harvester) in May 2016 is Rp. Rp. 4,420,725 (basic salary Rp. 2,263,000 + premi Rp. 2,157,725) and P***** – SKU Harian (Panen/harvester) in May 2016 is Rp. 3,143,367 (basic salary: Rp. 2,263,000 + premi Rp. 880,367) Fertilizer applier: payment receipt in May 2016 for Sariyah –PHL (fertilizer gang) is Rp. Rp. 1,660,000 (17 days @Rp. 93,000 + premi Rp. 85,000) and R***** is Rp. 1,470,000 (15 days @ Rp. 93,000 + premi 75,000)</p> <p>Based on review document of list payment, it was found that the company has paid salary as regulated by government.</p> <p>Scheme smallholder: KUD Sejahtera has a employee, Mrs. R*** A, as bookkeeper. The salary sets by cooperative through annual member meeting was Rp.2,180,000. Based on verification of employee payment record, cooperative has paid the salary as per agreement.</p>	<p>Comply</p>
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<p>6.5.2</p>	<p>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. - Major compliance -</p>	<p>Buatan Estate and mill: Observed that employment agreement of Buatan POM and Estate refers to Collective Labour Agreement (<i>Perjanjian Kerja Bersama</i>/PKB) between Cooperation Body of Plantation Company in Sumatera (BKS-PPS) with Federation of Plantation and Agriculture Labour Union and Indonesian Labour Union Federation (PP FSP.PP – SPSI) number 88/PHIJSK-PKKAD/PKB/VI/2015 effective since 21st April 2015 and valid until 20th April 2017. The abovementioned collective agreement regulates employment arrangement such as: working time (Chapter IV), salary (Chapter V), work contract (Chapter VI), leaves (Chapter VII & VIII), overtime (Chapter X), premi (XI), bonus and allowance (XII & XIII), Insurance (XIV), Work equipment, safety, and health (XV), Pension (XVI), etc. In Buatan I POM, total employee was 141 which consists of 48 permanent workers, 59 permanent daily workers, 34 daily workers. Two temporary workers promoted to be permanent: Mr. HBS and Mr. MBB on January 06, 2016, Mr WS and Mr. ASD on August 18, 2014. No indication of temporary worker work more than 3 months with working days more than 21 days. In addition, payment and employment condition for temporary daily has been regulated in work contract between worker and company. All contracts are prepared in Indonesia Language as understood language and signed by both parties. Employee keeps one copy of the contract. e.g. contract between Mr. A.R (worker) and Mr. PS (on behalf of PT. IIS) dated June 2017 which regulates: position / placement, rotation, contract period, obligation and right, salary and payment, facilities, status, contract termination, dispute settlement, etc. The Collective Work Agreement – “Perjanjian Kerja Bersama” (PKB) now under renewal process in “Dirjen Pembinaan Hubungan Industrial dan Jaminan Sosial Tenaga Kerja – Kementerian Tenaga Kerja dan Transmigrasi RI”. Based on document review, it was seen that all workers have signed contract, e.g. Contract Mr. A***** R***** (co-mechanic in PBS), dated 27th June 2016, Mrs. S***** – PHL (Fertilizer Gang), dated 1st July 2016 and Mrs. R*****i, dated 1st July 2016.</p>	<p>Comply</p>
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		<p>Scheme Smallholders: Contract is available, e.g. Mr. A*****n No.34/KKB/KUD-BS/III/2011, dated 12th March 2011, Mr. Ar*****j No.32/KKB/KUD-BS/III/2011, dated 12th March 2011.</p> <p>KUD Sejahtera KUD Sejahtera has a employee, Mrs. R*** A, as bookkeeper. Cooperative and the employee has a working agreement under "Surat Perjanjian Kerja No.006/SK/KUD-SJ/XII/2016 dated 6th January 2016. The work agreement covers rights and obligations for both parties: salary, work hour, leave, overtime, agreement time-frame; available in Bahasa Indonesia and signed by both parties.</p>	
6.5.3	<p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>- Minor compliance –</p>	<p>Buatan Estate and mill: The company has prepared facilities for their workers, such as:</p> <ul style="list-style-type: none"> - Housing complex (399 units) - Elementary (1 unit) and kindergarden (1 units) - Polyclinic (1 unit) - Mosque (2 units) - Church (1 unit) - Creche (1 units) - School bus (2 units) - Ambulance (1 unit) - Sport facilities - Etc. <p>Company performed regular water quality test, whereby the source from worker housing's well.</p> <p>Scheme smallholders: All workers in Plasma has own house with water and electricity supplies from government.</p>	Comply
6.5.4	<p>Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance –</p>	<p>Buatan Estate and mill, Scheme smallholders: The traditional market is available surrounding company and scheme smallholder area, the location was near small town.</p> <p>For smallholder cooperative that has a store business unit such as KUD Sejahtera, it was located near the market and located 7-9 km from Pelalawan Regency capital.</p>	Comply
<p>Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>			

<p>6.6.1</p>	<p>A published statement in local languages recognising freedom of association shall be available.</p> <p>- Major compliance -</p>	<p>Buatan Estate and mill: Freedom of association policy documented in "Kebijakan perusahaan", which state that "Menghormati hak setiap karyawan untuk membentuk atau menjadi anggota serikat pekerja sesuai dengan keinginannya dan untuk melakukan tawar menawar secara kolektif", dated 1st December 2014 – to respect the right of each employee to form or be part of worker union and to bargain collectively. Freedom of association policy is written in Bahasa Indonesia, so that all employees can understand.</p> <p>The company has communicated this policy continously, the last socialization was conducted 30th October 2015, attended by 67 workers, on 7th February 2016, attended by 61 workers in Buatan I POM and on 22nd January 2016, attended by 35 workers in Buatan Group Estate.</p> <p>Scheme Smallholders: KUD Sejahtera KUD Sejahtera has one employee, Mrs. R*** A, as bookkeeper. No worker union. Cooperative and the employee has a working agreement under "Surat Perjanjian Kerja No.006/SK/KUD-SJ/XII/2016 dated 6th January 2016. The work agreement covers rights and obligations for both parties, stated freedom to organize in line with UUD 1945 and Pancasila.</p>	<p>Comply</p>
<p>6.6.2</p>	<p>Minutes of meetings with main trade unions or workers representatives shall be documented.</p> <p>- Minor compliance -</p>	<p>Buatan Estate and Mill: Meeting between company management with labour union (SP. PP-SPSI) in 20th May 2014, attended by 2 representatives of PUK SPSI, minutes of meeting and attendance list is available.</p> <p>Scheme smallholders: KUD Sejahtera KUD Sejahtera has one employee, Mrs. R*** A, as bookkeeper. No worker union. Cooperative and the employee has a working agreement under "Surat Perjanjian Kerja No.006/SK/KUD-SJ/XII/2016 dated 6th January 2016. The work agreement covers rights and obligations for both parties, stated freedom to organize in line with UUD 1945 and Pancasila.</p>	<p>Comply</p>
<p>Criterion 6.7: Children are not employed or exploited.</p>			

<p>6.7.1</p>	<p>There shall be documentary evidence that minimum age requirements are met. - Major compliance -</p>	<p>Buatan Estate: The company has own policed signed by management on 1st December 2014 that stated that: It is not allowed all children to work in every activities/processes in company. Based on document review of list of workers "Data Karyawan" Kebun Buatan, update May 2016, interview with workers and obervation during field visit, it was no found workers hired under 18 years. Sample taken: List of employee – July 2016 "Data Karyawan Kebun Buatan", the youngest employee was Titik Suyanti (date of birth 10th July 1994, joined in 1st June 2016) at 22 years old.</p> <p>Buatan I POM: The company has own policed signed by management on 1st December 2014 that stated that: It is not allowed all children to work in every activities/processes in company. Based on document review of list of workers "Data Karyawan" Buatan POM, update May 2015, interview with workers and obervation during field visit, it was no found workers hired under 18 years. Sample taken: List of employee – July 2016 "Data Karyawan PMKS Buatan Satu", the youngest employee was Alex Sahat Martua (date of birth 13th July 1988, joined in 20th February 2007) at 19 years old.</p> <p>Scheme smallholders: KUD Sejahtera KUD Sejahtera has cooperative policy, "Kebijakan Koperasi" dated 1st March 2015, which stated "Melarang anak-anak bekerja dalam setiap kegiatan KUD" – to prohibit all children to work in any activities in the cooperative operation.</p> <p>Based on verification, the age of worker was over 18 years old.</p>	<p>Comply</p>
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Criterion 6.8:
 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.

<p>6.8.1</p>	<p>A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.</p> <p>- Major compliance -</p>	<p>Buatan Estate and mill:</p> <p>The company has Equal Opportunities policy as documented in "Kebijakan Perusahaan", dated 1st December 2014: "Memperlakukan seluruh karyawan secara adil, baik dalam hal penerimaan, penilaian kondisi dan lingkungan kerja, serta keterwakilan tanpa memandang suku, kasta, asal Negara, agama/ kepercayaan, cacat, gender, orientasi seksual, keanggotaan serikat pekerja, afiliasi politik dan atau umur" - to treat all member of cooperative in fair manner, and respect human rights, and representative without any discrimination on tribe, race, caste, country of origin, religion/belief, disability, gender, sexual orientation, union affiliation, political affiliation or age.</p> <p>The company has communicated this policy, e.g., the last socialization was conducted 30th October 2015, attended 67 workers, another company policy dissemination on 7th February 2016, attended 61 workers in Buatan I POM; and in 22nd January 2016, attended 35 workers in Buatan Group Estate.</p> <p>Scheme smallholders:</p> <p>KUD Bhakti Mandiri:</p> <p>Available in "Kebijakan Koperasi", dated 1st August 2013: "memperlakukan seluruh karyawan koperasi secara adil dan menghormati HAM, serta keterwakilan tanpa memandang suku, kasta, asal negara, agama/kepercayaan, cacat, jender, orientasi seksual, keanggotaan serikat pekerja, afiliasi politik dan atau umur" – to treat all member of cooperative in fair manner, and respect human rights, and representative without any discrimination on tribe, race, caste, country of origin, religion/belief, disability, gender, sexual orientation, union affiliation, political affiliation or age. The policy has been disseminated to smallholder member on 23rd September 2015, attended by 37 members.</p> <p>KUD Sejahtera:</p> <p>Available in "Kebijakan Koperasi", dated 1st August 2013: "memperlakukan seluruh karyawan koperasi secara adil dan menghormati HAM, serta keterwakilan tanpa memandang suku, kasta, asal negara, agama/kepercayaan, cacat, jender, orientasi seksual, keanggotaan serikat pekerja, afiliasi politik dan atau umur" – to treat all member of cooperative in fair manner, and respect human rights, and representative without any discrimination on tribe, race, caste, country of origin, religion/belief, disability, gender, sexual orientation, union affiliation, political affiliation or age. The policy has been disseminated to smallholder member on 23rd September 2015, attended by 27 members.</p>	<p>Comply</p>
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RSPO Public Summary Report
Revision 3 (July /2016)

<p>6.8.2</p>	<p>Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against.</p> <p>- Major compliance -</p>	<p>Buatan Estate, Scheme smallholders and mill: Based on stakeholder consultation with worker union, gender committee and relevant government agency, Dinas Tenaga Kerja Kabupaten Pelalawan; it was noted that no indication of discrimination practised by company towards its employees. Based on document review there is no migrant worker in PT. Inti Indosawit Subur – Buatan Group.</p> <p>Based on interviews with male and female workers confirmed that the company anti-discrimination policy was strictly enforced. They have not heard or reporting any cases of discrimination.</p>	<p>Comply</p>
<p>6.8.3</p>	<p>It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.</p> <p>- Minor compliance -</p>	<p>Buatan Estate and mill: The company has procedure hiring workers regulated that hiring and promotion of workers based on skill, work experiences, and job evaluation. The company was conduct performance evaluation of workers annually.</p> <p>Scheme smallholders: Interview with harvester workers revealed that there smallholder plot owner is hiring workers based on the capability and skills.</p>	<p>Comply</p>
<p>Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.</p>			

<p>6.9.1</p>	<p>Policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.</p> <p>- Major compliance -</p>	<p>Buatan Estate and mill: The company has policy to prevent sexual harassment and violence against women in "Kebijakan Perusahaan" dated 1st December 2014 in which stating "Mencegah pelecehan sexual dan berbagai bentuk kekerasan terhadap perempuan serta melindungi hak hak reproduksinya – <i>prevent sexual harassment and violence as well as protect reproductive rights for women.</i></p> <p>The company has communicated this policy continously, the last socialization was conducted 30th October 2015, attended by 67 workers, on 7th February 2016, attended by 61 workers in Buatan I POM and on 22nd January 2016, attended by 35 workers in Buatan Group Estate.</p> <p>The policy is prominently displayed on notice boards at the Mills and the Estates muster areas. Interviews of female staff, workers and union representatives confirmed that the company implemented the sexual harassment policy.</p> <p>Scheme Smallholders: KUD Sejahtera: The cooperative has policy to prevent sexual harassment and violence against women in "Kebijakan KUD" dated 1st August 2013, Point 6 which stated "Mencegah pelecehan sexual dan berbagai bentuk kekerasan terhadap perempuan serta melindungi hak hak reproduksinya – <i>prevent sexual harassment and violence as well as protect reproductive rights for women.</i> The policy has been disseminated to smallholder member on 23rd September 2015, attended by 27 members.</p>	<p>Comply</p>
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<p>6.9.2</p>	<p>A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.</p> <p>- Major compliance -</p>	<p>Buatan Estate and mill: As it is found in company policy that's signed by Managing Director, dated 01 December 2014: "To prevent any sexual or physical abuses happen to women as well as to protect their reproductive rights". The company has communicated this policy continuously, the last socialization was conducted 30th October 2015, attended by 67 workers, on 7th February 2016, attended by 61 workers in Buatan I POM and on 22nd January 2016, attended by 35 workers in Buatan Group Estate. There is a gender committee actively meets and discussing general agenda and other issue related to handling sexual harassment, dissemination of sexual harassment prevention. Based on interview with Gender Committee, company has implemented the protection of women reproductive rights, in form of maternal leave, period leave, regular pregnancy check for female sprayers and strictly prohibit pregnant and/or breastfeeding female worker applying pesticides.</p> <p>Scheme Smallholders: KUD Sejahtera: The cooperative has policy to prevent sexual harassment and violence against women in "Kebijakan KUD" dated 1st August 2013, Point 6 which stated "Mencegah pelecehan sexual dan berbagai bentuk kekerasan terhadap perempuan serta melindungi hak hak reproduksinya – <i>prevent sexual harassment and violence as well as protect reproductive rights for women</i>. The policy has been disseminated to smallholder member on 23rd September 2015, attended by 27 members. The female employee in KUD Sejahtera is also entitled for maternal leave.</p>	<p>Comply</p>
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<p>6.9.3</p>	<p>A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.</p> <p>- Minor compliance -</p>	<p>Buatan Estate and mill: Standard Operating Procedure, No.SOP: XX-HR-308.5-RO; Revision: 0, dated 11th December 2009: Employees complaints: submission and settlement. Mechanism for complaints management where it needs to protect its confidentiality for complaint submitter was found in company policy's draft as in one of points of this policies stated that: "To provide appropriate information for those who inquiry it and to protect its confidentiality for whistleblower cases in accordance to law regarding environmental and social issue, food safety, health and safety work, so that it enables them to more participate to the decision making processes for improving company's performance..."</p> <p>Scheme Smallholders: KUD Sejahtera is adopting company policy on the grievance mechanism which respects anonymity and protects complainants, stated in the Cooperative's Communication, Consultation, and Grievance. During the audit, there is no issue found and has been confirmed during stakeholder consultation with local community and workers.</p> <p>Observation: Based on interview with female workers, understanding on company policy related to protection of reproductive right and protection against sexual harassment is sufficient. To improve female fertilizer worker's understanding on gender committee's role and grievance mechanism when reporting (any) case related to sexual harassment.</p>	<p>Comply</p>
<p>Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.</p>			
<p>6.10.1</p>	<p>Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.</p> <p>- Minor compliance -</p>	<p>Mill and Scheme Smallholders: The company has displayed the FFB price in Mill's notice board and smallholders able to access the FFB price by phone. The FFB price based on "Hasil Rapat Penetapan Harga Pembelian TBS Kelapa sawit Produksi Pekebun di Propinsi Riau".</p> <p>The FFB price is updated weekly (every Tuesday).</p> <p>The last FFB price period 20 – 26 July 2016 for planting ages 3 – 25 year, due to planting year plasma more than 25 year, there is agreement between PT. IIS and Plasma using average FFB price for planting age 21 – 25 divided 5 as "Kesepakatan Bersama Penetapan Harga TBS Plasma, FKPPKS, KUD dan Managemen Kebun Plasma Buatan PT. IIS, Asian Agri", dated 21st January 2016. The FFB price for this period is Rp. 1,579.62/tonnes FFB.</p>	<p>Comply</p>

<p>6.10.2</p>	<p>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).</p> <p>- Major compliance -</p>	<p>Mill and Scheme Smallholders:</p> <p>The company has provided explanation on the FFB pricing formula and based on interview with smallholders, they understood of FFB pricing mechanism and no complaint was noted regarding FFB price.</p> <p>The FFB price is updated weekly (every Tuesday) with formula :</p> <p>HTBS = K [(HCPO x RCPO) + (HIS x RIS)] HTBS = Harga TBS (FFB Price) K = Indeks "K" HCPO = Harga CPO (CPO price) RCPO = Rendemen CPO (OER) HIS = Harga Kernel RIS = Rendemen Kernel (KER).</p>	<p>Comply</p>
<p>6.10.3</p>	<p>Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> <p>- Minor compliance -</p>	<p>Estate and Mill:</p> <p>Based on document review that agreement between company and local contractor is confirmed that contract is made fairly, legal and transparent, e.g. Mill: Contract with Plasma (KUD. Bhakti Mandiri and KUD Sejahtera) for supply FFB No.07/SPK-TBS/IIS-PT/XI/93 "Perjanjian Kerjasama antara Petani Peserta PIR-Trans dengan PT. Inti Indosawit Subur"</p> <p>Estate:</p> <ul style="list-style-type: none"> - Contract with CV. Sinar Indah Permata, SPK No.011/MM-AAS/EXT/01/16, dated 4th January 2016 for build one (1) unit worker house. - Contract with CV. Hari Mas, SPK No.173/MM-AAS/EXT/04/16, dated 7th April 2016 for bulid Filing building. - Contract with PT. Prisan Artha Lesatri, SPK No.022/ADD SPK/P2/KBN/XI/2015, dated 16th November 2015 electrical installation in Buatan Group. 	<p>Comply</p>
<p>6.10.4</p>	<p>Agreed payments shall be made in a timely manner.</p> <p>- Minor compliance -</p>	<p>Estate and mill:</p> <p>Evidence of payment is reviewed and interview with local contractor confirmed that payment for contractor timely manner.</p>	<p>Comply</p>
<p>Criterion 6.11:</p> <p>Growers and millers contribute to local sustainable development where appropriate.</p>			

<p>6.11.1</p>	<p>Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance –</p>	<p>Buatan Estate and mill: Company has prepared Corporate Social Responsibility/CSr program on yearly basis. For example, Buatan Estate has 54 activities, categorized in 6 types, in 2015:</p> <ul style="list-style-type: none"> - Social (38 activities), such as donation for the poor and orphanage in Delima Jaya village, Buana Sakti village, Delik village, Lalang Kabung village; Donation for religious festivities in Simpang Perak Jaya village, Suka Mulia village, Lalang Kabung village; Donation for Lembaga Adat Melayu Riau (LAMR); - Economic (5 activities), such as comparative study of independent plantation for farmer in Kerinci Kanan village; Road maintenance for Kerinci Kanan village; Utility donation for KUD Kerinci Kanan; - Education (3 activities), donation for construction of musholla in SMP 2 Makmur; donation in form of air compressor for vocational school, SMK; material donation for Madrasah in Delik village; - Health (1 activity), in form of free medication/mobile clinic in Delik village; - Infrastructure (6 activities), Clean water infrastructure repair in Delik village and Mekar Jaya village, Repair of religious house in Delik village, Lalang Kabung village, Gabung Makmur village, Bukit Agung village, Bhakti Buana village; - Environmental (1 activity), donation of fire fighting equipment in Lalang Kabung village; <p>Based on interview with stakeholder, community felt that company has implemented CSR 2015 programme in good manner. For 2016, company has planned for 50 activities related to social, economic, education, and infrastructure – completed with timeframe and objective target. Aside from the above-mentioned program, company has indirect economic program such as use of local contractors for school bus transportation, EFB-transport, employee housing repair contractor, etc.</p> <p>Scheme smallholders: KUD Sejahtera: The policy to help surrounding community available in “Anggaran Dasar Koperasi Unit Desa Sejahtera” has been approved by “Dinas Koperasi Kabupaten Pelalawan a/n Menteri Koperasi” based on “Surat Keputusan No.126/BH/PAD/Diskop-UMKM/IV.5/2013” dated 12th February 2013. The document stated cooperative 2.5% for social activities and 2.5% for local development. The local development activities have been delivered on 23rd March 2016 in form of FKPI Pelalawan Regency; Religious festivities on 21st June 2016.</p>	<p>Comply</p>
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<p>6.11.2</p>	<p>Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance –</p>	<p>Company and Scheme Smallholders: Scheme Manager assist the scheme smallholders, such as: - Company has communicated and trained oil palm plantation, health and safety and soil and water conservation; - Company helps smallholder cooperative to conduct leaf analysis and soil analysis to prepare fertilizer recommendation; - Company provide and guarantees the fertilizer supplies for smallholder cooperatives; - Company supports the implementation of best management practices for weed control – in form of spraying team for smallholder plantation; - Technical support, such as training, cooperative management and provide permanent resources (Scheme Manager, Assistant and supervisor in each cooperative); - Road maintenance. etc</p>	<p>Comply</p>
<p>Criterion 6.12: No forms of forced or trafficked labour are used.</p>			
<p>6.12.1</p>	<p>There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -</p>	<p>Buatan Estate and mill: No form or trafficked labour was noted during assessment. Based on company database, all workers are registered as per their Identity Card/KTP. Scheme smallholders: KUD Sejahtera has a policy related to forced labour inside “Kebijakan Koperasi”. Based on document verification and interview with worker shows no forced labour and/or migrant worker used in cooperative.</p>	<p>Comply</p>
<p>6.12.2</p>	<p>Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance –</p>	<p>Buatan Estate and mill: Based on document review and interview with workers and labour union, confirmed that no contract substitution was noted. All workers are entitled with work agreement, understood the content of work agreement. Scheme smallholders: KUD Sejahtera has a policy related to work agreement inside “Kebijakan Koperasi”. Based on document verification and interview with cooperative staff and worker, shows no contract substitution practised. See also 6.5.2.</p>	<p>Comply</p>

<p>6.12.3</p>	<p>Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -</p>	<p>Buatan Estate and mill: The agreement for temporary workers was available and signed by workers. There was no migrant worker.</p> <p>Scheme smallholders: KUD Sejahtera has a policy related to use of migrant worker inside "Kebijakan Koperasi". Based on document verification and interview with worker shows no migrant worker used in cooperative.</p>	<p>Comply</p>
<p>Criterion 6.13: Growers and millers respect human rights.</p>			
<p>6.13.1</p>	<p>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 -</p>	<p>Buatan Estate and mill: The company has Human Rights policy as documented in "Kebijakan Perusahaan", dated 1st December 2014: Menghormati hak asasi manusia dengan memperlakukan seluruh karyawan secara adil, baik dalam hal penerimaan, penilaian kondisi dan lingkungan kerja, serta keterwakilan tanpa memandang suku, kasta, asal Negara, agama/kepercayaan, cacat, gender, orientasi seksual, keanggotaan serikat pekerja, afiliasi politik dan atau umur. The company has communicated this policy, e.g. socialization on 4th March 2015, attended 25 workers; on 3rd March 2015 attended 36 wokers; and on 6th March 2015 attended by 11 workers.</p> <p>Scheme smallholders: KUD Sejahtera and KUD Bhakti Mandiri have a policy related to respect and uphold human right inside "Kebijakan Koperasi". The policy stated "Memperlakukan seluruh karyawan dan anggota koperasei secara adil, baik dalam hal penerimaan, penilaian kondisi dan lingkungan kerja, serta keterwakilan tanpa memandang suku, kasta, agama/ kepercayaan, cacat, gender, orientasi seksual, keanggotaan serikat pekerja, afiliasi politik dan atau umur" - to treat all member of cooperative in fair manner, and respect human rights, and representative without any discrimination on tribe, race, caste, religion/belief, disability, gender, sexual orientation, union affiliation, political affiliation or age. The policy signed by cooperative chairman.</p> <p>KUD Sejahtera Based on document verification and interview with worker shows smallholder members being sampled understand the basic principle related to upholding the human rights.</p>	<p>Comply</p>
<p>Principle 7: Responsible development of new plantings</p>			

<p>Criterion 7.1:</p> <p>A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</p>			
7.1.1	<p>An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented.</p> <p>- Major compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2</p>	N/A
7.1.2	<p>Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts.</p> <p>- Minor compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2</p>	N/A
7.1.3	<p>Where the development includes an outgrower scheme, the impacts of the scheme and the implications of the way it is managed shall be given particular attention.</p> <p>- Minor compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2</p>	N/A
<p>Criterion 7.2:</p> <p>Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</p>			
7.2.1	<p>Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations.</p> <p>- Major compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2</p>	N/A

RSPO Public Summary Report
Revision 3 (July /2016)

<p>7.2.2</p>	<p>Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available and taken into account in plans and operations.</p> <p>- Minor compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2</p>	<p>N/A</p>
<p>Criterion 7.3: New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</p>			
<p>7.3.1</p>	<p>There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).</p> <p>- Major compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2</p>	<p>N/A</p>
<p>7.3.2</p>	<p>A comprehensive HCV assessment, including stakeholder consultation, shall be conducted prior to any conversion or new planting. This shall include a land use change analysis to determine changes to the vegetation since November 2005. This analysis shall be used, with proxies, to indicate changes to HCV status.</p> <p>- Major compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2</p>	<p>N/A</p>
<p>7.3.3</p>	<p>Dates of land preparation and commencement shall be recorded.</p> <p>- Minor compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2</p>	<p>N/A</p>

<p>7.3.4</p>	<p>An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower’s relevant operational procedures (see Criterion 5.2). - Major compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2</p>	<p>N/A</p>
<p>7.3.5</p>	<p>Areas required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from proposed operations, shall be identified in consultation with the communities and incorporated into HCV assessments and management plans (see Criterion 5.2). - Minor compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2.</p>	<p>N/A</p>
<p>Criterion 7.4: Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.</p>			
<p>7.4.1</p>	<p>Maps identifying marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided - Minor compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2.</p>	<p>N/A</p>
<p>7.4.2</p>	<p>Where limited planting on fragile and marginal soils, including peat, is proposed, plans shall be developed and implemented to protect them without incurring adverse impacts. - Major compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2.</p>	<p>N/A</p>
<p>Criterion 7.5: No new plantings are established on local peoples’ land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.</p>			

<p>7.5.1</p>	<p>Evidence shall be available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the grower/miller is signed and ratified by these local peoples.</p> <p>- Major compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2.</p>	<p>N/A</p>
<p>Criterion 7.6:</p> <p>Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</p>			
<p>7.6.1</p>	<p>Documented identification and assessment of demonstrable legal, customary and user rights shall be available.</p> <p>- Major compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2.</p>	<p>N/A</p>
<p>7.6.2</p>	<p>A system for identifying people entitled to compensation shall be in place.</p> <p>- Major compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2.</p>	<p>N/A</p>
<p>7.6.3</p>	<p>A system for calculating and distributing fair compensation (monetary or otherwise) shall be in place.</p> <p>- Major compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2.</p>	<p>N/A</p>
<p>7.6.4</p>	<p>Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development.</p> <p>- Minor compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2.</p>	<p>N/A</p>

<p>7.6.5</p>	<p>The process and outcome of any compensation claims shall be documented and made publicly available.</p> <p>- Minor compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2.</p>	<p>N/A</p>
<p>7.6.6</p>	<p>Evidence shall be available that the affected communities and rights holders have access to information and advice, that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.</p> <p>- Minor compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2.</p>	<p>N/A</p>
<p>Criterion 7.7:</p>			
<p>No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</p>			
<p>7.7.1</p>	<p>There shall be no land preparation by burning, other than in specific situations, as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Major compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2.</p>	<p>N/A</p>
<p>7.7.2</p>	<p>In exceptional cases where fire has to be used for preparing land for planting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Minor compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2.</p>	<p>N/A</p>
<p>Criterion 7.8:</p>			
<p>New plantation developments are designed to minimise net greenhouse gas emissions.</p>			

RSPO Public Summary Report
Revision 3 (July /2016)

<p>7.8.1</p>	<p>The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated. - Major compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2.</p>	<p>N/A</p>
<p>7.8.2</p>	<p>There shall be a plan to minimise net GHG emissions which takes into account avoidance of land areas with high carbon stocks and/or sequestration options. - Minor compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2.</p>	<p>N/A</p>
<p>Principle 8: Commitment to continual improvement in key areas of activity</p>			
<p>Criterion 8.1: Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.</p>			

RSPO Public Summary Report
Revision 3 (July /2016)

<p>8.1.1</p>	<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Optimising the yield of the supply base. <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"> - Applied EFB ashes as fertilizer, fibre and shell are burned in boiler for electricity. - Planting beneficial plant for natural predator. - CSR program - Reserve HCV areas - etc. 	<p>Comply</p>
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Appendix B: Approved Time Bound Plan

Name of Mill	Address	Time bound for certification	Status as of March 2015
Buatan I	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Certified on 16th September 2010
Buatan II	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Certified on 16 th September 2010
Ukui I	Ukui Village, Ukui District, Pelalawan Regency, Riau	2010	Certified on 1 st March 2011
Ukui II	Ukui Village, Ukui District, Pelalawan Regency, Riau	2010	Certified on 1 st March 2011
Tungkal Ulu	Pulau Pauh / Penyabungan / Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2011	Certified on 15 th August 2012
Muara Bulian	Singoan / Bukit Sari / Bulian Jaya Village, Muara Bulian / Pemayang District, Batang Hari Regency, Jambi	2011	Certified on 28 th August 2012
Topaz	Petapahan Village, Tapung District, Kampar Regency, Riau	2013	Certified on 30 th March 2015
Taman Raja	Lubuk Bernai / Kampung Baru / Pelabuhan Dagang / Pematang Pauh Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2013	Certified on 20 th February 2015
Segati	Langkan / Penarikan / Tambak / Sotol Village, Langgam District, Pelalawan Regency, Riau	2014	Main Audit in December 2014.
Tanah Datar	Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatera	Brought Forward from 2015 to 2013	Certified on 18 th May 2015
Aek Nabara	S1-S3 / Sukadame Village, Bilah Hulu / Kota Pinang District, Labuhan Batu Regency, North Sumatera	Brought Forward from 2015 to 2013	Certified on 6 th March 2015
Teluk Panjie	Teluk Panjie Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatera	Brought Forward from 2015 to 2013	Certified on 21 st April 2015
Peranap	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	Brought Forward from 2016 to 2013	Certified on 7 th January 2015
Bungo Tebo	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	2016	Certified on 3 rd December 2015
Tanjung Selamat	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera	2017	Certified on 26 th May 2015
Gunung Melayu I	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatera	2017	Certified on 7 th September 2015
Gunung Melayu II	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatera	2017	Certified on 8 th July 2015
Negri Lama I	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera	Brought Forward from 2018 to 2013	Certified on 6 th April 2015
Negri Lama II	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera	2018	Certified on 3 rd December 2015
Buatan	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Certified on 16 th September 2010
Ukui & Soga	Ukui Village, Ukui District, Pelalawan Regency, Riau	2011	Certified on 1 st March 2011
Buatan (Plasma)	Kerinci Kanan, Pangkalan Kerinci, Dayun Village, Siak & Pelalawan Regency, Riau	2011	Certified on 13 th March 2012

Ukui (Plasma)	Ukui & Lubuk Batu Jaya District, Pelalawan & Inhu Regency, Riau	Brought forward from 2012 to 2011	Certified on 11 th June 2012
Tungkal Ulu	Pulau Pauh/Penyabungan/Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2011	Certified on 15 th August 2012
Muara Bulian	Singoan/Bukit Sari/ Bulian Jaya Village, Muara Bulian/Pemayung District, Batang Hari Regency, Jambi	2011	Certified on 28 th August 2012
Buatan (KKPA)	Kerinci Kanan, Pangkalan Kerinci, Dayun District, Siak & Pelalawan Regency, Riau	2012	Certified on 17 th January 2013
Tungkal Ulu (Plasma)	Renah Mendalo, Merlung, Muara Papalik District, Tanjung Jabung Barat Regency, Jambi	2012	Certified on 11 th July 2013
Muara Bulian (Plasma)	Maro Sebo Ilir District, Batanghari Regency, Jambi	2012	Certified on 12 th July 2013
Muara Bulian (KKPA)	Maro Sebo Ilir District, Batanghari Regency, Jambi	2012	Certified on 12 th July 2013
Topaz & Seed Garden	Petapahan Village, Tapung District, Kampar Regency, Riau	2013	Certified on 30 th March 2015
Taman Raja & Badang	Lubuk Bernai / Kampung Baru / Pelabuhan Dagang / Pematang Pauh Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2013	Certified on 20 th February 2015
Segati	Langkan / Penarikan / Tambak / Sotol Village, Langgam District, Pelalawan Regency, Riau	2014	Main Audit in December 2014
Penarikan & Gondai	Pangkalan Sarik / Baru Village, Langgam / Siak Hulu District, Pelalawan / Kampar Regency, Riau	2014	Main Audit in December 2014
Penarikan (KKPA)	Pangkalan Sarik / Baru Village, Langgam / Siak Hulu District, Pelalawan / Kampar Regency, Riau	2014	Moved to 2016
Gunung Sahilan (KKPA)	Gunung Sahilan Village, Lipat Kain District, Pelalawan Regency, Riau	2014	Moved to 2016
Bahilang	Bahilang Village, Tebing Tinggi District, Serdang Bedagai Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified 18 th May 2015
Tanah Datar	Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified 18 th May 2015
Aek Nabara	S1-S3 / Sukadame Village, Bilah Hulu / Kota Pinang District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified on 6 th March 2015
Teluk Panjie	Teluk Panjie Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified on 21 st April 2015
Peranap	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	Brought Forward from 2016 to 2013	Certified on 7 th January 2015
Bungo Tebo	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	Brought Forward from 2016 to 2014	Certified 3 rd December 2015
Peranap (Plasma)	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	2016	Certified 19 th August 2016
Bungo Tebo (Plasma)	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	2016	-
Tanjung Selamat	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 26 th May 2015
Pangkatan	Sennah Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 26 th May 2015

RSPO Public Summary Report

Revision 3 (July /2016)

Sentral & Batu Anam	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 8 th July 2015
Pulau Maria	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 7 th September 2015
Negri Lama	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2018 to 2013	Certified on 6 th April 2015
Aek Kuo	Aek Korsik Village, Aek Natas District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2016 to 2013	Certified on 6 th April 2015

Appendix C: Certification Unit RSPO Certificate Details

PT. Inti Indosawit Subur
Buatan I Palm Oil Mill
Delik Village and Pangkalan Kerinci Village,
Bunut Langgam District,
Pelalawan Regency,
Riau Province,
INDONESIA

BSI RSPO Certificate No: RSPO 638918
Date of Initial Certificate Issued: 16th September 2010
Date of Expiry: 15th September 2020
RSPO membership number: 1-0022-06-000-00
Applicable Standards: **RSPO P&C Generic 2013**; *RSPO Supply Chain Certification Standard November 2014*
Module E - CPO Mills: Mass Balance

Buatan I Palm Oil Mill and Supply Base					
Location Address	Delik Village and Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau Province, Indonesia				
GPS Location	101° 49' 30" E & 00° 26' 04" N				
CPO Tonnage Total	75,482 mt				
PK Tonnage Total	18,884 mt				
CPO Claimed for Certification*	28,068 mt				
PK Claimed for Certification *	6,877 mt				
Own estates FFB Tonnage	52,087 mt				
Scheme Smallholder FFB Tonnage	84,082 mt				
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Buatan Estate	1,975	32	134	**2,141	52,087
KUD Bhakti Mandiri	980	0	0	980	23,052
KUD Jaya Makmur	920	0	0	920	21,427
KUD Budi Sari	820	0	0	820	19,650
KUD Sejahtera	976	0	0	976	19,953
TOTAL	5,671	32	134	5,837	136,139

*) *Certified Production*

**) *The total area of Buatan Estate supplying to Buatan I POM consist of Division I, II and III*

RSPO Public Summary Report

Revision 3 (July /2016)

Appendix D: Assessment Plan

Date	Time	Subjects	Haeruddin	Pratama Sedayu	Nanang Muallib	Bukti Bagja
			PRSCO LA	PRSCO-OHS/EMS	PRSCO-SA	PRSCO-OHS/EMS
Sunday, 17/07/2016	12.05 – 13.50	Flight Jakarta – Pekanbaru by GA 144	√	√	√	√
		Travelling Pekanbaru – Estate by Car	√	√	√	
Monday, 18/07/2016	08.00 – 08.30	Opening Meeting: Presentation by PT. IIS – Buatan Presentation by BSI Indonesia	√	√	√	√
	08.30 – 12.00	Field Visit: Buatan Estate Herbicide application programmes, harvesting, fertilising operations, terracing, road maintenance, Barn owl, beneficial plant, Landfill, housing complex, Storage, workshop, diesel tanks, clinic, etc (including interview with sprayer team and harvester).		√		
		Field Visit: Buatan Estate Boundary stones, HCV areas, riparian zone, road maintenance and other facilities in line-site, (Tempat Penitipan Anak, school, school bus, etc), and interview with labour union, Gender Committee, local contractors, NGO, etc.			√	
		Document review: Buatan Mill General information, time bound plan, partial certification verification, RSPO P & C, RSPO SCCS.	√			
		Document Review: Buatan Mill RSPO P & C.				√
	12.00 – 14.00	Lunch				
	14.00 – 17.00	Field Visit: Buatan Estate Herbicide application programmes, harvesting, fertilising operations, terracing, road maintenance, Barn owl, beneficial plant, Landfill, housing complex, Storage, workshop, diesel tanks, clinic, etc (including interview with sprayer team and harvester) - Continued			√	
		Document review: Buatan Estate				
		Stakeholder interview: Labour union, Gender committee, local contractors, NGO, etc (Continued)			√	
		Field Visit: Buatan Mill PPE, safe working environment, walk ways, signs, EFB, POME treatment, emissions, diesel tanks, fire extinguishers, first aiders and boxes, workshop, storage, RSPO SCCS implementation, etc.	√			
Field Visit: Buatan Mill Clinic, housing complex, interview with mill's workers, etc					√	
Tuesday, 19/07/2016	08.00 – 12.00	Document Review: Buatan Estate		√		
		Stakeholder Interview: Interview with local government (BLH, BPN, Disnakertrans and Dinas Perkebunan)			√	

RSPO Public Summary Report
Revision 3 (July /2016)

Date	Time	Subjects	Haeruddin	Pratama Sedayu	Nanang Mualib	Bukti Bagja
			PRSP0 LA	PRSP0-OHS/EMS	PRSP0-SA	PRSP0-OHS/EMS
		Document review: Buatan Mill RSPO P & C and RSPO SCCS	√			
		Document review: Buatan Estate				√
	12.00 – 14.00	Lunch				
	14.00 – 17.00	Document review: Group Manager	√	√	√	√
Wednesday, 20/07/2016	08.00 – 17.00	Field visit and Interview with members: KUD Bhakti Mandiri (18 samples)	√	√	√	√
Thursday, 21/07/2016	08.00 – 12.00	Document review: KUD Bhakti Mandiri	√	√	√	√
	12.00 – 14.00	Lunch				
	14.00 – 17.00	Document review: KUD Sejahtera	√	√	√	√
Friday, 22/07/2016	08.00 – 17.00	Field visit and interview with members: KUD Sejahtera (17 samples)	√	√	√	√
Saturday, 23/07/2016	08.00 – 08.30	Preparing Closing Meeting	√	√	√	√
	08.30 – 09.00	Closing Meeting	√	√	√	√

Appendix E: Stakeholders Contacted

<p>Internal Stakeholders</p> <p>Workers (sprayers, harvesters, mill operators); Gender committee;</p>	<p>Union/Contractors/Local Communities</p> <p>Serikat Pekerja PT. Inti Indosawit Subur – Buatan; Local contractor for electric installation; Local contractor for house repair;</p>
<p>Government Departments</p> <p>Dinas Perkebunan Kabupaten Pelalawan; Dinas Tenaga Kerja Kabupaten Pelalawan; Dinas Koperasi Kabupaten Pelalawan; Badan Lingkungan Hidup Kabupaten Pelalawan;</p>	<p>NGO</p> <p>Laskar Anti Korupsi Indonesia</p>

RSPO Public Summary Report
Revision 3 (July /2016)

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

Requirements	Compliance																		
E.1 Definition																			
E.1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.	<p>Buatan I POM facility use mass balance system as it is taking delivery of FFB from uncertified growers in addition to those from its own certified supplier. The following is figure of Buatan I POM supplier in recent one year:</p> <p>Certified sources (38.78%):</p> <p><u>Inti – company owned plantation (18,75%)</u></p> <ol style="list-style-type: none"> 1. Afdeling 1: 21,701.3 tonnes 2. Afdeling 2: 11,921.9 tonnes 3. Afdeling 3: 12,037.3 tonnes <p><u>Plasma-scheme smallholders (19.07%)</u></p> <ol style="list-style-type: none"> 4. KLB Tahap 3 : 12,894 tonnes 5. KLB Tahap 4 : 19,444 tonnes 6. KLB Tahap 5 : 14,703 tonnes 7. KLB Tahap 6 : 6,116 tonnes <p>Uncertified sources (61.22%)</p>																		
E.2 Explanation																			
E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.	<p>Since recertification issuance, CB has recorded estimation of tonnage of CPO and PK product that can be produced by Buatan I POM, based on actual CPO and PK production in the previous period. The figures has been submitted to the RSPO E-trace Buatan I POM.</p> <p>Summary of projection actual production of PBS from September 2015 to July 2016 is as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Description</th> <th>Projection (MT)</th> <th>Actual (MT)*</th> </tr> </thead> <tbody> <tr> <td>Total cert FFB</td> <td style="text-align: center;">125,907</td> <td style="text-align: center;">108,113</td> </tr> <tr> <td>Certified own FFB</td> <td style="text-align: center;">42,548</td> <td style="text-align: center;">52,289</td> </tr> <tr> <td>Certified Smallholder FFB</td> <td style="text-align: center;">83,359</td> <td style="text-align: center;">55,824</td> </tr> <tr> <td>Certified CPO</td> <td style="text-align: center;">26,359</td> <td style="text-align: center;">18,909</td> </tr> <tr> <td>Certified PK</td> <td style="text-align: center;">6,241</td> <td style="text-align: center;">4,580</td> </tr> </tbody> </table> <p>The figure shows that there was no over production of CPO and PK within the recent certificate period. In surveillance assessment, the actual production of CPO and PK is recorded in daily, monthly and annual basis.</p>	Description	Projection (MT)	Actual (MT)*	Total cert FFB	125,907	108,113	Certified own FFB	42,548	52,289	Certified Smallholder FFB	83,359	55,824	Certified CPO	26,359	18,909	Certified PK	6,241	4,580
Description	Projection (MT)	Actual (MT)*																	
Total cert FFB	125,907	108,113																	
Certified own FFB	42,548	52,289																	
Certified Smallholder FFB	83,359	55,824																	
Certified CPO	26,359	18,909																	
Certified PK	6,241	4,580																	
E.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).	Buatan I POM facility has fulfilled all registration and reporting requirements for the MB supply chain through the RSPO supply chain managing organization (e-trace). Active e-trace account available for the period of 15 th September 2015 – 14 th September 2016.																		
E.3 Documented procedures																			
E.3.1 The site shall have written procedures and/or work	Buatan I POM facility has implemented supply chain and																		

<p>instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</p>	<p>traceability procedure under SOP "Traceability" No.AA-MPM-OP-1400.17-R4 and "Book Keeping" No.AA-MPM-OP-1400.18-R4, updated 23rd April 2015</p> <p>The procedure explains in all aspects of supply chain and traceability scope starting from FFB harvesting, FFB delivery to Palm Oil Mill; FFB receiving and processing in Palm Oil Mill, CPO and PK production and reporting; CPO and PK dispatch from Palm Oil Mill and receiving in storage tank for export, Shipping instruction and preparation, CPO stock balancing post-shipping.</p> <p>Based on Prosedur "Traceability" No.AA-MPM-OP-1400.17-R4, updated 23rd April 2015, the company has appointed Mill Manager as responsible person for handling supply chain implementation in Buatan I POM.</p> <p>Based on interview, officers and operators in charge in supply chain system can demonstrate awareness and knowledge regarding supply chain procedures and requirement and has been trained. e.g. Mill Manager (Mr. PS), Production clerk (Mr. AR), KTU (Mr. SPR), weighbridge operators (Mrs. MH and Mr. GN).</p>
<p>E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>All documented procedure of receiving and processing certified and non-certified FFB available for under SOP "Traceability" No.AA-MPM-OP-1400.17-R4 and "Book Keeping" No.AA-MPM-OP-1400.18-R4, updated 23rd April 2015.</p>
<p>E.4 Purchasing and goods in</p>	
<p>E.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received.</p>	<p>Based on procedure "Traceability" No.AA-MPM-OP-1400.17-R4 updated 23rd April 2015 and "Book Keeping" No.AA-MPM-OP-1400.18-R4 updated 23rd April 2015; described that FFB received from certified areas will be marked "Sustainable FFB" and FFB from non certified area is marked as "Non certified FFB" and only claim as "MB" in supply chain model.</p> <p>FFB Received:</p> <p>Own certified estate (Sentral Estate)</p> <ol style="list-style-type: none"> Surat Pengantar (FFB Delivery Note): SP. No: 006419; Date: 18/07/2016; Truck: BM 8346 TC; Division II, Quantity: 166 bunches from Block B89A; Sustainable Product. Wight Bridge: Weighbridge ticket number PBSA116203854; Date: 18/02/2016; Origin: Afdeling 2; Quantity: 4,080 kg; RSPO Certified ID: 638918; etc. <p>Own certified plasma (KT 57 – Setia Kawan)</p> <ol style="list-style-type: none"> Surat Pengantar (FFB Delivery note Field): Letter head: "Kelompok Tani 57 " Desa Bukit Harapan, Kec. Kerinci Kanan; Stamp: Hampanan 57 Date: 18/07/2016; Truck: BM 9081KS; Quantity: 451 bunches; Weigh Bridge: Ticket Number: PBSA216203827; Commodity: TBS-Plasma-Sust; Date: 18/07/2016; Origin: KT 57 Setia Kawan (K357); Netto: 10,388 kg; signature, <p>FFB from supplier as non certified product:</p>

	<ol style="list-style-type: none"> 1. Surat Pengantar (FFB Delivery note Field): Stamp: CV. PKS; Date: 17/07/2016; Truck: BM 8162HS; Quantity: 540 bunches; 2. Weigh Bridge: Ticket Number: PBSA516206913; Commodity: TBS-Luar from Supplier; Date: 17/07/2016; Origin: CV. PKS-PBS A; Netto: 10,381 kg; signed by weighbridge operators, 																																																																																																				
<p>E.4.2 The site shall inform the CB immediately if there is a projected overproduction.</p>	<p>This has been regulated in procedure "Book Keeping" No.AA-MPM-OP-1400.18-R4, updated 23rd April 2015, 6.5. "Head of Environment and sustainability akan memberikan informasi kepada Badan Sertifikasi jika ada proyeksi produksi melebihi target" – Head of sustainability will inform CB in the case of projected overproduction.</p>																																																																																																				
<p>E.5 Record keeping</p>																																																																																																					
<p>E.5.1 a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p> <p>(b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)</p>	<p>PBS has consistently records and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on three-monthly basis as documented in "Mass Balance Book Keeping of CPO and PK". All book keeping has met requirement and balance. Example of balancing table for October 2015 – December 2015:</p> <table border="1" data-bbox="810 999 1294 1137"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">FFB received</th> </tr> <tr> <th>Certified</th> <th>Non - cert</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>October</td> <td>13,384</td> <td>19,659</td> <td></td> </tr> <tr> <td>November</td> <td>10,387</td> <td>17,940</td> <td></td> </tr> <tr> <td>December</td> <td>6,828</td> <td>14,678</td> <td></td> </tr> </tbody> </table> <table border="1" data-bbox="810 1167 1294 1305"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">CPO Initial Stock</th> </tr> <tr> <th>Certified</th> <th>Non - cert</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>October</td> <td>552</td> <td>0</td> <td>552</td> </tr> <tr> <td>November</td> <td>1,102</td> <td>(698)</td> <td>404</td> </tr> <tr> <td>December</td> <td>767</td> <td>(362)</td> <td>405</td> </tr> </tbody> </table> <table border="1" data-bbox="810 1335 1313 1473"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">CPO Production</th> </tr> <tr> <th>Certified</th> <th>Non - cert</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>October</td> <td>2,250</td> <td>3,763</td> <td>6,313</td> </tr> <tr> <td>November</td> <td>2,181</td> <td>3,608</td> <td>5,788</td> </tr> <tr> <td>December</td> <td>1,446</td> <td>2,999</td> <td>4,445</td> </tr> </tbody> </table> <table border="1" data-bbox="810 1503 1426 1641"> <thead> <tr> <th rowspan="2"></th> <th colspan="4">CPO Delivery</th> </tr> <tr> <th>RSPO cert</th> <th>Non - cert</th> <th>ISCC</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>October</td> <td>0</td> <td>4,461</td> <td>2,001</td> <td>6,461</td> </tr> <tr> <td>November</td> <td>0</td> <td>3,272</td> <td>2,515</td> <td>5,787</td> </tr> <tr> <td>December</td> <td>0</td> <td>2,927</td> <td>1,498</td> <td>4,425</td> </tr> </tbody> </table> <table border="1" data-bbox="810 1671 1294 1809"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">CPO Final Stock</th> </tr> <tr> <th>Certified</th> <th>Non - cert</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>October</td> <td>1,102</td> <td>(698)</td> <td>404</td> </tr> <tr> <td>November</td> <td>767</td> <td>(362)</td> <td>405</td> </tr> <tr> <td>December</td> <td>715</td> <td>(290)</td> <td>425</td> </tr> </tbody> </table> <p>Balancing did not yet record completely the CPO delivery from Buatan I mill. Improvement is needed as according to e-trace there were transactions of CPO which have not been recorded by book keeping table 08/10/2015 delivery of CPO to PT. SDS; 800 ton; transaction ID TR-9b6ae15c-21b.</p>		FFB received			Certified	Non - cert	Total	October	13,384	19,659		November	10,387	17,940		December	6,828	14,678			CPO Initial Stock			Certified	Non - cert	Total	October	552	0	552	November	1,102	(698)	404	December	767	(362)	405		CPO Production			Certified	Non - cert	Total	October	2,250	3,763	6,313	November	2,181	3,608	5,788	December	1,446	2,999	4,445		CPO Delivery				RSPO cert	Non - cert	ISCC	Total	October	0	4,461	2,001	6,461	November	0	3,272	2,515	5,787	December	0	2,927	1,498	4,425		CPO Final Stock			Certified	Non - cert	Total	October	1,102	(698)	404	November	767	(362)	405	December	715	(290)	425
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RSPO Public Summary Report
Revision 3 (July /2016)

	<p>According to book keeping document of CPO at PBD mill, all volumes of palm oil and palm kernel oil that are delivered are deducted from material accounting system according to conversion ratios stated by RSPO.</p> <p>All FFB received, CPO/PK produced and CPO/PK despatch is recorded in daily basis (Processing daily Report), monthly report (Production and Despatch Report), 3 monthly basis (CPO/PK Production and sales balance". According to e-trace account and sales record, since September 15, 2015 there is certified CPO transaction.</p> <p>Based on balancing 3 monthly basis, no delivery of certified CPO delivered from negative stock.</p>
<p>E.5.2 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement</p>	<p>No outsourcing</p>

Actual Tonnage Certified Palm Production - DD MM 20YY – DD MM 20YY (MA)

Mill	Capacity	CPO	PK
Buatan I Palm Oil Mill	60 tonnes FFB/hour	21,273	5,165

Actual Tonnage Sales of Certified Palm Products - DD MM 20YY – DD MM 20YY (MA)

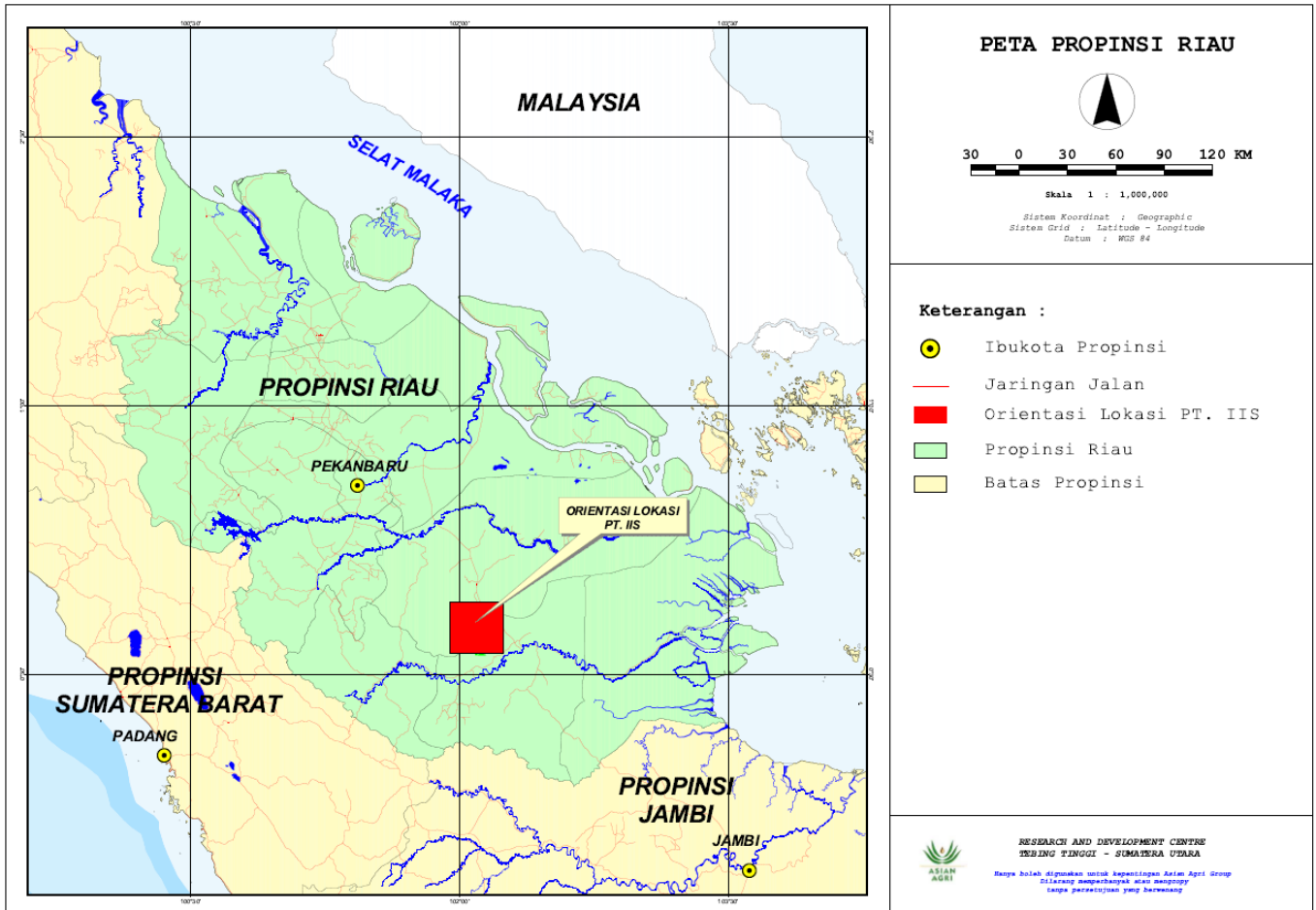
Mill	Certified CPO Sales	Certified PK Sales	Remarks
Buatan I Palm Oil Mill	1,890.13	4,915.64	In RSPO etrace

Month	Certified Supply Base (from own certificate scope) (mt)		Total FFB/Month (mt)
	Buatan Estate	Scheme smallholders	
Sept 2015	3,787	8,184	11,971
Oct 2015	4,942	7,684	12,626
Nov 2015	3,876	6,607	10,483
Dec 2015	3,748	3,107	6,855
Jan 2016	2,944	3,628	6,572
Feb 2016	2,846	3,513	6,359
Mar 2016	2,954	4,694	7,648
Apr 2016	2,936	5,667	8,603
May 2016	3,135	5,293	8,428
Jun 2016	3,570	4,818	8,388
Jul 2016	2,856	4,144	7,000
Aug 2016	3,536	4,497	8,033
Total	41,130	61,836	102,966

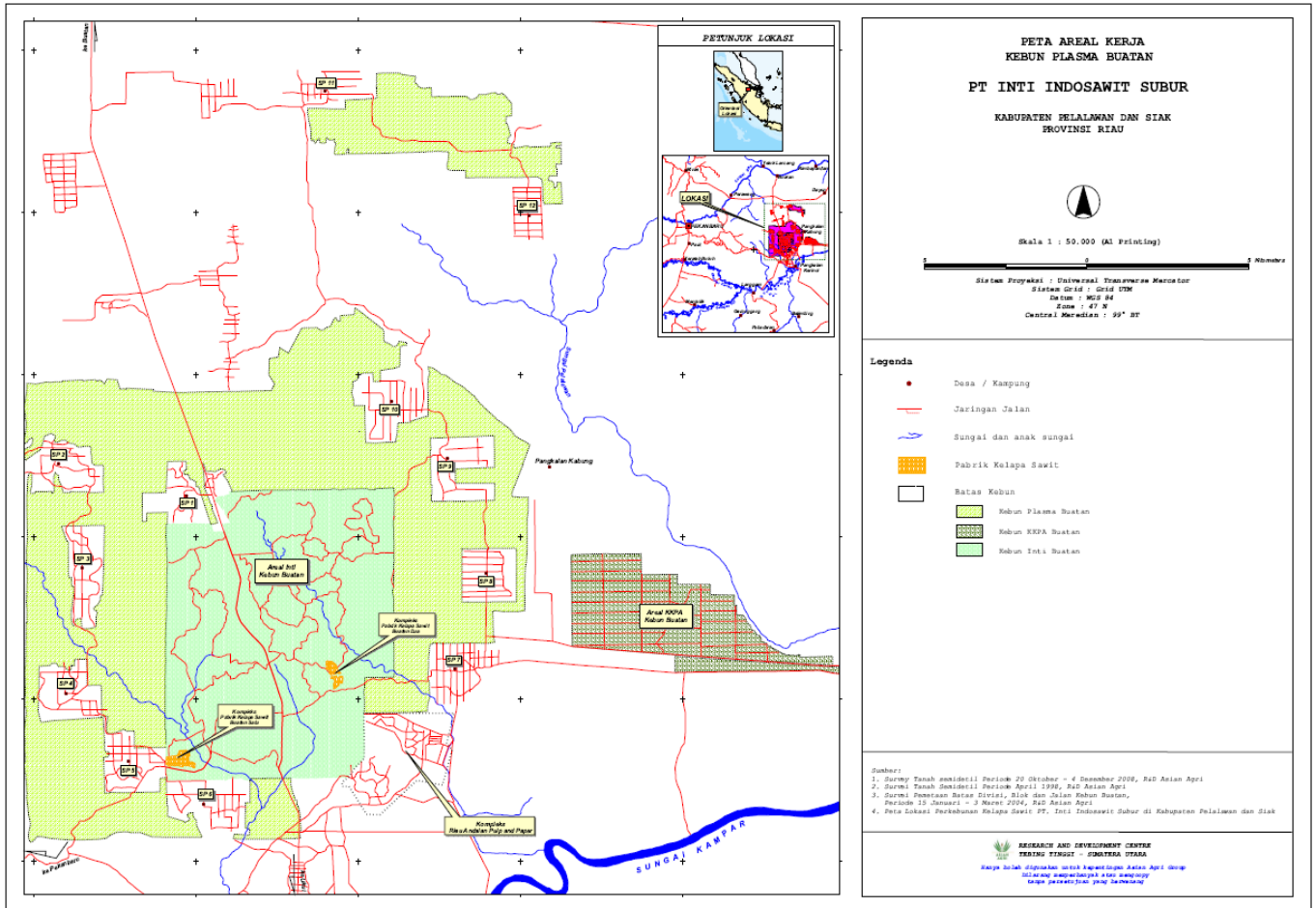
Appendix G: Location Map of Certification Unit and Supply bases



**RSPO Public Summary Report
Revision 3 (July /2016)**



Appendix H: Estate Field Map



Appendix I: List of Abbreviations Used

AN	Ammoniacal Nitrogen
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
EFB	Empty Fruit Bunch
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
GMP	Good Manufacturing Practice
HCV	High Conservation Value
IAV	Initial Assessment Visit
IIS	PT. Inti Indosawit Subur
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
MSDS	Material Safety Data Sheet
O&G	Oil and Grease
PK	Palm Kernel
PPE	Personal Protective Equipment
PQR	Performance Quality Rating
RC	Re-Certification
RED	Renewable Energy Directive
RSPO P&C	Roundtable on Sustainable Palm Oil Principle & Criteria
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SS	Suspended Solids
TN	Total Nitrogen
TS	Total Solids
VFA	Volatile Fatty Acids