

**RSP0 PRINCIPLE AND CRITERIA  
– ANNUAL SURVEILLANCE ASSESSMENT 3 (ASA3) –  
Public Summary Report**

<b>PT. INDO SEPADAN JAYA Tanjung Selamat Palm Oil Mill and Its Supply Bases</b>
Client company Address: JI MH Thamrin No 31 Jakarta 10330 Indonesia
Certification Unit: Tanjung Selamat Palm Oil Mill and Supply Bases  Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera, Indonesia

TABLE of CONTENTS	Page No
Section 1: Scope of the Certification Assessment .....	4
1. Company Details .....	4
2. Certification Information.....	4
3. Other Certifications.....	4
4. Location(s) of Mill & Supply Bases.....	5
5. Description of Supply Base.....	5
6. Plantings & Cycle.....	5
7. Certified Tonnage of FFB (Own Certified Scope) .....	5
8. Certified Tonnage of FFB (from other certified unit(s)) if applicable *.....	6
9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable .....	6
10. Certified Tonnage .....	6
11. Actual Sold Volume (CPO).....	7
12. Actual Sold Volume (PK).....	7
13. Actual Group certification Claims .....	7
Section 2: Assessment Process.....	8
2.1 Assessment Methodology, Programme, Site Visits .....	8
2.2 BSI Assessment Team:.....	10
2.3 Assessment Plan.....	11
Section 3: Assessment Findings.....	13
3.1 Details of audit results are provided in the following Appendix:.....	13
3.2 Progress against Time Bound Plan .....	13
3.3 Progress of scheme smallholders and/or outgrowers (if applicable to this assessment).....	15
3.4 Details of findings.....	15
3.4.1 Status of Nonconformities Previously Identified and Observations.....	26
3.4.2 Summary of the Nonconformities and Status .....	27
3.5 Stakeholder Consultation .....	27
Formal Signing-off of Assessment Conclusion and Recommendation.....	34
Appendix A: Summary of Findings <i>include the appropriate checklist used for assessment</i> .....	35
Appendix B: Approved Time Bound Plan.....	152
Appendix C: GHG Reporting Executive Summary.....	155
Appendix D: General Chain of Custody Requirements for the Supply Chain .....	157
Appendix E: CPO Mill Supply Chain Assessment Report (Module E - CPO Mills: <i>Mass Balance</i> ) ..	173
Supply Chain Declaration ( <i>Applicable For Appendix E</i> ).....	178

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Appendix D: General Chain of Custody Requirements for the Supply Chain.....	157
Appendix E: CPO Mill Supply Chain Assessment Report (Module <i>E</i> - CPO Mills: <i>Mass Balance</i> )...173	
Supply Chain Declaration ( <i>Applicable For Appendix E</i> ).....	178
Appendix F: Location Map of Certification Unit and Supply bases.....	182
Appendix G: Estate Field Map.....	184
Appendix H: List of Smallholder Sampled .....	186
Appendix I: List of Abbreviations .....	187

## Section 1: Scope of the Certification Assessment

1. Company Details			
<b>RSPO Membership Number</b>	1-0022-06-000-00	<b>Membership Approval Date</b>	05 <sup>th</sup> February 2006
<b>Parent Company Name</b>	PT. Inti Indosawit Subur		
<b>Address</b>	JI MH Thamrin No 31 Jakarta 10330		
<b>Subsidiary (Certification Unit Name)</b>	PT. Indo Sepadan Jaya		
<b>Address</b>	Head Office: JI MH Thamrin No 31 Jakarta 10330  Site address: Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera		
<b>Contact Name</b>	Mr. Ivan Novrizaldie		
<b>Website</b>	<a href="http://www.asianagri.com">www.asianagri.com</a>	<b>E-mail</b>	<a href="mailto:Ivan_Novrizaldie@asianagri.com">Ivan_Novrizaldie@asianagri.com</a>
<b>Telephone</b>	+62-21-50338899	<b>Facsimile</b>	+62-21 2301120

2. Certification Information			
<b>Certificate Number</b>	RSPO 620704	<b>Date of First Certification</b>	26 <sup>th</sup> May 2015
		<b>Certificate Start Date</b>	26 <sup>th</sup> May 2015
		<b>Certificate Expiry Date</b>	25 <sup>th</sup> May 2020
<b>Scope of Certification</b>	Production of CPO and PK of PT. Indo Sepadan Jaya (Tanjung Selamat Palm Oil Mill) and its supply base (Tanjung Selamat Estate and Pangkatan Estate). Mill capacity of Tanjung Selamat POM is 45 tonnes FFB/hour. Supply Chain Models: Module E – CPO Mills: Mass Balance.		
<b>Applicable Standards</b>	RSPO P & C INA - NIWG 2016		

3. Other Certifications			
<b>Certificate Number</b>	<b>Standard(s)</b>	<b>Certificate Issued by</b>	<b>Expiry Date</b>
ID05/65250	ISO 14001:2015	SGS Indonesia	10 June 2020
EU-ISCC-Cert- DE100-27272017	ISCC	SGS Indonesia	07 July 2018

4. Location(s) of Mill & Supply Bases				
Name (Mill/Supply Base)	Location [Map Reference #]	GPS Coordinates		
		Latitude	Longitude	
Tanjung Selamat Mill	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera	02° 07' 44.00" N	100° 00' 32.00" E	
Tanjung Selamat Estate	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera	02° 07' 17.00" – 02° 10' 15.00" N	100° 00' 28.00" – 100° 07' 32.00" E	
Pangkatan Estate	Sennah Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera	02° 10' 19.00" – 02° 15' 27.00" N	99° 57' 10.00" – 100° 01' 55.00" E	

5. Description of Supply Base					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Tanjung Selamat Estate	3,858	6.57	36.43	3,901	98.89 %
Pangkatan Estate	3,640	110.91	585.09	4,336	83.95 %
<b>Total</b>	<b>7,498</b>	<b>117.48</b>	<b>621.52</b>	<b>8,237</b>	<b>91.03%</b>

6. Plantings & Cycle							
Estate	Age (Years)					Mature	Immature
	0 – 3*	4 – 10*	11 - 20	21 - 25	26 - 30		
Tanjung Selamat Estate	1,701	2,157	0	0	0	2,157	1,701
Pangkatan Estate	1,662	0	38	1,940	0	1,978	1,662
<b>Total (ha)</b>	<b>3,363</b>	<b>2,157</b>	<b>38</b>	<b>1,940</b>	<b>0</b>	<b>4,135</b>	<b>3,363</b>

**Note:** \*All Immature planted is replanting

7. Certified Tonnage of FFB (Own Certified Scope)			
Estate	Tonnage / year		
	Estimated (Jan 2017 – Dec 2017)	Actual (Jan 2017 – Dec 2017)	Forecast (Jan 2018 – Dec 2018)
Tanjung Selamat Estate	52,325	51,373	68,717
Pangkatan Estate	43,003	41,536	27,434
<b>Total</b>	<b>95,328</b>	<b>92,909</b>	<b>96,151</b>

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

**Note:**

Estimated and Actual are the previous 12 months from the latest audit.  
Forecast is *the next 12 months from the latest audit.*

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

Estate	Tonnage / year		
	Estimated <i>(Jan 2017 – Dec 2017)</i>	Actual <i>(Jan 2017 – Dec 2017)</i>	Forecast <i>(Jan 2018 – Dec 2018)</i>
-	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Note:** No any others certified tonnage FFB from other certified unit

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

Independent FFB Supplier	Tonnage / year		
	Estimated <i>(Jan 2017 – Dec 2017)</i>	Actual <i>(Jan 2017 – Dec 2017)</i>	Forecast <i>(Jan 2018 – Dec 2018)</i>
3 <sup>rd</sup> Party Supplier	100,000	107,289	113,928
<b>Total</b>	<b>100,000</b>	<b>107,289</b>	<b>113,928</b>

**Note:**

Estimated and Actual are the previous 12 months from the latest audit.  
Forecast is *the next 12 months from the latest audit.*

**10. Certified Tonnage**

	Estimated <i>(Jan 2017 – Dec 2017)</i>	Actual <i>(Jan 2017 – Dec 2017)</i>	Forecast <i>(Jan 2018 – Dec 2018)</i>
<b>Mill Capacity: 45 MT/hr</b>	<b>FFB</b>	<b>FFB</b>	<b>FFB</b>
	95,328	92,909	96,151
<b>SCC Model: MB</b>	<b>CPO (OER: 19.41 %)</b>	<b>CPO (OER: 19.25 %)</b>	<b>CPO (OER: 18.69 %)</b>
	18,449	17,884.98	17,970.62
	<b>PK (KER: 5.52 %)</b>	<b>PK (KER: 5.30 %)</b>	<b>PK (KER: 5.60 %)</b>
	5,265	4,924.18	5,384.46

**Note:**

Estimated and Actual are the previous 12 months from the certificate period.  
Forecast is *the next 12 months from the certificate period.*

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

<b>11. Actual Sold Volume(CPO) (during Licence period)</b>					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
<b>CPO (MT)</b>	1,019.25	16,490	0	0	17,509.25
Note: <i>The Actual Sold volume figure in table is from the license period (9/06/2017 – 09/04/2018)</i>					

<b>12. Actual Sold Volume (PK) (during Licence period)</b>					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
<b>PK (MT)</b>	4,790.89	0	0	0	4,790.89
Note: <i>The Actual Sold volume figure in table is from the license period (9/06/2017 – 09/04/2018)</i>					

<b>13. Actual Group certification Claims</b>		
	Credit	Physical Volume (MT)
<b>IS-CSP0</b>	-	-
<b>IS-CSPKO</b>	-	-
<b>IS-CSPKE</b>	-	-



## Section 2: Assessment Process

### Certification Body:

BSI Services Malaysia Sdn Bhd,  
(ASI Accreditation Number: ASI-ACC-19)  
Unit 3, Level 10, Tower A  
The Vertical Business Suites, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Tel +603 2242 4211 Fax +603 2242 4218  
Nicholas Cheong: [Nicholas.Cheong@bsigroup.com](mailto:Nicholas.Cheong@bsigroup.com)  
[www.bsigroup.com](http://www.bsigroup.com)

BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (ASI-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.

### 2.1 Assessment Methodology, Programme, Site Visits

The on-site Annual Surveillance Assessment 3 was conducted from 26<sup>th</sup> February – 1<sup>st</sup> March 2018. 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 Indonesia National Interpretation September 2016 and RSPO Supply Chain Certification Standard 2017 were used as Checklists and questionnaires were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. The mill was audited together with the estates of its supply base. The estates sample were determined based on formula  $N = 0.8\sqrt{y}$  where  $y$  is the number of estates while when applicable the smallholders sample were determined following the RSPO Certification Requirement for Group Certification March 2016. The sampling of smallholders were based on the formula  $(0.8\sqrt{y}) \times (z)$ ; where  $y$  is total number of independent group member and where  $z$  is the multiplier defined by the risk assessment.

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.



**RSPO Public Summary Report  
Revision 6 (December /2017)**

Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Section 3.5.

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

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

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

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

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

<b>1. Assessment Program</b>					
<b>Name (Mill / Supply Base)</b>	<b>Year 1 (IAV) 09/2015</b>	<b>Year 2 (ASA 1) 03/2016</b>	<b>Year 3 (ASA 2) 03/2017</b>	<b>Year 4 (ASA 3) 03/2018</b>	<b>Year 5 (ASA 4) 03/2019</b>
Tanjung Selamat POM	x	x	x	x	x
Tanjung Selamat Estate	x	x	x	x	x
Pangkalan Estate	x	x	x	x	x

**Tentative Date of Next Visit: February 25, 2019 - February 28, 2019**

**Total No. of Mandays: 11 mandays**

**2.2 BSI Assessment Team:**

Team Member Name	Role	Qualifications <i>(Short description of the team members)</i>
Mujinius Jalaraya	Lead Assessor	He hold Bachelor degree from Faculty of Forestry, Bogor Agricultural University (IPB) in 2008, Majoring in Forest Resources Conservation and Ecotourism. He have a working experience in palm oil plantations as SHE Assistant at PT. Astra Agro Lestari Tbk in 2008 - 2012 and as Supervisor Sustainability at Teladan Prima Group in 2012 – 2014. He involved in RSPO certification since 2014 as a team member subsequently as a Lead Auditor. He has completed the training, such as: Lead Auditor ISO 9001: 2008 course, Lead Auditor ISPO course, Lead Auditor RSPO endorsed course, RSPO SCCS Lead Auditor endorsed course, HCV Identification and management, Internal Auditor ISO 14001: 2004 Training, Training for Trainers, OHS Expert Training, etc. He is fluently speaking in English and Bahasa Indonesia. During this assessment, he assessed on the aspects of Legal, Environmental management and monitoring, OHS management and monitoring, and HCV management and monitoring.
Eko Purwanto	Assessor Team member	Eko Purwanto graduated as Bachelor of Forestry from Forest Conservation Department, Faculty of Forestry, Bogor Institute of Agriculture (IPB) in 2001. He has working experience at Oil Palm Plantation in East Kalimantan since 2003 to 2012, the last position was Estate Manager. He has implementing good agricultural practice including integrated pest management and limited pesticides uses. He has completed lead auditor training courses for RSPO P&C (2013), ISO 9001:2008 (2012), ISO 14001:2004 (2013), ISPO (2012) and RSPO SCC (2012). He has also completed training course of ISO 14001 (2012), Minaut Indonesia (2011) and Introduction to HCV Toolkit HCV (2011). For the last 2 years, he has been involved in quality (ISO 9001) management system audits for very broad industrial and involved in Indonesia Sustainable Palm Oil (ISPO) audit for several plantations and mills since October 2012. During this assessment, he assessed on the aspects of mill and estate best management practices and supply chain for CPO mills.
Edy Widodo	Assessor Team member	Edy Widodo graduated as bachelor of the Faculty of Agriculture, Department of Agricultural Technology, University of Padjadjaran, Bandung. Earlier he worked as an Assistant Estates Manager in PT SMART Tbk. (1999 to 2005). He is the Lead Auditor for ISO 9001: 2008. He has working experience in the industrial sector and audit Plantation, and also the processing industry and agricultural mechanization. He is also the ISPO auditor who has obtained a certificate from the ISPO Commission, Ministry of Agriculture of Indonesia, on February 2013. He had got a certificate of training on Understanding ISO 14001: 2004 & Auditing ISO 14001: 2004 in 2013. He also had joined RSPO P&C training (2013) and also Course RSPO Lead Auditor 2016 - RSPO Endorsed RSPO Supply Chain Certification Training Course on April 2016. During this assessment, he assessed on the aspects of social and labor and stakeholder consultation.

### 2.3 Assessment Plan

Date	Time	Subjects	Mujinius J.	Eko P.	Edy W.
			PRSP- LA,EMS, OHS, HCV	PRSP O- SCC, BMP	PRSP- SA, Legal
Monday, 25/02/2018	06.45 – 09.10	Flight Jakarta – Medan (GA194)	√	√	√
	09.10 – 16.20	Traveling Medan – PT Indo Sepadan Jaya	√	√	√
Tuesday, 26/02/2018	08.00 – 08.30	<b>Opening Meeting</b> - Presentation by client - Presentation by BSI team (Objective, scope, audit plan, etc.)	√	√	√
	08.30 – 12.00	<b>Field Visit (Tanjung Selamat Estate):</b> Worker interview - HCV's, riparian zones, landfill (waste management), chemical and fertilizer warehouse, hazardous waste storage, land application, workshop, clinic, etc.	√		
		<b>Field Visit (Tanjung Selamat Estate):</b> Herbicide application programmes, FFB harvesting, FFB loading, fertilizer application, road maintenance, etc.		√	
		<b>Field Visit (Tanjung Selamat Estate):</b> Boundaries inspection, housing, social amenities, clinic, school, etc.			√
		<b>Interview Stakeholder:</b> Committee gender, Labor Union, local contractor, FFB supplier Interview with local community			√
	12.00 – 14.00	Break	√	√	√
	14.00 – 17.00	<b>Document Review: Tanjung Selamat Estate</b> Best management practices Agronomy, OHS implementation, EMS implementation, Social and Labour, HCV MM, Continual improvement, etc.	√	√	√
Tuesday, 27/02/2018	08.00 – 12.00	<b>Field Visit (Pangkalan Estate):</b> Worker interview - HCV's, riparian zones, landfill (waste management), chemical and fertilizer warehouse, hazardous waste storage, land application, workshop, clinic, etc.	√	-	-
		<b>Field Visit (Pangkalan Estate):</b> Herbicide application programmes, FFB harvesting, FFB loading, fertilizer application, road maintenance, etc.	-	√	-
		<b>Stakeholder consultation</b> Interview with: BLH, BPN, Disbun, Disnakertrans Kab. Labuhan Batu	-	-	√
	12.00 – 14.00	Break	√	√	√

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Date	Time	Subjects	Mujinius J.	Eko P.	Edy W.
			PRSP- LA,EMS, OHS, HCV	PRSP O- SCC, BMP	PRSP- SA, Legal
	14.00 – 17.00	<b>Document Review: Pangkatan Estate</b> Best management practices Agronomy, OHS implementation, EMS implementation, Social and Labour, HCV MM, Continual improvement, etc.	√	√	-
Wednesday, 28/02/2018	08.00 – 12.00	<b>Tanjung Selamat Palm Oil Mill</b> <b>Continue Document Review:</b> Inspection of processing, warehouse, workshop, mill wastes management, Effluent Ponds, OHS, Environment issues, POME application, workers interview, Supply chain for CPO mill, Review on SEIA documents and records, Document review, etc.	√	√	√
	12.00 – 14.00	Break	√	√	√
	14.00 – 17.00	<b>Tanjung Selamat Palm Oil Mill</b> <b>Field Visit and Document Review:</b> Inspection of processing, warehouse, workshop, mill wastes management, Effluent Ponds, OHS, Environment issues, POME application, workers interview, Supply chain for CPO mill, Review on SEIA documents and records, Document review, etc.	√	√	√
Thursday, 01/03/2018	07.00 – 10.30	<b>Audit Continue</b> for Supply chain for CPO mill	√	√	-
	10.30 – 11.00	<b>Report Preparation</b>	√	√	√
	11.00 – 12.00	<b>Closing Meeting</b>	√	√	√
	12.00 – 15.00	Travelling PT. Indo Sepadan Jaya - Medan	√	√	√
	15.00 – 17.00	<b>Traveling Medan - Jakarta</b>	√	√	√

The BSI auditor team will comprise of the following members. Please let us know should you have any comments:

	Name	Role	Assessment aspects
1	Mujinius Jalaraya	Team Leader	Environmental aspect-impacts, occupational health and safety, interview with workers; (Fluent in English and local language).
2	Eko Purwanto	Team member	Legal aspect, Best management practice in palm oil mill and estate, interview with workers, supply chain for CPO Mills; (Fluent in English and local language).
3	Edy Widodo	Team member	Social aspect-impact, interview with workers, land tenure, internal and external stakeholder consultation; (Fluent in English and local language)

## Section 3: Assessment Findings

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

- PT Indo Sepadan Jaya Time Bound Plan
- RSPO Group Certification Standard 2016 Checklist
- RSPO P&C INA-NIWG 2016 Checklist
- RSPO Supply Chain Certification Checklist June 2017
- RSPO P&C 2013 Generic Checklist

### 3.2 Progress against Time Bound Plan

Time Bound Plan		
Requirement	Remarks	Compliance
<b>Summary of the Time Bound Plan</b>		
Does the plan include all subsidiaries, estates and mills?	PT. Indo Sepadan Jaya 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"> <li>• Age of plantations.</li> <li>• Location.</li> <li>• POM development</li> <li>• Infrastructure.</li> <li>• Compliance with applicable law.</li> </ul>	<p>The time bound plan is challenging. PT. Indo Sepadan Jaya demonstrate progress overtime.</p> <p>The age of plantation was generally mature. All of plantation has been incorporated with palm oil mill to process the FFB produced.</p> <p>The location of plantations were covering three provinces in Sumatera Utara Province, Riau Province and Jambi Province – Indonesia.</p>	Comply
Have there been any changes since the last audit? Are they justified?	<p>No, there were no changes in certification timebound plan.</p> <p>However, most of certified area of PT Indo Sepadan Jaya has not been obtained the HGU. The HGU has obtained by company is 241.488 ha according to "SK Kepala Kantor Wilayah Badan Pertanahan Nasional Provinsi Sumatera Utara no. no. 3/HGU/BPN.12/XII/2017", the rest of land area certified still under process of HGU issuance by BPN.</p> <p>According to "RSPO updated statement on hak guna usaha - july 2018" dated 13 July 2018, PT Indo Sepadan are required to complete the HGU 3 years after RSPO announcement on HGU or maximum 12 July 2021. If not, the land area without HGU must be excluded from certified area.</p>	Comply
If there have been changes, what circumstances have occurred?	No changes.	Comply
Have there been any stakeholder comments?	No any comments from stakeholder.	Comply

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

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
<b>Un-Certified Units or Holdings</b>		
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Yes. Uncertified units (PT Mitra Unggul Pusaka) has conducted an internal audit by sustainability team as an internal auditor.	Comply
No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	Company has follow the RSPO procedures including new planting after November 2005, there is no replacement of Primary forest, any area identified as containing High Conservation Values (HCVs), any area required to maintain or enhance HCVs in accordance with RSPO.	Comply
Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	There is new planting after January 1 <sup>st</sup> , 2010. New planting was performed through conversion from rubber plantation. Company has prepare for NPP submission to RSPO. NPP for conversion area is still in progress including supporting documents (conversion permit, HCV assessment, etc). NPP will be submitted in reference to NPP 2015 as NPP for Conversion of Existing Agricultural land.	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 due to no new land acquisition.	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. Mitra Unggul Pusaka – Segati POM conducted internal audit annually. Latest audit performed in April 2017.	Comply
Any Legal non- compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	Yes, company has resolved any Legal non- compliance in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	Comply

### 3.3 Progress of scheme smallholders and/or outgrowers

Progress of scheme smallholders or outgrowers towards compliance with relevant standards		
Requirement	Remarks	Compliance
Has 100% of scheme smallholders and/or scheme outgrowers comply with the standard within three years of the mill's initial certification?	There is no Scheme Smallholder cooperated with PT Indo Sepadan Jaya.	Not Applicable

### 3.4 Details of findings

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

During the Annual Surveillance Assessment there were seven (7) Major nonconformities and 3 Minor nonconformities raised. PT Indo Sepadan Jaya – Tanjung Selamat POM Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted. The implementation of the corrective action plans to address the Major nonconformity has been verified by NCR Close Out visit on 6 April 2018 and the status has been Closed, while the minor nonconformity will be verified in the next surveillance assessment.

Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1600992-201802-M1	Clause	RSPO P&C INA NI 2016 Indicator 1.1.2
		Category (Major / Minor)	Major
Date Issued	28 February 2018	Due Date	28 April 2018
Closed (Yes / No)	Yes	Date of nonconformity Closure	6 April 2018
Statement of Nonconformity:	There is no evidence that information request from stakeholder has responded by PT Rantau Sinar Karsa - Pangkatan Estate and PT Indo Sepadan Jaya - Tanjung Selamat Mill.		
Requirement Reference:	RSPO P&C INA NI 2016 Indicator 1.1.2 Records of requests for information and responses to the information requested shall be available.		
Objective Evidence:	Based on interview and document verification of record of information request: <ul style="list-style-type: none"> <li>- Dated 14 September 2017 from Disnakertrans in Pangkatan Estate; regarding call for mediation hearing;</li> <li>- On 27 November 2017 from PUK SPSI in Tanjung Selamat Mill, regarding Request for Bipartite to fill out PKB article XIV paragraph 2 and request acceleration of negotiation with PD FSPP-SPSI North Sumatra.</li> </ul> However there is no feedback and responses made by PT Rantau Sinar Karsa - Pangkatan Estate and PT Indo Sepadan Jaya - Tanjung Selamat Mill for the information request.		



**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

<b>Corrections:</b>	<ul style="list-style-type: none"> <li>- Change the format logbook of information request and it response by adding the column of company response in the logbook and update the record of all response by company. Company has update the logbook as necessary and all the response against information request from stakeholder has been update and recorded in the logbook. During NCR Close out visit the evidence of company response can be demonstrated in the form of outgoing letter and company disposition and note. For example response to information request from Disnakertrans in Pangkatan Estate regarding call for mediation hearing has been responded by attend the mediation hearing on 21 September 2017.</li> <li>- Assign the PIC who responsible to handle and update the incoming letter (information request) and outgoing letter (respond by company) and record it in the logbook. Company has assigned the KTU to handle and update the logbook of information request and it response and kept the archive of incoming and outgoing letter. Assignment letter based on Memorandum No.003/IM3-PTS/INT/III/2018 dated 12 March 2018.</li> </ul>
<b>Root Cause Analysis:</b>	<ul style="list-style-type: none"> <li>- Some of information request/incoming letter from stakeholder has been responded by company however has not ben recorded in the logbook.</li> <li>- There is no PIC who responsible to handle and update the incoming letter (information request) and outgoing letter (respond by company) and record it in the logbook.</li> </ul>
<b>Corrective Actions:</b>	Update the logbook of information request and it response accordingly and kept the archive of incoming and outgoing letter. Company has update the logbook and kept the archive of incoming and outgoing letter by Kerani.
<b>Assessment Conclusion:</b>	Audit team has reviewed the root cause analysis, correction and corrective action plan submitted by PT Indo Sepadan Jaya - Tanjung Selamat Mill. Audit team accepted the correction and corrective action plan, audit team has review the effectiveness of corrective action taken during NCR Close out Visit and found that NC were effectively addressed by company. The status of NC is CLOSED.

<b>NCR Ref #</b>	<b>1600992-201802-M2</b>	<b>Clause</b>	RSPO P&C INA NI 2016 Indicator 4.6.11
		<b>Category (Major / Minor)</b>	<b>Major</b>
<b>Date Issued</b>	28 February 2018	<b>Due Date</b>	28 April 2018
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	6 April 2018
<b>Statement of Nonconformity:</b>	Company has not consistently to performed the medical examination and follow-up the medical examination result.		
<b>Requirement Reference:</b>	RSPO P&C INA NI 2016 Indicator 4.6.11 Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available.		
<b>Objective Evidence:</b>	PT Rantau Sinar Karsa has performed annual medical examination on August 2017 for 134 workers of pesticide and fertilizer operators, follow-up treatment of medical results also available. However there is no record of follow-up treatment against 11 workers whose indicated leukosit/eritrosit in complete blood checked and completed urine checked.		
<b>Corrections:</b>	Company has assigned the company doctor to call and socialize the 11 workers wo indicated leukositoria/eritrositoria to take the medical treatment and re		

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

	examined in the clinic. Company has call and socialize the 11 workers who indicated leukositoria/eritrositoria on 6 April 2018 and re examine by doctor in clinic and give the medical treatment. Leukositoria during MCU can caused by employees are experiencing a cold, cough or sore throat at the time of examination. During re examination in the clinic, the workers indicated in normal condition or fit to work.
<b>Root Cause Analysis:</b>	Miss perception from the medical officer/doctor whereby the 11 workers whose indicated leukosit/eritrosit are still within the limits of tolerance and do not need to be re-examined or referral to the hospital.
<b>Corrective Actions:</b>	To follow up on the results of a medical examination if there are employees who are indicated to be abnormal and undergo further investigation or medical treatment.
<b>Assessment Conclusion:</b>	Audit team has reviewed the root cause analysis, correction and corrective action plan submitted by PT Indo Sepadan Jaya - Tanjung Selamat Mill. Audit team accepted the correction and corrective action plan, audit team has review the effectiveness of corrective action taken during NCR Close out Visit and found that NC were effectively addressed by company. The status of NC is CLOSED.

<b>NCR Ref #</b>	<b>1600992-201802-M3</b>	<b>Clause</b>	RSPO P&C INA NI 2016 Indicator 4.7.2
		<b>Category (Major / Minor)</b>	<b>Major</b>
<b>Date Issued</b>	28 February 2018	<b>Due Date</b>	28 April 2018
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	6 April 2018
<b>Statement of Nonconformity:</b>	During audit, found that Tanjung Selamat POM was not consistent to performed risk assessment in several area of POM operation.		
<b>Requirement Reference:</b>	RSPO P&C INA NI 2016 Indicator 4.7.2 A documented risk assessment shall be available and its implementation shall be recorded.		
<b>Objective Evidence:</b>	Tanjung Selamat POM has a documented risk assessment updated on March 2017. However the risk assessment was not covered several area such as: Incenerator operation, Contractor activity (Methane capture development contractor), CPO dispatch and sounding activity.		
<b>Corrections:</b>	Conducted the awareness of risk assessment by Sustainability Dept and re assess/re evaluate the risk assessment and update the risk assessment document accordingly. Company has conducted the awareness on 28 March 2018 to OHS expert and risk assessment on Incenerator operation, Contractor activity (Methane capture development contractor), CPO dispatch and sounding activity has been performed by OHS expert on 29 March 2018. During NCR Close out visit can be demonstrated that risk assessment has been updated and found to be sufficient.		
<b>Root Cause Analysis:</b>	Lack of awareness from OHS expert on risk assessment in the area of Incenerator operation, Contractor activity, CPO dispatch and sounding activity.		
<b>Corrective Actions:</b>	Monitoring the risk assessment activity and document accordingly. Company has monitor and update the risk assessment activity and document accordingly on 29 March 2018.		
<b>Assessment Conclusion:</b>	Audit team has reviewed the root cause analysis, correction and corrective action		

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

	plan submitted by PT Indo Sepadan Jaya - Tanjung Selamat Mill. Audit team accepted the correction and corrective action plan, audit team has review the effectiveness of corrective action taken during NCR Close out Visit and found that NC were effectively addressed by company. The status of NC is CLOSED.
--	--

<b>NCR Ref #</b>	<b>1600992-201802-M4</b>	<b>Clause</b>	RSPO P&C INA NI 2016 Indicator 4.7.4
		<b>Category (Major / Minor)</b>	<b>Major</b>
<b>Date Issued</b>	28 February 2018	<b>Due Date</b>	28 April 2018
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	6 April 2018
<b>Statement of Nonconformity:</b>	There is no approved safety comitte and OHS expert who responsible for occupational health and safety in Tanjung Selamat POM. In addition there is no evidence that regular meeting of safety committee has performed on health and safety issues.		
<b>Requirement Reference:</b>	RSPO P&C INA NI 2016 Indicator 4.7.4 The responsible person(s) for occupational health and safety shall be identified and there shall be records of periodical meetings on health and safety issues.		
<b>Objective Evidence:</b>	<ul style="list-style-type: none"> <li>• P2K3 (Safety committee) in Tanjung Selamat POM has not formed yet and there is no OHS expert assigned in P2K3 organization;</li> <li>• OHS expert in Tanjung Selamat Estate was not assigned as secretary of P2K3 (Safety Committee) and the chairman of P2K3 has been change however there is no revised of P2K3 structure and endorsed by Disnakertrans Kab. Labuhan Batu.</li> </ul>		
<b>Corrections:</b>	<ul style="list-style-type: none"> <li>- Establishing the new P2K3 according to the organizational structure and applying for P2K3 approval to the Manpower Office. Tanjung Selamat POM has formed the safety committee (P2K3) with the following organizational structure: <ul style="list-style-type: none"> <li>✓ Chairman : Martin L. Limbeng</li> <li>✓ Secretary: Kurniawan (OHS Expert),</li> <li>✓ Member : 8 people (2 people in each station)</li> </ul> </li> <li>P2K3 has been approved by "Kepala Dinas Disnakertrans Kabupaten Labuhan Batu" dated 5 March 2018 according to "Surat Keputusan Kepala UPT Pengawasan Ketenagakerjaan Wilayah IV Dinas Tenaga KErja Provinsi Sumatera Utara Nomor: KEP.29-7/P2K3/WIL-IV/DTK/SU/2018 tentang Pengesahan Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3) di Perusahaan"</li> <li>- Kurniawan as a secretary of P2K3 has obtained the OHS expert certificate from ministry of Manpower and Transmigration.</li> </ul>		
<b>Root Cause Analysis:</b>	<ul style="list-style-type: none"> <li>- Currently there is a changing on organisation structure and new P2K3 has not formed yet accordingly.</li> <li>- OHS expert Tanjung Selamat Estate on behalf of Kurniawan is still following the training of K3 experts organized by the company and according to AK3, the AK3 certificate has not been issued by the organizer of PT.SAFINDO RAYA training so as to have constraints for the process of validating the new P2K3 structure.</li> </ul>		

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

<b>Corrective Actions:</b>	To update and renewal the safety committee (P2K3) immediately according to the latest organisation structure.
<b>Assessment Conclusion:</b>	Audit team has reviewed the root cause analysis, correction and corrective action plan submitted by PT Indo Sepadan Jaya - Tanjung Selamat Mill. Audit team accepted the correction and corrective action plan, audit team has review the effectiveness of corrective action taken during NCR Close out Visit and found that NC were effectively addressed by company. The status of NC is CLOSED.

<b>NCR Ref #</b>	<b>1600992-201802-M5</b>	<b>Clause</b>	RSPO P&C INA NI 2016 Indicator 4.7.5
		<b>Category (Major / Minor)</b>	<b>Major</b>
<b>Date Issued</b>	28 February 2018	<b>Due Date</b>	28April 2018
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	6 Aprill 2018
<b>Statement of Nonconformity:</b>	Company was not consistently applied the emergency response procedure/standard.		
<b>Requirement Reference:</b>	RSPO P&C INA NI 2016 Indicator 4.7.5 A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas.		
<b>Objective Evidence:</b>	<ul style="list-style-type: none"> <li>• There is no regular emergency response drill performed by Emergency response team in Pangkatan Estate and Tanjung Selamat POM</li> <li>• During field visit in Tanjung Selamat POM, it was found that Hydrant installation near to Workshop area is in broken condition and leaking.</li> <li>• During field visit in Tanjung Selamat POM, its found that in TPS LB3 emergency washer and eye wash was not proper function, there is no water flow when shower/tap opened.</li> </ul>		
<b>Corrections:</b>	<ul style="list-style-type: none"> <li>- Company has create the programme for emergency response drill annually. Latest emergency response drill conducted on 10 March 2018 in Pangkatan Estate and Tanjung Selamat POM. Minutes of emergency response drill, scenario and evaluation report can be demonstrated during udit.</li> <li>- Company has repair the Hydrant installation near to Workshop area on 5 March 2018. Duirng NCR Close Out Visit can be demonstrated that Hydrant installation has been repair and properly function. Hydrant test has been performed and work properly.</li> <li>- Company has repair the emergency washer and eye wash in TPS LB3 area on March 2018. During field visit can be demonstrated that emergency washer and eye wash has functioned properly. The water has flow normally and can be used accordingly during emergency situation.</li> </ul>		
<b>Root Cause Analysis:</b>	<ul style="list-style-type: none"> <li>- Response drill was conducted irregularly due to low frequent of emergency situation</li> <li>- Lack of monitoring and inspection of Hydrant installation</li> <li>- Lack of minotoring and inspection against emergency equioment in TPS LB3.</li> </ul>		
<b>Corrective Actions:</b>	<ul style="list-style-type: none"> <li>- To conducted emergency response drill and fire mitigation simulation minimum once a year. Latest emergency response drill has been performed on 10 March 2018.</li> </ul>		

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

	<ul style="list-style-type: none"> <li>- Monitoring the Hydrant installation and performed Hydrant test regularly each month. Company has checking the Hydrant installation each month and performed the Hydrant test during checking. Latest checking conducted on first week of April 2018. Monitoring result indicated that Hydrant installation was in good condition. Company also has appointed person in charge who responsible for monitoring of Hydrant installation and emergency equipment in Tanjung Selamat Palm Oil Mill. PIC is Maruwas Tambunan (Laboratory head) according to Memorandum Nomor: 006/ML-PTS/INT/III/2018 datd 5 March 2018.</li> <li>- Monitoring regularly the emergency washer and eye wash in TPS LB3 area by the PIC. Company has appointed person in charge who responsible for monitoring of emergency equipment including emergency washer and eye wash in TPS LB3. The PIC is Maruwas Tambunan (Laboratory head).</li> </ul>
<b>Assessment Conclusion:</b>	Audit team has reviewed the root cause analysis, correction and corrective action plan submitted by PT Indo Sepadan Jaya - Tanjung Selamat Mill. Audit team accepted the correction and corrective action plan, audit team has review the effectiveness of corrective action taken during NCR Close out Visit and found that NC were effectively addressed by company. The status of NC is CLOSED.

<b>NCR Ref #</b>	<b>1600992-201802-M6</b>	<b>Clause</b>	RSPO P&C INA NI 2016 Indicator 6.1.4
		<b>Category (Major / Minor)</b>	<b>Major</b> Escalated from previous Minor NC
<b>Date Issued</b>	28 February 2018	<b>Due Date</b>	28 April 2018
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	6 April 2018
<b>Statement of Nonconformity:</b>	Company has performed the review of SEIA document however, the review was not relevant and not covered all social impact in current condition.		
<b>Requirement Reference:</b>	RSPO P&C INA NI 2016 Indicator 6.1.4 The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.		
<b>Objective Evidence:</b>	The Company has reviewed the SIA in January 2018 and recorded in "Review Efektivitas SIA PT Indo Sepadan Jaya (Tanjung Selamat Estate dan Mill) dan PT Rantau Sinar Karsa (Pangkalan Estate)". In the Review document only discusses of CSR program. While based on the report of identification and monitoring of social impact (SEIA), there is some activity on the plantations, for example: replanting activities in Tanjung Selamat and Pangkatan Estate area of 3855 Ha and also there is "Kemitraan" scheme (Koperasi Konsumen Anugerah Jaya Mandiri Sejahtera and Koperasi Mandiri Tani Sejahtera) area of 1,122.1365 Ha, but not included in SEIA review (Review Efektivitas SIA PT Indo Sepadan Jaya dan PT Rantau Sinar Karsa).  Plans for management and monitoring of social impacts was not covered social aspect in current condition such as: impact of replanting, plantation partnership with independent smallholder, labor recruitment.		
<b>Corrections:</b>	Adding editorial discussions related to the scope of social impacts by ongoing		

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

	operational activities and operational activities that will be developed in the environmental permit report, by including all social aspects contained in the company. Report of environmental management and monitoring has been include the current social issue such as: impact of replanting, plantation partnership with independent smallholder, labor recruitment. Company has provide the social discussion chapter in the report semester II 2017.
<b>Root Cause Analysis:</b>	Lack of supporting data in the discussion chapter of social aspects impact by Palm Oil Mill operational activities so that the editorial review of the company's social aspects is not raised in the session chapter of RKL/RPL.
<b>Corrective Actions:</b>	Conducted regular review of SIA Management and Monitoring Plan at minimum once each 2 years.
<b>Assessment Conclusion:</b>	Audit team has reviewed the root cause analysis, correction and corrective action plan submitted by PT Indo Sepadan Jaya - Tanjung Selamat Mill. Audit team accepted the correction and corrective action plan, audit team has review the effectiveness of corrective action taken during NCR Close out Visit and found that NC were effectively addressed by company. The status of NC is CLOSED.

<b>NCR Ref #</b>	<b>1600992-201802-M7</b>	<b>Clause</b>	RSPO P&C INA NI 2016 General Chain of Custody Requirements for the Supply Chain Clause 5.7.2
		<b>Category (Major / Minor)</b>	<b>Major</b>
<b>Date Issued</b>	28 February 2018	<b>Due Date</b>	28 April 2018
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	6 April 2018
<b>Statement of Nonconformity:</b>	Audit Team found Lack of evidence that PT ISJ – Tanjung Selamat POM has done “Remove” in the RSPO IT Platform, this is not in line with the General Chain of Custody Requirements for the Supply Chain Clause 5.7.2.		
<b>Requirement Reference:</b>	<p>RSPO P&amp;C INA NI 2016 General Chain of Custody Requirements for the Supply Chain Clause 5.7.2</p> <p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none"> <li>• Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement/Announcement is based on members' own standard operating procedures.</li> <li>• Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.</li> <li>• Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> <li>• Confirm: Acknowledge the purchase of RSPO certified volume by confirming</li> </ul>		



**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

	Shipping Announcements/Announcements.
<b>Objective Evidence:</b>	Based on document review (Book Keeping – Mass Balance Report) and interview with Tanjung Selamat POM personnel, PT ISJ – Tanjung Selamat POM has done sales of certified CPO as other certified scheme (ISCC) in January 2018, however there is no evidence that the company has done “Remove” in the RSPO IT Platform.
<b>Corrections:</b>	Company has performed removal stock of CSPO sold as ISCC certified as much as 16,490 MT since January 2018 and license period. The evidence of removal stock can be demonstrated in Palm trace transaction by company.
<b>Root Cause Analysis:</b>	There is no coordination with the Jakarta Regional Office (JRO) to remove CSPO stock, due to lack of understanding from Tanjung Selamat POM personel.
<b>Corrective Actions:</b>	Coordinate with the Marketing Team and Logistics Team (JRO) in improving the announcement mechanism with time limits.
<b>Assessment Conclusion:</b>	Audit team has reviewed the root cause analysis, correction and corrective action plan submitted by PT Indo Sepadan Jaya - Tanjung Selamat Mill. Audit team accepted the correction and corrective action plan, audit team has review the effectiveness of corrective action taken during NCR Close out Visit and found that NC were effectively addressed by company. The status of NC is CLOSED.

<b>NCR Ref #</b>	<b>1600992-201802-N1</b>	<b>Clause</b>	RSPO P&C INA NI 2016 Indicator 2.1.3
		<b>Category (Major / Minor)</b>	<b>Minor</b>
<b>Date Issued</b>	28 February 2018	<b>Due Date</b>	27 February 2019
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	To be advised (in next surveillance assessment)
<b>Statement of Nonconformity:</b>	The company has not consistently implementing procedure of ensuring legal compliance, “Prosedur Pemenuhan Peraturan Perundang - undangan dan Perubahannya” (SOP AA-GL-5001.1-R0).		
<b>Requirement Reference:</b>	RSPO P&C INA NI 2016 Indicator 2.1.3 A mechanism for ensuring compliance shall be implemented.		
<b>Objective Evidence:</b>	Implementation of “Prosedur Pemenuhan Peraturan Perundang - undangan dan Perubahannya” (SOP AA-GL-5001.1-R0), dated 5 December 2009, related ensuring legal compliance is lacking during audit. The company has not identified and evaluated a number of relevant regulations, among others: <ul style="list-style-type: none"> <li>• Ministry of Agriculture Regulation No. 26/Permentan/OT.140/2/2017 article 9 verse 1, article 11 verse 1, article 34 and article 42 verse 1 regarding IUP (plantation permit).</li> <li>• Act No.39/2014 regarding Plantation.</li> <li>• Government Regulation No.101/2014 regarding Hazardous Waste Handling.</li> <li>• Ministry of Manpower Regulation No. 7/2013, regarding Minimum Wage.</li> <li>• Governor Regulation regarding Province Minimum Wage.</li> <li>• President Instruction No. 1/2013, regarding Action for Corruption Prevention and Eradication.</li> </ul>		
<b>Corrections:</b>	Updating the Legal Compliance Evaluation document to the latest regulations and the old regulations that have not been listed in the Legal Compliance Evaluation document. Company has updated the list of regulatory compliance in “Evaluasi Keptuhan Hukum” on 1 <sup>st</sup> April 2018 and has included the number of relevant		



**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

	<p>regulation such as:</p> <ul style="list-style-type: none"> <li>Ministry of Agriculture Regulation No. 26/Permentan/OT.140/2/2017 article 9 verse 1, article 11 verse 1, article 34 and article 42 verse 1 regarding IUP (plantation permit).</li> <li>Act No.39/2014 regarding Plantation.</li> <li>Government Regulation No.101/2014 regarding Hazardous Waste Handling.</li> <li>Ministry of Manpower Regulation No. 7/2013, regarding Minimum Wage.</li> <li>Governor Regulation regarding Province Minimum Wage.</li> <li>President Instruction No. 1/2013, regarding Action for Corruption Prevention and Eradication.</li> </ul> <p>Evidence of compliance can be demonstrated during NCR Close Out Visit on 6 April 2018.</p>
<b>Root Cause Analysis:</b>	Lack of knowledge and the absence of a permanent PIC who responsible to evaluates regulatory compliance.
<b>Corrective Actions:</b>	Make a Memorandums for staff / KTU (As Public Relations) who are responsible for Updating Legal Compliance Evaluation documents. Company has issued the memorandum Nomor: 011/MI-PTS/INT/III/2018 dated 5 March 2018. Acoding to Memorandum, company has appointed Ms. Verawati as a PIC who responsible to Updating Legal Compliance Evaluation documents each semester/year.
<b>Assessment Conclusion:</b>	Audit team has reviewed the root cause analysis, correction and corrective action plan submitted by PT Indo Sepadan Jaya - Tanjung Selamat Mill. Audit team accepted the correction and corrective action plan, audit team has review the effectiveness of corrective action taken during NCR Close out Visit and found that NC were effectively addressed by company. The status of NC is remain OPEN.

<b>NCR Ref #</b>	<b>1600992-201802-N2</b>	<b>Clause</b>	RSPO P&C INA NI 2016 Indicator 4.7.7
		<b>Category (Major / Minor)</b>	<b>Minor</b>
<b>Date Issued</b>	28 February 2018	<b>Due Date</b>	27 February 2019
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	To be advised (in next surveillance assessment)
<b>Statement of Nonconformity:</b>	Tanjung Selamat Estate and Pangkatan Estate has not calculate the Occupational injuries using Lost Time Accident (LTA) metrics.		
<b>Requirement Reference:</b>	RSPO P&C INA NI 2016 Indicator 4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.		
<b>Objective Evidence:</b>	<ul style="list-style-type: none"> <li>Tanjung Selamat Estate and Pangkatan Estate has record the accident report, however there is no calculation of Lost Time Accident including Frequency rate and severity rate of accident.</li> <li>Tanjung Selamat Estate, Pangkatan Estate and Tanjung Selamat POM has investigate the accident and recorded in Catatan Kecelakaan Kerja, however there is no proper of rootcause analysis and follow up action to prevent the similar accident.</li> </ul>		
<b>Corrections:</b>	<ul style="list-style-type: none"> <li>Update the LTI calculation according to the actual work hour, number of incident and lost time caused by injury.</li> <li>Revised the rootcause analysis and follow up action on accident investigation form. Conducted the training of accident investigation to OHS expert and paramedic team by Sustainability RO.</li> </ul>		

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

<b>Root Cause Analysis:</b>	The LTI calculation document has not been updated by the company's PIC / K3 expert. Rootcause analysis and follow up action to prevent the similar accident has not been done in depth and lacks insight into OHS experts and medical teams in doing so
<b>Corrective Actions:</b>	Update the LTI calculation regularly by OHS expert and reported to manpower office each 3 month in "Laporan P2K3". Conduct regular refreshment training on accident investigation.
<b>Assessment Conclusion:</b>	Audit team has reviewed the root cause analysis, correction and corrective action plan submitted by PT Indo Sepadan Jaya - Tanjung Selamat Mill. Audit team accepted the correction and corrective action plan, audit team has review the effectiveness of corrective action taken during NCR Close out Visit and found that NC were effectively addressed by company. The status of NC is remain OPEN.

<b>NCR Ref #</b>	<b>1600992-201802-N3</b>	<b>Clause</b>	RSPO P&C INA NI 2016 Indicator 5.1.3
		<b>Category (Major / Minor)</b>	<b>Minor</b>
<b>Date Issued</b>	28 February 2018	<b>Due Date</b>	27 February 2019
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	To be advised (in next surveillance assessment)
<b>Statement of Nonconformity:</b>	Company was not consistently implementing the environmental monitoring document accordingly.		
<b>Requirement Reference:</b>	RSPO P&C INA NI 2016 Indicator 5.1.3 Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.		
<b>Objective Evidence:</b>	<ul style="list-style-type: none"> <li>Tanjung Selamat POM has measured the emission of incinerator (Tungku Bakar) No. 02 Certificate analysis No. 08613/CLACAK dated 30 November 2017, however there was a parameter of Amonia (NH3) was exceed the threshold KepMenLH No, KEP-13/MENLH/3/1995: result of analysis 0.66 mg/m3 and the standard is 0.5 mg/m3</li> <li>PT Indo Sepadan Jaya has analyzed the water body/surface water of Kalundang river in upstream and downstream, Analysis report No. F/BTKL-MDN/5.10.1.k dated 10 July 2017, however there was a parameter of BOD and COD was exceed the threshold PP No. 82 tahun 2001 regarding Water quality management and water pollution mitigation Class II. Analysis result: <ul style="list-style-type: none"> <li>Upstream: BOD 17.75 mg/l, COD 15.45 mg/l</li> <li>Downstream: BOD 20.0 mg/l, COD 62.50 mg/l</li> <li>Standard: BOD 3 mg/l, COD 25 mg/l</li> </ul> </li> <li>For the environment parameter which exceed the threshold was not explained in the RKL-RPL report, there is no rootcause analysis, correction and corrective action to addressed the issue.</li> </ul>		
<b>Corrections:</b>	Make NCR for parameters that exceed quality standards for incinerator and river water, and evaluate the results of the analysis that exceeds the quality standards to determine corrective actions.		
<b>Root Cause Analysis:</b>	- The absence of monitoring on the results of the analysis carried out in PT Indo Sepadan Jaya including analysis of the incenerator and river/surface		

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

	<p>water.</p> <ul style="list-style-type: none"> <li>- Lack of understanding about the importance of monitoring the results of environmental analysis both the incenerator and river/surface water analysis and other environmental test analysis results.</li> </ul>
<b>Corrective Actions:</b>	<p>Maintaining the incinerator function to make it proper and met the emission. Socialization to employees regarding the importance of maintaining the cleanliness of the river and the environment around the river.</p>
<b>Assessment Conclusion:</b>	<p>Audit team has reviewed the root cause analysis, correction and corrective action plan submitted by PT Indo Sepadan Jaya - Tanjung Selamat Mill. Audit team accepted the correction and corrective action plan, audit team has review the effectiveness of corrective action taken during NCR Close out Visit and found that NC were effectively addressed by company. The status of NC is remain OPEN.</p>

<b>Opportunity for Improvements</b>	
<b>OFI #</b>	<b>Description</b>
<p><b>1589237-201801-11</b></p>	<p>Company is considered to improve the management of fossil fuels usage due to mechanisation program to enhanced the efficiency of resources. Mechanisation programs proclaimed by company with the use of machinery as a means of supporting may have implications for the increased use of fossil fuels. Therefore, it is necessary to perform the efficiency of fossil fuel use.</p>

### 3.4.1 Status of Nonconformities Previously Identified and Observations

During Annual Surveillance Assessment 2 there were one (1) Minor nonconformities raised. PT. Indo Sepadan Jaya – Tanjung Selamat POM Certification unit has submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted. However during verification together with Annual Surveillance Assessment 3, the Minor NC was not addressed satisfied and it escalated to Major NC. Below are the explanation regarding follow up action from previous Non conformities.

<b>Non-Conformity</b>			
<b>NCR Ref #</b>	<b>1479188-201705-N1</b>	<b>Clause &amp; Category (Major / Minor)</b>	<b>Minor</b>
<b>Closed (Yes / No)</b>	No, Escalated to Major NC	<b>Date of nonconformity Closure</b>	28 February 2018
<b>Statement of Nonconformity:</b>	The monitoring of social impact was performed, but company can not demonstrate that the SIA have reviewed at least on two years and the plan should be updated and also review process includes participation of all affected parties		
<b>Requirement Reference:</b>	RSPO P & C INA NI 2016 Indicator 6.1.4 The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.		
<b>Objective Evidence:</b>	Verified of SEIA (AMDAL) 1994 and monitoring social impact regularly reported through the RKL – RPL on period December 2016 and laboratory checking of domestic liquid waste.		
<b>Correction:</b>	Creating an Assessment SIA Report by adding unopened social impacts, negative impact mitigation plans and positive impact implementation for affected parties.		
<b>Corrective Actions:</b>	EMS Team together with the CSR Team monitors the scope of social impacts in RKL /RPL and CSR Reports and ensures identification of social impacts in accordance with RSPO guidelines.		
<b>Assessment Conclusion:</b>	The Company has reviewed SIA in January 2018 and recorded in "Review Efektivitas SIA PT Indo Sepadan Jaya (Tanjung Selamat Estate dan Mill) dan PT Rantau Sinar Karsa (Pangkalan Estate)". In the Review document only discusses of CSR program. While based on the report of identification and monitoring of social impact (SEIA), there is some activity on the plantations which has social impact, for example: replanting activities in Tanjung Selamat area of 3,858 Ha and in Pangkatan Estate area of replanting 1,662 ha and also there is "Kemitraan" scheme (Koperasi Konsumen Anugrerah Jaya Mandiri Sejahtera and Koperasi Mandiri Tani Sejahtera) but not included in SEIA review. The NC remain OPEN and escalated to Major NC.		

### 3.4.2 Summary of the Nonconformities and Status

CAR Ref.	CATEGORY (MAJOR/ MINOR)	ISSUED	STATUS & DATE (Closure)
1128962M1	Major	08/12/2014	CLOSED on 23/03/2015
1128962M2	Major	08/12/2014	CLOSED on 23/03/2015
1128962M3	Major	08/12/2014	CLOSED on 23/03/2015
1307239N1	Minor	31/03/2016	CLOSED on 23/03/2015
1307239N2	Minor	31/03/2016	CLOSED on 23/03/2015
1307239N3	Minor	31/03/2016	CLOSED on 23/03/2015
1479188-201705-N1	Minor	18/05/2017	OPEN, Escalated to Major NC
1600992-201802-M1	Major	28/02/2018	CLOSED on 6 April 2018
1600992-201802-M2	Major	28/02/2018	CLOSED on 6 April 2018
1600992-201802-M3	Major	28/02/2018	CLOSED on 6 April 2018
1600992-201802-M4	Major	28/02/2018	CLOSED on 6 April 2018
1600992-201802-M5	Major	28/02/2018	CLOSED on 6 April 2018
1600992-201802-M6	Major	28/02/2018	CLOSED on 6 April 2018
1600992-201802-M7	Major	28/02/2018	CLOSED on 6 April 2018
1600992-201802-N1	Minor	28/02/2018	OPEN
1600992-201802-N2	Minor	28/02/2018	OPEN
1600992-201802-N3	Minor	28/02/2018	OPEN

### 3.5. Stakeholders Consultation

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

Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. Any comment which is not complying to the RSPO P&C requirements have been incorporated as an assessment finding.

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

List of Stakeholders Contacted	
<b>Internal Stakeholders</b> Workers (fertilizing, spraying, mill processing, workshop).	<b>Union/Contractors/Local Communities</b> Union Labor and Gender Committee Tanjung Selamat Estate, Pangkatan Estate and Tanjung Selamat POM. Perangkat Desa Perlabian (Local community and

	villagers) – Bpk. Irhamsyah Lubis
<b>Government Departments</b> 1. Dinas Tenaga Kerja dan Transmigrasi Kabupaten Labuhan Batu (Manpower and Transmigration Office – Labuhan Batu Regency) 2. Badan Lingkungan Hidup Kabupaten Labuhan Batu (Environmental Office – Labuhan Batu Regency) 3. Dinas Perkebunan Kabupaten Labuhan Batu (Plantation and Agriculture Service – Labuhan Batu Regency). 4. Badan Pertanahan Kabupaten Labuhan Batu (Land affairs office, Labuhan Batu Regency)	<b>NGO</b> Invitation letter to give the input/comment was sent to NGO.

IS #	Description
1	<p><b>Feedback, Comment and Input</b>  <b>Dinas Tenaga Kerja dan Transmigrasi Kabupaten Labuhan Batu (Manpower and Transmigration Office – Labuhan Batu Regency)</b></p> <ul style="list-style-type: none"> <li>- PT. Indo Sepadan Jaya and PT. Rantau Sinar Karsa have built good communication with “Dinas Tenaga Kerja dan Transmigrasi Kabupaten Kabupaten Kutai Timur”.</li> <li>- PT. Indo Sepadan Jaya and PT. Rantau Sinar Karsa have prepared and reported their industrial relation obligation such as “Wajib Lapor Tenaga Kerja” and “Laporan P2K3” for health and safety performance.</li> <li>- There is no indication/report on the use of underage worker in PT. Indo Sepadan Jaya and PT. Rantau Sinar Karsa.</li> <li>- PT. Indo Sepadan Jaya and PT. Rantau Sinar Karsa have implementing minimum wage as in “Upah Minimum Kabupaten Labuhan Batu” to the workers.</li> <li>- Regular examination on pressure vessel and steam vessel has been carried out, however the check result analysis was in-process by “Dinas Tenaga Kerja dan Transmigrasi Kabupaten Labuhan Batu”.</li> <li>- All steam machinery, boiler machinery, and welding operators have been trained and awarded with operator license from “Kementerian Tenaga Kerja”.</li> <li>- Company has provided training on the use of limited pesticide for sprayers.</li> <li>- Company has reported the worker’s overtime to “Dinas Tenaga Kerja dan Transmigrasi Kabupaten Labuhan Batu”.</li> <li>- Company has been equipped with clinic, with a doctor and paramedic – which has been trained with Hiperkes” training.</li> <li>- All employees have been registered in social insurance “BPJS Tenaga Kerja dan Pemeliharaan Kesehatan”.</li> <li>- Company has prepared risk assessment in each operational stage.</li> <li>- Company has prepared personal protective equipment, based on risk assessment and accident record.</li> <li>- The validity of PKB registers of PT. Indo Sepadan Jaya and PT. Rantau Sinar Karsa have expired in</li> </ul>

	<p>2017, PKB dated 21 April 2015, the validity period until 20 April 2017.</p> <p><b>Management Responses</b></p> <ul style="list-style-type: none"> <li>- PT. Indo SepadanJaya and PT. Rntau Sinar Karsa acknowledge the positive inputs and deemed the comments are constructive.</li> <li>- Based on the Letter of Management (Dept. HRD) dated July 12, 2017, no. 72 / BKS-PPS / 2017 from BKS - PPS (Badan Perencanaanaan Perusahaan Perkebunan Sumatera, that PKB Period 2017-2019 is still in progress to register.</li> <li>- At this time the company and worker representative (Labor Union/SPM: Serikat Pekerja Mandiri and also Bipartit) has agreed to review and renew work collective work agreement/PKB period 2018-2020, as recorded in the Minutes dated 14th November 2017, and during this audit still in progress to register to Disnakertran Labuahan Batu Regency</li> </ul> <p><b>Audit Team Findings</b></p> <ul style="list-style-type: none"> <li>- Audit teams acknowledge the inputs and have verified the report being sent.</li> <li>- Regarding the renewal of PKB period 2018-2020, the company to make the schedule of settlement of PKB period 2018-2020, it will be verified at the next audit visit.</li> </ul>
<p>2</p>	<p><b>Feedback, Comment and Input</b>  <b>Dinas Lingkungan Hidup Kabupaten Labuhan Batu (Environmental Office – Labuhan Batu Regency)</b></p> <ul style="list-style-type: none"> <li>- In general, communication between company and “Dinas Lingkungan Hidup Kabupaten Labuhan Batu” has gone well.</li> <li>- PT. Indo Sepadan Jaya and PT. Rantau Sinar Karsa have obtained “Izin Lingkungan” for all area of oil palm plantation and palm oil mill.</li> <li>- PT. Indo Sepadan Jaya and PT. Rantau Sinar Karsa has permit for hazardous waste storage.</li> <li>- PT. Indo Sepadan Jaya and PT. Rantau Sinar Karsa has not permit for POME land application, because the plantation is a peat soil, so it does not qualify for POME applications.</li> <li>- Company has prepared “Laporan Pelaksanaan RKL-RPL”, “Laporan Limbah B3-hazardoues waste” and reported regularly (six-monthly basis) to “Dinas Lingkungan Hidup Kabupaten Labuhan Batu”. PT Indo Sepadan Jaya (ISJ) and PT Rantau Sinar Karsa (RSK) have consistently submitted RKL-RPL Implementation Report every 6 months (last report of period December 2017).</li> <li>- Liquid Waste Disposal Permits to river bodies in 2013 and ending in 2018, hazardous waste (LB3) management report once every 3 months, last period on December 2017 report.</li> <li>- During the year 2017 there were no reports from the public related to environmental pollution reported and/or noted by “Dinas Lingkungan Hidup Kabupaten Labuhan Batu” related to pollution caused by mill and estate operational activities.</li> <li>- There was no report related to fertilizer application and agrochemical applied aerially.</li> </ul> <p><b>Management Responses</b></p> <ul style="list-style-type: none"> <li>- AMDAL (SEIA) - Studi Evaluasi Lingkungan (SEL), approved by Komisi Pusat AMDAL, Agriculture Ministry no. RC.220/385/B/II/94 dated 28th February 1994 for Tanjung Selamat Estate and no. RC.220/383/B/II/94, dated 26th February 1994 for Pangkatan Estate.</li> <li>- The Company also has licenses related to hazardous waste according to: “Keputusan Bupati Labuhan Batu Nomor 503.660/324/BLH-LB/WAS/2014 tanggal 30 Desember 2014. tentang Izin Penyimpanan Sementara Limbah Bahan Berbahaya dan Beracun kepada PT Indo Sepadan Jaya – Kebun Tanjung</li> </ul>





	<p>Selamat” and “Keputusan Bupati Labuhan Batu Nomor 503.660/199/BLH-LB/WAS/2015 tanggal 29 Juni 2015. tentang Izin Penyimpanan Sementara Limbah Bahan Berbahaya dan Beracun kepada PT Indo Sepadan Jaya – PMKS Tanjung Selamat”.</p> <ul style="list-style-type: none"> <li>- The application of liquid waste (land Application/LA) is not good to be applied in the peat area located in PT Indo Sepadan Jaya, the plantation is a peat soil, so it does not qualify for POME applications.</li> <li>- Management acknowledge the positive inputs/comments and deemed comply.</li> </ul>
	<p><b>Audit Team Findings</b></p> <ul style="list-style-type: none"> <li>- Environment-related permissions have been properly resolved.</li> <li>- LB3 control has been well done by the company.</li> <li>- Environmental control programs around the plantation area (surrounding villages) have been carried out to be continued.</li> </ul>
<p><b>3</b></p>	<p><b>Feedback, Comment and Input</b>  <b>Dinas Pertanian Kabupaten Labuhan Batu (Plantation and Agriculture Service – Labuhan Batu Regency).</b></p> <ul style="list-style-type: none"> <li>- In general, communication between company and “Dinas Perkebunan Kabupaten Labuhan Batu” has gone well.</li> <li>- PT. Indo Sepadan Jaya and PT. Rantau Sinar Karsa have obtained “Izin Usaha Perkebunan (IUP)”.</li> <li>- PT. Indo Sepadan Jaya and PT. Rantau Sinar Karsa have send “Laporan Perkembangan Usaha Perkebunan (LPUP) for first, second and fourth quarter of year 2017 to relevant authorities: “Bupati Labuhan Batu, “Dinas Pertanian Kabupaten Labuhan Batu”, “Dinas Pengendalian Lahan dan Tata Ruang (PLTR) Kabupaten Labuhan Batu” and “Kantor Pertanahan Kabupaten Labuhan Batu” in accordance to “Bukti penyerahan dokumen LPUP”.</li> <li>- PT. Indo Sepadan Jaya and PT. Rantau Sinar Karsa have obtained “Penilaian Kelas Kebun II”.</li> <li>- Company has reported monitoring of fire incident on three-month basis.</li> <li>- FFB price was determined from “Dinas Pertanian Propinsi Sumatera Utara” on monthly basis.</li> <li>- No complaint reported and/or noted by “Dinas Perkebunan Propinsi Sumatera Utara” related to mill and estate operational activities.</li> </ul>
	<p><b>Management Responses</b></p> <ul style="list-style-type: none"> <li>- Management acknowledge the positive inputs/comments and deemed comply.</li> <li>- PT. Indo Sepadan Jaya and PT. Rantau Sinar Karsa have sent the report, “Laporan Triwulan Perkembangan Pembangunan Kelapa Sawit, Pabrik Pengolahan Kelapa Sawit dan Perkebunan Kemitraan Period IV/2017 (October – December) year 2017 to relevant authorities on 10<sup>th</sup> January 2018.</li> <li>- The company has provided FFB pricing formula and communicated to the FFB supplier, so far no complaint was noted regarding FFB price.</li> <li>- “Mekanisme Penetapan Harga TBS Luar”, which becomes the parameter of the price calculation are: <ul style="list-style-type: none"> <li>• 1. CPO Price</li> <li>• 2. Transportation cost</li> <li>• 3. OER CPO from third party (outside)</li> </ul> </li> <li>- The company cooperates with the surrounding community in terms of purchasing FFB and recorded in “Pernyataan dan Jaminan”-Statement and Guarantee as a supplier of FFB, there is 10 TBS</li> </ul>

	<p>suppliers, namely: Roma, Wan juma Sari, UD. Ula Tersia, UD. Friends, Soo Boon Pin, Al-Muh TS, Tan Ing Sing, Mitra Langgeng, Gapoktan Sumber Rejeki and KOPKUN Anug Jaya Mandiri.</p>
	<p><b>Audit Team Findings</b></p> <ul style="list-style-type: none"> <li>- Audit teams acknowledge the inputs and have verified the report being sent.</li> <li>- Implementation of FFB grading in Tanjung Selamat Palm Oil Mill in order to be socialized and explained especially to independent farmers and plasma with full managed system.</li> </ul>
4	<p><b>Feedback, Comment and Input</b> <b>Badan Pertanahan Kabupaten Labuhan Batu (Land affairs office, Labuhan Batu Regency)</b></p> <p>Can not be found/meet because the Head of Land affairs office Labuhan Batu Regency is having a meeting with Reganet of Labuhan Batu Regency.</p>
	<p><b>Management Responses</b></p> <p>No input gained from the BPN.</p>
	<p><b>Audit Team Findings</b></p> <p>No input gained from the BPN. However during audit indicated that there is no land conflict/disputes occur and company already have a legal land title.</p>
5	<p><b>Feedback, Comment and Input</b> <b>Perangkat Desa Perlabian (Local community and villagers) – Bpk. Irhamsyah Lubis</b></p> <ul style="list-style-type: none"> <li>- There are no land related issues</li> <li>- Construction of 3 km of road for access to partnership farmer activities (Petani Swadaya).</li> <li>- The construction of the bridge (Perlabian Village, Dusun Poncol) from 2018.</li> <li>- CSR: gifts for the poor (Sugar and Cooking Oil) in June 2017, Funds to Ridha Allah Pesantren in February 2017.</li> </ul> <p>Suggestions:</p> <ul style="list-style-type: none"> <li>- CSR needs to be improved again</li> <li>- Recruitment of workers to be informed to the surrounding village</li> <li>- Fixed FFB pricing and acceleration of road and bridge development.</li> </ul>
	<p><b>Management Responses</b></p> <ul style="list-style-type: none"> <li>- Labor recruitment is very transparent and informed to the village around the company through field assistants in each division.</li> <li>- Based on the Plan of Construction of village road to Perlabian Village along 3 km will be completed by the end of 2018.</li> <li>- CSR program in 2018 will be more effective because the program is a survey result in several villages around the plantation.</li> </ul>
	<p><b>Audit Team Findings</b></p> <ul style="list-style-type: none"> <li>- Audit team acknowledges the positive inputs.</li> </ul>
6	<p><b>Feedback, Comment and Input</b> <b>Union Labor and Gender Committee of PT Indo Sepadan Jaya</b></p> <p>There are 3 issues that become the discussion by employees of PT ISJ, including:</p>

	<ul style="list-style-type: none"> <li>- End-of-year bonus provision for 2017 period is not yet clear of the system and its calculation mechanism.</li> <li>- Housing employee Tanjung Selamat Mill has mostly been damaged, so it needs renovation and maintenance.</li> <li>- Transportation (school bus) for school children has exceeded capacity, so safety issues must be considered for the school bus passengers.</li> </ul> <p><b>Management Responses</b></p> <ul style="list-style-type: none"> <li>- Employee bonus giving: will be given in early May 2018             <ul style="list-style-type: none"> <li>• The bonus payout is based on the employee performance appraisal system of 2017 and this has been socialized at each Estate and Mill in December 2017</li> <li>• Related bonus payment has been socialized to all PUK FSP-PP-SPSI On January 30, 2018.</li> <li>• Bonus payment is not the authority of the unit (Estate or Mill), Estate and Mill only provides an assessment, while the HRD determines the giving of bonuses.</li> </ul> </li> <li>- Repair of employee's house: date line June 2018             <ul style="list-style-type: none"> <li>• Repair of employee housing will be replaced with a leaking roof of zinc and some damage front and back door.</li> <li>• It has been prepared to provide 40 sheets of tin roof and 40 sheets of plywood with PP No. PTS1800039 and additional 200 sheets of zinc roof no. PP - PTS1800071</li> </ul> </li> <li>- School bus that has exceeded capacity: dead line March 2018             <ul style="list-style-type: none"> <li>• Conducted additional trips at 5.30 am for school children in Dusun Aek Nauli to Pangkatan</li> <li>• It is planned to add 1 unit of school bus in March 2018</li> <li>• Planned number of school buses for KTS / PTS and Aek Nauli housing of 3 units.</li> </ul> </li> </ul> <p><b>Audit Team Findings</b></p> <ul style="list-style-type: none"> <li>- Audit teams acknowledge the inputs.</li> <li>- Audit team accepts the explanation and submitted the company response into relevant Principle and Criteria.</li> </ul>
<p><b>7</b></p>	<p><b>Feedback, Comment and Input Workers (fertilizing, spraying, mill processing, workshop)</b></p> <ul style="list-style-type: none"> <li>- PT. Indo Sepadan Jaya paid the worker in accordance to minimum wage, plus benefit. The overtime paid as regulations.</li> <li>- Company has provided facility for workers: housing with clean water and electricity, religious house, school, medical clinic, etc.</li> <li>- Company has provided the facility for workers in order to perform highest performance: personal protective equipment, training, working tools, etc.</li> <li>- Company has communicated the company policy: anti-corruption policy, environmental protection policy, health and safety policy, anti-discrimination policy, human right policy, etc.</li> <li>- No issue and dispute from the workers to company.</li> </ul> <p><b>Management Responses</b></p> <ul style="list-style-type: none"> <li>- PT. Indo Sepadan Jaya acknowledge the positive inputs.</li> </ul>

	<p>- PT. Indo Sepadan Jaya will improve the workers welfare and facility to improve productivity.</p>
	<p><b>Audit Team Findings</b></p> <p>All observation and issue during interview with representative workers (teacher, harvester, sprayer, daycare), labour union, and gender committee have been reviewed with several supporting document.</p>

<b>Formal Signing-off of Assessment Conclusion and Recommendation</b>	
<p>The audit objectives have been achieved and the certificate scope remains appropriate. Based on the results of this audit, it is concluded that PT. Indo Sepadan Jaya – Tanjung Selamat Palm Oil Mill has complied with the RSPO P&amp;C INA NI September 2016 and RSPO Supply Chain Certification Standard (June 2017) and audit criteria identified within the audit report. It is deemed that the management system continues to achieve its intended outcomes. Therefore, it is recommended that the certification of PT. Indo Sepadan Jaya – Tanjung Selamat Palm Oil Mill is continued.</p>	
<b>Report prepared by</b>	<b>Acceptance of Assessment Conclusion</b>
<b>Name:</b> Mujinius Jalaraya	<b>Name:</b> Welly Pardede
<b>Company Name:</b> PT BSI Group Indonesia	<b>Company Name:</b> PT. Indo Sepadan Jaya – Tanjung Selamat Palm Oil Mill
<b>Title:</b> Lead Assessor	<b>Title:</b> Sustainability Dept. Head
<b>Signature:</b> 	<b>Signature:</b>  <i>(I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents of this report and accept the liability in execution of the procedure in the report.)</i>
<b>Date:</b> 31 May 2018	<b>Date:</b> 6 July 2018

**Appendix A: Summary of Findings**

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

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> <li>- Documents related financial can only be shared upon discretion of General Manager, Group policies and procedures are available in public area in estates and mill.</li> <li>- Number of employee and salary payment – accesible to government bodies, BPJS, worker union and NGO;</li> <li>- Information on Nomor Pokok Wajib Pajak and Pajak Bumi dan Bangunan – accessible to government bodies; Tax and retribution payment – accessible to government bodies;</li> <li>- Environment document – accessible to government bodies and NGO; Establishment deed, area database, production database, manuring application – accessible to government bodies;</li> <li>- Legal ownership of the land – accessible to government bodies and NGO;</li> <li>- HCV Report – accessible to government bodies and NGO; Social Impact Assessment – accessible to government bodies and NGO;</li> <li>- Community Development Program – accesible to government bodies and NGO;</li> <li>- Health and Safety Committee Report – “Laporan Panitia Pembina Keselamatan dan Kesehatan Kerja” – accessible to government bodies;</li> <li>- Continuous Improvement Plan document – accessible to government bodies;</li> <li>- Human Rights Policy – accessible to government bodies and NGO;</li> <li>- Summary report of Certification Body Certification – accesible to government bodies and NGO;</li> <li>- Complaint and Grievance Document – accesible to government bodies and NGO;</li> <li>- See detail in criterion 1.2.1.</li> </ul>	
1.1.2	<p>Records of requests for information and responses to the information requested shall be available.</p> <p>Requests for information are responded by the department concerned in accordance with their authority. The company has developed a matrix describing the status of each information request and responsible/authorized department to respond into. Records of response of request information</p>	<p>NC #1600992-</p>



**RSPO Public Summary Report  
Revision 6 (December /2017)**

Criterion / Indicator	Assessment Findings	Compliance
<p>- Major compliance -</p>	<p>documented in the same book, consist of person handle the request, information given and acknowledgement from the person in-charge and signature. Record of incoming communication available in each estate and mill unit.</p> <p><u>Tanjung Selamat Estate:</u></p> <p>“Buku Komunikasi dan Konsultasi dengan Stakeholder-Tanjung Selamat Estatel”. Throughout 2017, Tanjung Selamat Estate received 24 incoming letters. Sample seen:</p> <ul style="list-style-type: none"> <li>- Regular report every 6 month, RKL/RPL period SM II/2017 Report has been submit on 25 January 2018-→ pabrik;</li> <li>- Letter dated 10 Dec 2017 from Kecamatan Pangkatan; related Request for financial support for Christmas and New Year's celebration in Pangkatan Sub-district, Labuahanbatu District, and has been responded and approved on 4 Dec 2017 and submitted on 4 January 2018.</li> <li>- On 1 February 2018; from Kampung Perlabian Kampung Rakyat Sub-district, related: Proposals for funding for the Institute Foundation, has responded on the 1st of February 2018 and the provision of funds on 10 February 2018.</li> </ul> <p><u>Pangkalan Estate:</u></p> <p>Pangkalan Estate received 17 incoming letters on 2017. Sample seen:</p> <ul style="list-style-type: none"> <li>- Dated 14 September 2017 from Disnakertrans; regarding call the mediation meeting on industrial relations issues at Disnakertrans.</li> <li>- 18 September 2017 from Komando Distrik Militer 0209/Lab FSPMI. In the recording of such information is not explained what information is meant.</li> <li>- Dated 9 January 2018 from Camat Pangkatan; regarding Information for the Village Head (Kadesh) to present their respective village heads and PKK Desa Village Chiefs</li> </ul> <p><u>Tanjung Selamat Palm Oil Mill:</u></p>	<p>201802-M1 CLOSED on 6 April 2018 Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> <li>- On 31 October 2017 from SPSI, regarding: Request for repair related to school bus transportation, no evidence has been responded</li> <li>- On 27 November 2017 from PUK SPSI, regarding The request for Bipartite to fill the CLA article XIV paragraph 2 and for negotiations with PD FSPP-SPSI North Sumatra can be accelerated, no evidence has been responded</li> <li>- On 12 Februari 2018 from Yayasan Pendidikan Gereja Methodist Indonesia Wilayah I, Aek Nabara letter no. 420/04.SMK.M/2018, dated 12 February 2018 regarding: Application for Prakerin (Industrial Work Practice) Student, has been responded on 12 February 2018 has given approval for technical internship.</li> <li>- During the audit of PT RSK (Pangkalan Estate) and PT Indo Sepadan Jaya (Tanjung Selamat Mill) can not demonstrated evidence that information request has respond.</li> </ul> <p><u>Non conformity:</u></p> <p>There is no evidence that information request from stakeholder has responded by PT Rantau Sinar Karsa - Pangkatan Estate and PT Indo Sepadan Jaya - Tanjung Selamat Mill.</p> <p>Based on interview and document verification of record of information request:</p> <ul style="list-style-type: none"> <li>• Dated 14 September 2017 from Disnakertrans in Pangkatan Estate; regarding call for mediation hearing;</li> <li>• On 27 November 2017 from PUK SPSI in Tanjung Selamat Mill, regarding Request for Bipartite to fill out PKB article XIV paragraph 2 and request acceleration of negotiation with PD FSPP-SPSI North Sumatra.</li> </ul> <p>However there is no feedback and responses made by PT Rantau Sinar Karsa - Pangkatan Estate and PT Indo Sepadan Jaya - Tanjung Selamat Mill for the information request.</p> <p>Company has taken action to address the non conformity, details of correction and corrective action presented in section 3.4 Details of findings.</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p><b>Criterion 1.2:</b></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>		
<p>1.2.1</p>	<p>Publicly available documents shall include, but are not necessarily limited to:</p> <ul style="list-style-type: none"> <li>a) Land titles/user rights (Criterion 2.2)</li> <li>b) Occupational health and safety plans (Criterion 4.7)</li> <li>c) Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8)</li> <li>d) HCV documentation (Criteria 5.2 and 7.3)</li> <li>e) Pollution prevention and reduction plans (Criterion 5.6)</li> <li>f) Details of complaints and grievances (Criterion 6.3)</li> <li>g) Negotiation procedures (Criterion 6.4)</li> </ul> <p>The list of information has been listed in “Daftar Dokumen dan Indormasi untuk Diakses Publik PT indo Sepadan Jaya has established on October 2016, there are 32 type of document of information. This list is made available in all estate (Tanjung Selamat Estate, Pangkatan Estate and Tanjung Selamat Mill). The list consist of:</p> <ul style="list-style-type: none"> <li>- Number of employee and salary payment – accesible to government bodies, BPJS, worker union and NGO;</li> <li>- Information on Nomor Pokok Wajib Pajak and Pajak Bumi dan Bangunan – accessible to government bodies; Tax and retribution payment – accessible to government bodies;</li> <li>- Environment document – accessible to government bodies and NGO; Establishment deed, area database, production database, manuring application – accessible to government bodies;</li> <li>- Legal ownership of the land – accessible to government bodies and NGO;</li> <li>- HCV Report – accessible to government bodies and NGO; Social Impact Assessment – accessible to government bodies and NGO;</li> <li>- Community Development Program – accesible to government bodies and NGO;</li> <li>- Health and Safety Committee Report – “Laporan Panitia Pembina Keselamatan dan Kesehatan Kerja” – accessible to government bodies;</li> <li>- Continuous Improvement Plan document – accessible to government bodies;</li> <li>- Human Rights Policy – accessible to government bodies and NGO;</li> </ul>	<p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance
	h) Continual improvement plans (Criterion 8.1) i) Public summary of certification assessment report j) Human Rights Policy (Criterion 6.13). - Major compliance –	<ul style="list-style-type: none"> <li>- Summary report of Certification Body Certification – accesible to government bodies and NGO;</li> <li>- Complaint and Grievance Document – accesible to government bodies and NGO;</li> </ul>	
<b>Criterion 1.3:</b> Growers and millers commit to ethical conduct in all business operations and transactions.			
1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions along with the documentation of socialisation process of the policy to all levels of the workers and operations. - Minor compliance –	<p>The company has code ethical conduct policy that has been published “Company policy” dated 01<sup>st</sup> December 2014 which also covering ethics in business that stated that “ethical behaviour, prohibition of all forms of corruption, bribery in the conduct or transaction of business practices and fraudulent use of funds”.</p> <p>Dissemination on code of ethical conduct policy: on 7 February 2018 to operations 12 contractors and 8-9 February 2018 to all level workers (310 workers) in Tanjung Selamat Estate and on Pangkatan Estate to operations as many 5 contractors and 7 February 2018 and 7-8 February 2018 to all level workers (260 workers). Dissemination on code of ethical conduct policy: on 6 February 2018 to operations 14 contractors and to all level workers (85 workers) in Tanjung Selamat Mill</p> <p>Based on discussion with worker union, interview with employee and local contractors, they have understood the message in code of ethical conduct policy.</p> <p>Based on interview with sampled workers, they understand the code of ethical conduct in simple association – no corruption, no collusion, and no nepotism.</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
<b>Principle 2: Compliance with applicable laws and regulations</b>		
<b>Criterion 2.1</b> There is compliance with all applicable local, national and ratified international laws and regulations.		
2.1.1	<p>Evidence of compliance with relevant legal requirements shall be available.</p> <p>- Major compliance –</p> <p>The company has demonstrated evidence of compliance with relevant legal requirements, such as:</p> <ol style="list-style-type: none"> <li>1. Izin Lokasi (Location Permit) form North Sumatera Governor no. 7550/Sekr/Tahun 1988 (± 3,885 Ha) for Tanjung Selamat Estate and no,593.41/2834/K, year 1989, dated 8 November 1989 (± 4,500 Ha) for Pangkatan Estate.</li> <li>2. Izin Lokasi (Location permit) from Bupati Labuhan Batu SK No. 503.593/35/Ptnh/2014, dated 14 February 2014 related “Pemberian Ijin Lokasi Penggunaan Tanah untuk Keperluan Usaha Perkebunan Kelapa Sawit Kepada PT Indo Sepadan Jaya yang terletak di Desa Kampung Padang Kecamatan Pangkatan, Kabupaten Labuhan Batu dengan luas ± 118,4 H”</li> <li>3. Decree from Minister of Forestry no. 578/Kpts-II/1993 dated 1 October 1993, related “Pelepasan Sebagian Kelompok Hutan S. Bilah – S. Kelundang” yang terletak di Kabupaten Labuhan Batu Propinsi Sumatera Utara seluas 3.475,6 Ha.</li> <li>4. Izin Usaha Perkebunan (Operational Business Permit) from Minister of Agriculture No. HK.350/E4.242/03.89, dated 28 March 1989, renewal no. HK.350/M4.338/04.90, dated 10 April 1990 related “Perubahan dan Perpanjangan Persetujuan Prinsip Usaha Perkebunan” – revision of commodity from rubber become oil palm plantation as ± 3,500 Ha at location Bilah Hilir District, Labuhan Batu Regency, North Utara Province” for Tanjung Selamat Estate.</li> <li>5. Izin Usaha Perkebunan (Operational Business Permit) from Minister of Agriculture No. HK.350/E4.236/03.89, dated 23 March 1989 and renewal IUP commodity from rubber to oil palm plantation no. HK.350/E4.329/04/90 dated 10 April 1990 related “Perubahan dan Perpanjangan</li> </ol>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>Persetujuan Prinsip Usaha Perkebunan” becomes oil palm plantation as ± 3,150 Ha di Bilah Hilir Regency, District Labuhan Batu, Sumut” for Pangkatan Estate.</p> <p>6. Renewal IUP in 2013 for Tanjung Selamat Estate from Governor of North Sumatera no. 522.2/87/BPPTSU/2/1.3/IX/2013, dated 9 September 2013 for ± 3,885 Ha and Mill capacity 45 tons FFB/hour.</p> <p>7. IUP no. 522.2/186/BPPTSU/2/1.2/X/2015, dated 30 October 2015 regarding “Izin Perluasan Usaha Perkebunan PT. Indo Sepadan Jaya” for area 118.4 Ha.</p> <p>8. Risalah Pemeriksaan Tanah “B” No. 67/PPT/a/1989, dated on 24 November 1989, issued by “Kanwil BPN” (National Land Agency) of North Sumatera Province (+ 3,885 Ha) for Tanjung Selamat Estate; and re-cadastral in 2014 with “Peta Bidang Tanah” no. 12/12/2014, August 2014 (3,347.01 Ha) and no. 12A/12/2014, August 2014 (531.72 Ha).</p> <p>9. Hak Guna Usaha (HGU)/Land title SK BPN no. 5/HGU/BPN/90, dated 13 March 1990 (4,336 Ha) with land certificate no. 3, year 1993 for Pangkatan Estate.</p> <p>10. Renewal Hak Guna Usaha (HGU) from Kepala BPN no. 125/HGU/BPN/2004, tentang Pemberian Perpanjangan Jangka Waktu dan Pembaharuan HGU Atas Tanah Terletak di Kabupaten Labuhan Batu, Propinsi Sumatera Utara (4,336 Ha) with Land Certificate (Sertifikat) no. 3, year 1993 (Valid until 31 December 2080).</p> <p>11. Decree of BPN Head No. 3/HGU/BPN.12/XII/2017 on 21 December 2017, related issuance of land use title (HGU) of PT Indo Sepadan Jaya, with area 123.915 Ha for Tanjung Selamat Estate.</p> <p>12. AMDAL (SEIA) - Studi Evaluasi Lingkungan (SEL), approved by Komisi Pusat AMDAL, Agriculture Ministry no. RC.220/385/B/II/94 dated 28th February 1994 for Tanjung Selamat Estate and no. RC.220/383/B/II/94, dated 26th February 1994 for Pangkatan Estate.</p> <p>13. Discharge effluent into the watercourse permit from Bupati Labuhan Batu no. 503.660/279/BLH/WAS/2013, dated 17 September 2013, valid until 17 September 2018.</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>14. Izin Penyimpanan Limbah B3 PT Rantau Sinar Karsa from Bupati Labuhan Batu no. 503/660/323/BLH-LB/WAS/2014, dated 30 December 2014 (Valid until 30 December 2019).</p> <p>Chronology of completion of HGU Tanjung Selamat Estate, PT Indo Sepadan Jaya are as follows:</p> <ol style="list-style-type: none"> <li>1. Field examination, research and field monitoring as well as the meeting of “Panitia Pemeriksaan Tanah B” on the application of HGU PT Indo Sepadan Jaya covering 3,347.01 Ha (Kampung Padang Village, Pangkat District, Labuhan Batu Regency) and 531.72 Ha (Tanjung Selamat Village, Kampong Rakyat Regency and Labuhan Batu District, based on letter No. 16/BAPHTBH/HGU/XII/2014 dated 17 December 2014.</li> <li>2. Letter of application for HGU follow-up no. 084/GL-AAS/EXT/07/16 dated 21 July 2016, to Head of Regional Office of BPN North Sumatra Province.</li> <li>3. Partnership Cooperation Agreement between PT Indo Sepadan Jaya and Gapoktan Sumber Rejeki, dated 30 September 2016, no. 03/CSV-KTS/IX/ 2016 covering 869.5 Ha for 431 families.</li> <li>4. Letter from PT Indo Sepadan Jaya no. 057/GL-AAS/EXT/08/17 dated 31 October 2017, related request of information to BPN of North Sumatera Province. Responded by BPN of North Sumatera Province through letter no. 1671/8-12.300/IX/2017 dated 7 September 2017, that mention papers of PT Indo Sepadan Jaya HGU proposals is on process, as follows:               <ol style="list-style-type: none"> <li>a. Area of 3,347.02 Ha, located in Kampung Padang Village, Pangkatan District, Labuhan Batu Regency, North Sumatera Province.</li> <li>b. Area of 531.72 Ha, located in Tanjung Selamat Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatera Province.</li> <li>c. Area of 117.573 Ha, located in Kampung Padang Village, Pangkatan District, Labuhan Batu Regency, North Sumatera Province.</li> </ol> </li> <li>5. Decree of BPN Head No. 3/HGU/BPN.12/XII/2017 on 21 December 2017, related “Pemberian HGU atas nama PT Indo Sepadan Jaya atas tanah terletak di Kabupaten Labuhan Batu, Provinsi Sumatera Utara” - issuance of land use tittle (HGU) of PT Indo Sepadan Jaya, with area 123.915</li> </ol>	



Criterion / Indicator	Assessment Findings	Compliance
	<p>and 117.573 Ha for Tanjung Selamat Estate, valid for 35 years, based on map no. 07/2016 dated 16 May 2016, covers 123.915 and 117.573 Ha.</p> <p>6. Letter from BPN Regional North Sumatera No. 286/12.300/II/2018 dated 8 February 2018, related invitation to conduct checking, examination and field observation, and meeting "Rapat Panitia Pemeriksaan Tanah B", on 11 to 13 February 2018.</p> <p><b>Tanjung Selamat POM:</b></p> <ul style="list-style-type: none"> <li>- Tanjung Selamat Palam Oil Mill has obtained building permit in form of HGB (Hak Guna Bangunan), covering area of 21.7599 Ha, including:               <ol style="list-style-type: none"> <li>1. HGB no 1 on 22 July 1996 as 43.012 M<sup>2</sup></li> <li>2. HGB no 2 on 22 July 1996 as 39.544 M<sup>2</sup></li> <li>3. HGB no 3 on 22 July 1996 as 41.583 M<sup>2</sup></li> <li>4. HGB no 4 on 22 July 1996 as 15.732 M<sup>2</sup></li> <li>5. HGB no 5 on 22 July 1996 as 19.527 M<sup>2</sup></li> <li>6. HGB no 6 on 22 July 1996 as 19.394 M<sup>2</sup></li> <li>7. HGB no 7 on 22 July 1996 as 19.104 M<sup>2</sup></li> <li>8. HGB no 8 on 22 July 1996 as 19.703 M<sup>2</sup></li> </ol> </li> <li>- "Izin Usaha Tetap" issued by Kepala Badan Koordinasi Penanaman Modal No. 446/T/Kehutanan-Perkebunan/1998 dated 16 September 1998. Regarding "Providing Permanent Business License to PT Indo Sepadan Jaya with the business field of Integrated Palm Oil Plantation with its processing unit into palm oil and palm kernel", located at Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera Province.</li> <li>- "Pengesahan Pemakaian Bejana Tekan" by Manpower Agency of Labuhan Batu Regency Decree No. 560/05/DSTKT-4/2011 dated 30 December 2011. Latest inspection performed on 23 April</li> </ul>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>2016. Report stated the air compressor condition and function is good.</p> <ul style="list-style-type: none"> <li>- "Izin Pemakaian Bejana Uap" by Minister of Manpower Decree No. 02/J.0196.A dated 24 October 1996. Latest inspection performed on 6 April 2016 by CV Jaya Abadi. Report stated the boiler condition and function is good.</li> <li>- "Pengesahan Pemakaian Motor Diesel" by Ministry of Manpower, North Sumatera Office decree No. 344/PTP./W2/1996 30 December 1996 for motor diesel Volvo Penta. Latest inspection report dated 6 April 2017. Report stated that motor diesels condition and function are good.</li> <li>- "Pengesahan Penggunaan Instalasi Penyalur Petir di Tempat Kerja" by Ministry of Manpower, North Sumatera Office decree No. 53/W2/PPT/ELEC/1997 dated 27 January 1997 for lightning arrester installation. Latest inspection report was evident dated 6 April 2017 and reported that the condition is good and it well functioned.</li> <li>- "Pengesahan Penggunaan Instalasi Listrik di Tempat Kerja" by Ministry of Manpower, North Sumatera Office decree No. 144/IL/D/W2/1997 dated 27 January 1997 for electrical installation. Latest inspection report was evident dated 6 April 2017. Report stated the installation condition and function is good.</li> <li>- "Pengesahan Pemakaian Turbin" by Ministry of Manpower, North Sumatera Office decree No. 343/PTP./W2/1996 dated 30 December 1996 for Turbin vessel Shinko. Latest inspection report dated 6 April 2017. Report stated that steam exhaust, main steam, emergency stop, oil cooler and safety valve condition and function are good.</li> </ul>	
2.1.2	<p>A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>- Minor compliance –</p>	<p>The Company has established mechanism for ensuring compliance with applicable legal requirement. It was stated on "Prosedur Pemenuhan Peraturan Perundang - undangan dan Perubahannya (SOP AA-GL-5001.1-R0), dated 5 December 2009. The procedure stated that company assigned PIC for law compliance was Social, Security and Legal (SSL) Department. The department is obliged to inform the issuance of any new regulation and communicating interpretation and implementation of this new regulation. Relevant departments are obliged to review the process on their department and ensure the relevant regulations are implemented. If necessary, relevant department will revise</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>the policy, revise the procedure/work instruction, and communicating the changes to all interested parties.</p> <p>The company has conducted evaluation of compliance with relevant legal requirements in "Status Evaluasi Per Tanggal 5 Februari 2018". The evaluation was conducted by public relation officer on annual basis. Latest evaluation was conducted on 5 February 2018.</p>	
2.1.3	<p>A mechanism for ensuring compliance shall be implemented.</p> <p>- Minor compliance –</p>	<p>The Company has implemented mechanism for ensuring compliance with applicable legal requirement. It was stated on "Prosedur Pemenuhan Peraturan Perundang - undangan dan Perubahannya" (SOP AA-GL-5001.1-R0), dated 5 December 2009. Evidence of implementation of legal requirements compliance evaluation is documented in "Status Evaluasi Per Tanggal 5 Februari 2018". The evaluation was conducted by public relation officer on annual basis. Latest evaluation was conducted on 5 February 2018.</p> <p><u>Nonconformity:</u></p> <p>Implementation of "Prosedur Pemenuhan Peraturan Perundang - undangan dan Perubahannya" (SOP AA-GL-5001.1-R0), dated 5 December 2009, related ensuring legal compliance is lacking during audit. The company has not identified and evaluated a number of relevant regulations, among others:</p> <ul style="list-style-type: none"> <li>- Ministry of Agriculture Regulation No. 26/Permentan/OT.140/2/2017 article 9 verse 1, article 11 verse 1, article 34 and article 42 verse 1 regarding IUP (plantation permit).</li> <li>- Act No.39/2014 regarding Plantation.</li> <li>- Government Regulation No.101/2014 regarding Hazardous Waste Handling.</li> <li>- Ministry of Manpower Regulation No. 7/2013, regarding Minimum Wage.</li> <li>- Governor Regulation regarding Province Minimum Wage.</li> <li>- President Instruction No. 1/2013, regarding Action for Corruption Prevention and Eradication</li> </ul>	<p>NC</p> <p>#1600992-201802-N1</p> <p>status remain OPEN</p>

Criterion / Indicator		Assessment Findings	Compliance
		Company has made corrective action plan to address the non conformity as described in section 3.4 details of finding.	
2.1.4	<p>A system for tracking any changes in the law shall be available and implemented.</p> <p>- Minor compliance -</p>	<p>Documented methodology for tracking any changes in the law was described in "Prosedur Pemenuhan Peraturan Perundang – undangan dan Perubahannya (SOP AA-GL-5001.1-R0)", dated 5 December 2009. The PIC of Law Compliance and SSL (social, security, and licence) Department was conducted identification, verification and registering all legal and other requirements include environment issues, OHS, agronomy, manufacturing, social, etc.</p> <p>The SSL Department is obliged to inform the issuance of any new regulation and communicating interpretation and implementation of this new regulation. Relevant departments are obliged to review the process on their department and ensure the relevant regulations are implemented. If necessary, relevant department will revise the policy, revise the procedure/work instruction, and communicating the changes to all interested parties. Every time a new regulation PIC of Law Compliance will update the legal compliance evaluation.</p>	Comply
<p><b>Criterion 2.2</b></p> <p>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>			
2.2.1	<p>Documents showing legal ownership or lease, history of land tenure ownership/control, and the actual legal use of the land shall be available.</p> <p>- Major compliance -</p>	<p>PT Indo Sepadan Jaya has obtained the legal ownership of land, history of land tenure ownership/control, and the actual legal use of the land:</p> <ol style="list-style-type: none"> <li>1. Izin Lokasi (Location Permit) from North Sumatera Governor no. 7550/Sekr/Tahun 1988 (+ 3,885 Ha) and no. 593.41/2834/K, year 1989, dated 8 November 1989 (+ 4,500 ha) for Tanjung Selamat estate and no,593.41/2834/K, year 1989, dated 8 November 1989 (+ 4,500 Ha) for Pangkatan Estate.</li> <li>2. Izin Lokasi (Location permit) from Bupati of Labuhan Batu Decree no. 503.593/35/Ptnh/2014, dated 14 February 2014, concerning Land Location Permit for the purpose of oil palm plantation business to PT Indo Sepadan Jaya located in Kampung Padang Village Pangkatan District,</li> </ol>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>Labuhan Batu Regency with an area of ± 118.4 HKeputusan Menteri Kehutanan on 1 October 1993, no. 578/Kpts-II/1993, related “Pelepasan Sebagian Kelompok Hutan S. Bilah – S. Kelundang” yang terletak di Kabupaten Labuhan Batu Propinsi Sumatera Utara seluas 3.475,6 Ha.</p> <p>3. Izin Usaha Perkebunan (Operational Business Permit) from Agriculture Ministry No. HK.350/E4.242/03.89, dated 28th March 1989, renewal no. HK.350/M4.338/04.90, dated 10th April 1990 “Perubahan dan Perpanjangan Persetujuan Prinsip Usaha Perkebunan” become oil palm plantation as + 3,500 Ha in location Bilah Hilir Regency, District Labuhan Batu, Province Sumatera Utara” for Tanjung Selamat Estate and No. HK.350/ E4.236/03.89, dated 23 March 1989 and renewal IUP from rubber to oil palm plantation no. HK.350/E4.329/04/90 dated 10 April 1990 related renewal “Perubahan dan Perpanjangan Persetujuan Prinsip Usaha Perkebunan” becomes oil palm plantation as + 3,150 Ha di Bilah Hilir Regency, District Labuhan Batu, Sumut” for Pangkatan estate.</p> <p>4. Renewal IUP in 2013 for Tanjung Selamat estate from Governor of North Sumatera no. 522.2/87/BPPTSU/ 2/1.3/IX/2013, dated 9th September 2013 for + 3,885 Ha dan Mill capacity 45 tonnes FFB/hour.</p> <p>5. IUP no. 522.2/186/BPPTSU/2/1.2/X/2015, dated 30th October 2015 regarding Izin Perluasan Usaha Perkebunan PT. Indo Sepadan Jaya for area 118.4 ha.</p> <p>Acquisition of HGU by company:</p> <p>1. Risalah Pemeriksaan Tanah “B” No. 67/PPT/a/1989, dated on 24th November 1989, issued by “Kanwil BPN” North Sumatera Province (+ 3,885 Ha) for Tanjung Selamat Estate; and re-cadastral in 2014 with “Peta Bidang Tanah” no. 12/12/2014, August 2014 (3,347.01 ha) and no. 12A/12/2014, August 2014 (531.72 ha).</p> <p>2. Hak Guna Usaha (HGU)/Land title SK BPN no. 5/HGU/BPN/90, dated 13 March 1990 (4,336 Ha) with land certificate no. 3, year 1993 for Pangkatan estate.</p> <p>3. Renewal Hak Guna Usaha (HGU) from Kepala BPN no. 125/HGU/BPN/2004, concerning:</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>Extension of Duration and Renewal of HGU on Land Located in Labuhan Batu District, North Sumatra Province (4,336 ha)with Land Certificate (Sertifikat) no. 3, year 1993 (Valid until 31 December 2080)</p> <p><u>Tanjung Selamat Palm Oil Mill :</u></p> <p>Tanjung Selmat POM has obtained HGB (Hak Guna Bangunan), covering area of 21.7599 Ha, including:</p> <ol style="list-style-type: none"> <li>1. HGB no 1 on 22 July 1996 as 43.012 M2</li> <li>2. HGB no 2 on 22 July 1996 as 39.544 M2</li> <li>3. HGB no 3 on 22 July 1996 as 41.583 M2</li> <li>4. HGB no 4 on 22 July 1996 as 15.732 M2</li> <li>5. HGB no 5 on 22 July 1996 as 19.527 M2</li> <li>6. HGB no 6 on 22 July 1996 as 19.394 M2</li> <li>7. HGB no 7 on 22 July 1996 as 19.104 M2</li> <li>8. HGB no 8 on 22 July 1996 as 19.703 M2</li> </ol> <p>Chronology of completion of PT Indo Sepadan Jaya HGU</p> <ol style="list-style-type: none"> <li>1. December 17, 2014; Field examination, research and field monitoring as well as the meeting of "Panitia Pemeriksaan Tanah B" on the application of HGU PT Indo Sepadan Jaya covering 3,347.01 Ha (Kampung Padang Village, Pangkat District, Labuhan Batu Regency) and 531.72 Ha (Tanjung Selamat Village, Kampong Rakyat Regency and Labuhan Batu District. , Based on letter dated December 17, 2014, No. 16 / BAPHTBH / HGU / XII / 2014</li> <li>2. Letter of application for follow-up of HGU, dated July 21, 2016, no. 084 / GL-AAS / EXT / 07/16 to Head of Regional Office of BPN Prov. North Sumatra.</li> </ol>	

Criterion / Indicator		Assessment Findings	Compliance
2.2.2	<p>Legal boundaries are clearly demonstrated and maintained.</p> <p>- Minor compliance -</p>	<p><u>Tanjung Selamat Estate:</u></p> <p>Tanjung Selamat Estate has performed monitoring on HGU poles. Maintenance of the HGU poles is done every 3 months, the last is on March 25, 2017, sample seen:</p> <ul style="list-style-type: none"> <li>- No. 27 in block B15A year planting 2015, Divisi II, coordinat number: 02°07'22.4" N; 100°05'10.7" E, bordering with Perlabian Village</li> <li>- No. 29 in block B15C year planting 2015, Divisi II, coordinat number: 02°07'45.2" N; 100°05'52.8" E, bordering with Perlabian Village</li> <li>- No. 22 in block B13A year planting 2015, Divisi II, coordinat number: 02°08'30.73" N; 100°07'31.45" E, bordering with Perlabian Village</li> <li>- No. 29 in block B11A year planting 2015, Divisi II, coordinat number: 02°08'08.16" N; 100°06'29.3" E, bordering with Perlabian Village</li> </ul> <p><u>Pangkalan Estate:</u></p> <ul style="list-style-type: none"> <li>- No. 12 in block B11A year planting 2015, Divisi II, coordinat number: 02°13'35.134" N; 100°01'54.766" E.</li> <li>- No. 9 in block B09A year planting 2015, Divisi II, coordinat number: 02°11'32.27" N; 100°0'37.501" E.</li> <li>- No. 8 in block B11A year planting 2015, Divisi II, coordinat number: 02°10'37163" N; 99°58'56.969" E.</li> <li>- No. 15 in block A7A year planting 2015, Divisi I, coordinat number: 02°14'3.882" N; 99°59'34.572" E.</li> </ul> <p>All boundary poles are in maintained status – as seen on site. Maintenance of poles conducts regularly every 6 month, last maintained on 17 November 2017 to all baudary poles.</p>	Comply



Criterion / Indicator		Assessment Findings	Compliance
2.2.3	<p>In the event that there is a dispute or a dispute has occurred, adequate evidence of legitimate acquisition and compensation or compensation settlement process through conflict resolution which has been received through Free, Prior and Informed Consent by all related parties shall be provided.</p> <p>- Minor compliance -</p>	<p><u>Tanjung Selamat Estate</u></p> <p>Based on information management, verification of documents "Risalah Panitia B" No. 67/PPT/a/1989 dated 24 November 1989 by BPN Regional Office of North Sumatra province and also Hectare Statement mentions an indication that there is no land dispute between the company and the community. On period 2017 there is no dispute occurs at Tanjung Selamat Estate.</p> <p><u>Pangkalan Estate</u></p> <p>Based on the results of the public consultation with the Land Office-BPN of Labuhan Batu Regency stated that there is a community claim on the area of HGU PT.</p> <p>Based on interviews with village communities around at the public consultation dated 26 February 2018, that up to now there are no disputes related to plantation land.</p>	Comply
2.2.4	<p>There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.</p> <p>- Major compliance -</p>	<p>Based on the verification of documents and interviews with stakeholders showed that there is currently no land dispute at PT Indo Sepadan Jaya and PT Rantau Sinar Karsa, the company has a good record of land dispute resolution recordings in previous years.</p> <p>Based on interviews with village communities around at the public consultation dated 26 February 2018, that currently there are no disputes related to plantation land.</p>	Comply
2.2.5	<p>For any conflict or dispute over the land, the evidence of the extent of disputed area is mapped out in a participatory way with involvement of affected parties (including neighboring</p>	<p>Based on interview with local community around the plantation both of PT Indo Sepadan Jaya and PT Rantau Sinar Karsa, currently there is no any land dispute was noted.</p> <p>All land compensation has been completed by company since 25 years ago. No further land compensated up to 3<sup>rd</sup> Annual Surveillance Assessment.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
	<p>communities and local government where applicable), shall be available.</p> <p>- Minor compliance -</p>		
2.2.6	<p>To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and/or planned operations.</p> <p>- Major compliance -</p>	<p>Based on interview with local community around the plantation both of PT Indo Sepadan Jaya and PT Rantau Sinar Karsa, currently there is no any land dispute was noted.</p> <p>All land compensation has been completed by company since 25 years ago. No further land compensated up to 3<sup>rd</sup> Annual Surveillance Assessment.</p>	Comply
<p><b>Criterion 2.3</b></p> <p>Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p>			
2.3.1	<p>Maps with appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighboring communities where applicable, and relevant authorities).</p> <p>- Major compliance -</p>	<p><u>Tanjung Selamat Estate</u></p> <p>Based on the verification of legal documents and the results of public consultation with BPN and Communities around the state that no traditional rights in the work area of Tanjung Selamat Estate.</p> <p>In 2014 cadastral measurements have been carried out by Badan Pertanahan Kanwil Sumatera Utara and recorded on the Peta Bidang Tanah/Land Area Map;</p> <p>a. Land Area Map No. 12/12/2014, scale 1:20.000; on August 2014, covering area 3.347,01 Ha, location at Labuhan Batu Regency on the location permit No. 503.593/79/Ptnh/2014, dated 20 March 2014.</p> <p>b. Land Area Map No. 12A/12/2014, scale 1:10.000; on August 2014, covering area 531,72 Ha, location at Labuhan Batu Regency on the location permit No. 503.593/79/Ptnh/2014, dated 20</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>March 2014.</p> <p><u>Pangkalan Estate:</u></p> <p>Based on Land Title/HGU map, it was noted no any customary rights or user rights within Pangkatan Estate.</p>	
2.3.2	<p>Copies of negotiated agreements including the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and these include:</p> <ul style="list-style-type: none"> <li>a) Evidence of consultation</li> <li>b) Statement of transfer of rights</li> <li>c) Evidence of compensation</li> </ul> <p>See specific guidance 2.3.2</p> <p>- Minor compliance -</p>	<p>The company has documented land compensation as recorded by "Document &amp; Liaison (D&amp;L) Department". Copies of documents are available in the estate and the original documents are kept in Medan office.</p> <p>The whole process of the implementation of the compensation set forth in the Joint Agreement and Handover including participatory measurement results. The agreement also provided with a map based on result of participatory mapping is witnessed by local government agencies, receipt of payment, and photograph of payment of compensation as evidence.</p> <p>Based on the management's statement and the "Risalah panitia B" document in 1989, it is stated that there is no traditional rights of the people in PT Indo Sepadan Jaya (Tanah Negara Bebas) working area so there is no compensation process to other parties including the community.</p> <p>Based on the results of interviews with the surrounding community states that the company does not make land compensation because it is considered the land of the Free State so no compensation is required.</p> <p>In the work area of PT Rantau Sinar Karsa, land acquisition is not carried out because based on management's statement and the Committee's Proceed Document B 1989 stated that there is no traditional right of the community in PT Rantau Sinar Karsa (Tanah Negara Bebas) working area so there is no compensation process to other parties Including to the community.</p>	Comply
2.3.3	<p>Relevant information shall be available in appropriate forms and languages, including analysis of</p>	<p>Based on interviews with the local communities on public consultation on 26 February 2018 showed that they have understood the positive and negative impact of plantation development, environmental management to minimize negative impacts and social management to the</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
	impacts, proposed benefit sharing, and legal arrangements. - Minor compliance -	surrounding community partnerships and programs, including CSR program are now perceived and the program for others local communities still continuing.	
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. - Major compliance -	Based on interviews with the local communities on public consultation on 26 February 2018 it was noted that there is no any land compensation was made due to no customary land or legal rights within the company areas.	Comply
<b>Principle 3: Commitment to long-term economic and financial viability</b>			
<b>Criterion 3.1</b>			
<b>There is an implemented management plan that aims to achieve long-term economic and financial viability.</b>			
3.1.1	A documented management plan, a minimum of three years shall be available, including, where appropriate, plan for scheme smallholders. - Major compliance-	The company has committed to economic and financial sustainability and has documented the working plan in the Financial Budget Plan "Penyusunan Anggaran Detail". The company has set up a business management plan for the next 5 years and the forecast have been well documented in the document "Proyeksi Produk Sustainable & Non Sustainable PT Indo Sepadan Jaya" 2017 - 2020. Management plan was set up including independent FFB suppliers. Its management plan include: <ol style="list-style-type: none"> <li>1. FFB Production projection 2017 – 2020</li> <li>2. CPO, PK, production projection 2017 – 2020</li> <li>3. OER, KER projection 2017 – 2020</li> </ol>	Comply

Criterion / Indicator		Assessment Findings	Compliance																											
		<p>4. Estate Cost Estimation: Upkeep cost, manuring cost, pest and disease management cost, pruning cost, census cost, terrace maintenance cost, road and bridge maintenance cost, harvesting cost.</p> <p>5. Mill Cost, KCP Cost, Selling cost, Bulking cost and Tax portion actual 2016 and projection 2018 – 2022</p> <p>6. Net Profit/Loss</p> <table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="3">Projection of Production (tons)</th> </tr> <tr> <th>Tanjung Selamat Estate</th> <th>Pangkalan Estate</th> <th>Third Party</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>50,367</td> <td>37,242</td> <td>50,000</td> </tr> <tr> <td>2018</td> <td>65,302</td> <td>27,342</td> <td>50,000</td> </tr> <tr> <td>2019</td> <td>85,316</td> <td>29,126</td> <td>50,000</td> </tr> <tr> <td>2020</td> <td>102,795</td> <td>33,316</td> <td>75,000</td> </tr> <tr> <td>2021</td> <td>114,112</td> <td>52,524</td> <td>75,000</td> </tr> </tbody> </table>	Year	Projection of Production (tons)			Tanjung Selamat Estate	Pangkalan Estate	Third Party	2017	50,367	37,242	50,000	2018	65,302	27,342	50,000	2019	85,316	29,126	50,000	2020	102,795	33,316	75,000	2021	114,112	52,524	75,000	
Year	Projection of Production (tons)																													
	Tanjung Selamat Estate	Pangkalan Estate	Third Party																											
2017	50,367	37,242	50,000																											
2018	65,302	27,342	50,000																											
2019	85,316	29,126	50,000																											
2020	102,795	33,316	75,000																											
2021	114,112	52,524	75,000																											
3.1.2	<p>An annual replanting program projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.</p> <p>- Minor compliance-</p>	<p>The company has set a replanting program of Tanjung Selamat Estate Pangkatan Estate and for Year 2017-2020. Some documents were reviewed such as document "Peta Rencana Replanting KPT 2015 – 2020 (Revisi) – PT Rantau Sinar Karsa – Kebun Pangkatan, Peta Rencana Tumbang Chipping OP 2018, and etc.</p> <p>Plan and realization of replanting 2012 until 2017 and replanting plan for period 2018 until 2021 presented as table below:</p> <table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Tanjung Selamat Estate (Ha)</th> <th colspan="2">Pangkalan Estate (Ha)</th> </tr> <tr> <th>Plan</th> <th>Actual</th> <th>Plan</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>2012</td> <td>464</td> <td>464</td> <td>-</td> <td>-</td> </tr> <tr> <td>2013</td> <td>886</td> <td>886</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Year	Tanjung Selamat Estate (Ha)		Pangkalan Estate (Ha)		Plan	Actual	Plan	Actual	2012	464	464	-	-	2013	886	886	-	-	Comply								
Year	Tanjung Selamat Estate (Ha)			Pangkalan Estate (Ha)																										
	Plan	Actual	Plan	Actual																										
2012	464	464	-	-																										
2013	886	886	-	-																										

Criterion / Indicator		Assessment Findings						Compliance
		2014	826	826	-	-		
		2015	475	475	293	293		
		2016	595	595	659	659		
		2017	612	612	710	710		
		2018	-	-	717	-		
		2019	-	-	713	-		
		2020	-	-	548	-		
<b>Principle 4: Use of appropriate best practices by growers and millers</b>								
<b>Criterion 4.1</b>								
<b>Operating procedures are appropriately documented, consistently implemented and monitored.</b>								
4.1.1	<p>Standard Operating Procedures (SOPs) for estates (land clearing to harvesting) and SOP for mills (reception of FFB to dispatch of CPO and PKO) shall be available.</p> <p>- Major compliance -</p>	<p>Tanjung Selamat and Pangkatan Estate have demonstrated procedures for estate operation, starts from land preparation including replanting up to harvesting, such as:</p> <ol style="list-style-type: none"> <li>1. SOP AA-APM-OP-1100.01-R4 dated 5/09/2016 Pembibitan; explains Nursery.</li> <li>2. SOP AA-APM-OP-1100.02-R3 10/06/2015 Penanaman Areal Baru; explains New Area Palnting.</li> <li>3. SOP AA-APM-OP-1100.03-R2 24/07/2015 Pembuatan dan Perawatan Jalan dan Jembatan; explains road and bridge construction and maintenance.</li> <li>4. SOP AA-APM-OP-1100.04-R3 07/12/2015 Pembuatan dan Pemeliharaan Parit; explains culvert/drainage construction and maintenance.</li> </ol>						Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>5. SOP AA-APM-OP-1100.05-R3 23/11/2016 Konservasi Tanah dan Air; explains Soil &amp; Water Conservation.</p> <p>6. SOP AA-APM-OP-1100.06-R6 16/02/2017 Menanam Kacangan; related to Planting cover crops.</p> <p>7. SOP AA-APM-OP-1100.07-R6 16/02/2017 Menanam Kelapa Sawit; related to Planting Oil Palm.</p> <p>8. SOP AA-APM-OP-1100.08-R6 11/05/2016 Pengendalian Gulma or Weed control.</p> <p>9. SOP AA-APM-OP-1100.09. R5 5/09/2016 Pemupukan; related to Fertilizer application.</p> <p>10. SOP AA-APM-OP-1100.10. R6 23/11/2016 Pengendalian Hama dan Penyakit; explains Pests &amp; Disease Control.</p> <p>11. SOP AA-APM-OP-1100.11. R1 01/02/2009 Pestisida dan Pengendaliannya; explains for pesticide handling.</p> <p>12. SOP AA-APM-OP-1100.12. R3 23/11/2016 Kastrasi; explains castration (cutting all generative product (male flower, female flower, all fruit, to support vegetative growth) – done 5-6 months before being harvested.</p> <p>13. SOP AA-APM-OP-1100.13. R3 04/03/2016 Tunas Pokok for pruning.</p> <p>14. SOP AA-APM-OP-1100.14. R3 16/02/2017 Sensus dan Identifikasi Pokok; explains census and palm identification;</p> <p>15. SOP AA-APM-OP-1100.15. R2 01/10/2010 Sensus Produksi related to production census.</p> <p>16. SOP AA-APM-OP-1100.16. R1 01/02/2009 Konsolidasi Pohon Tumbang; explains provision of support to fallen palm.</p> <p>17. SOP AA-APM-OP-1100.17. R1 23/10/2014 Pengelolaan Air; related to water management.</p> <p>18. SOP AA-APM-OP-1100.18. R3 20/04/2015 Potong Buah related to harvesting.</p> <p>19. SOP AA-APM-OP-1100.19. R1 01/02/2009 Pengelolaan Transport explains FFB Transport.</p>	



Criterion / Indicator	Assessment Findings	Compliance
	<p>20. SOP AA-APM-OP-1100.20-R6 16/02/2017 Replanting;</p> <p>Tanjung Selamat POM has established a procedure to process the FFB to become CPO and PK starts from reception of FFB to dispatch of CPO and PK:</p> <ol style="list-style-type: none"> <li>1. SOP AA-MPM-OP-1400.02.R2 Stasiun Penerimaan for FFB receiving station;</li> <li>2. SOP AA-MPM-OP-1400.03.R1 Stasiun Rebusan for sterilizer;</li> <li>3. SOP AA-MPM-OP-1400.04.R1 Stasiun Pemisahan Berondolan for loose fruit separation;</li> <li>4. SOP AA-MPM-OP-1400.05-R1 Stasiun pengadukan dan pengempaan for pressing station;</li> <li>5. SOP AA-MPM-OP-1400.06-R1 Stasiun pemurnian for clarification;</li> <li>6. SOP AA-MPM-OP-1400.07-R1 Stasiun pemisahan nut dan fiber for nut and fiber separation;</li> <li>7. SOP AA-MPM-OP-1400.08-R1 Stasiun kernel for kernel station;</li> <li>8. SOP AA-MPM-OP-1400.09-R1 Stasiun boiler;</li> <li>9. SOP AA-MPM-OP-1400.10-R1 Stasiun engine room;</li> <li>10. SOP AA-MPM-OP-1400.11-R1 Stasiun water treatment;</li> <li>11. SOP AA-MPM-OP-1400.12-R1 Laboratorium;</li> <li>12. SOP AA-MPM-OP-1400.13-R1 Stasiun pengelolaan limbah for palm oil mill effluent treatment;</li> <li>13. SOP AA-MPM-OP-1400.14-R2 Stasiun penimbunan dan pengiriman CPO dan kernel for CPO and PK bulking and despatch operation;</li> <li>14. SOP AA-MPM-OP-1400.15-R1 Perawatan for preventive maintenance;</li> <li>15. SOP AA-MPM-OP-1400.19.R2 Manajemen dan Metode Menghitung Emisi Gas rumah kaca (GHG)</li> <li>16. SOP AA-MPM-OP-1400.18-R4 Book Keeping</li> </ol>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>17. AA-MPM-OP-1400.17-R6 Traceability</p> <p>The mill operational procedures explains the flow process, specification of material and process, machinery and tools required, step-by-step process, control, monitoring and measurement and health and safety requirements.</p>	
4.1.2	<p>Checking or monitoring of operations procedures is conducted at least once a year.</p> <p>- Minor compliance -</p>	<p>The company follows procedure for internal audit under Standard Operating Procedures AA-SOP-ES-6001-R1 01/03/2013. The procedure stated that internal audit conducted minimum once a year. Upon finding, management unit shall prepare review on audit finding and prepare root cause analysis, prepare corrective action – with person in charge and completion target. The latest Sustainability internal audit has performed on 13 – 23 November 2017.</p> <p>To checking and monitoring of operations procedures, the company has conducted any others internal audit and visit both in estate and mill:</p> <ul style="list-style-type: none"> <li>- R&amp;D Agronomic Visit, conducted once a year to check and monitor the implementation of Agronomy best management practices particularly for pest and disease control and plant upkeep. Last visit performed in Tanjung Selamat Estate on 15 – 16 March 2017 by Zulhasta Sinuraya. During visit found that "Growth of OP 2012 varies in the field, most of it looks fertile and moreover the growth and appearance of the plant is less satisfactory because of the leaf blight attack in OP 2012 which varied from mild to severe but not evenly distributed in all plants. Recommendation: Immediate application of Hi-Kay fertilizer in March 2018.</li> <li>- R&amp;D P&amp;D Visit in Pangkatan Estate conducted on 8 – 9 September 2017 by Dedek Haryadi. During visit it was recommended that: To anticipate the spread of anthracnose disease (<i>Curvularia</i> sp) immediately spray all seeds in pre nursery with Agronil 75 WP (0.2%) and Dithane M-45 (0.25%) fungicide every 2 weeks in turn. Spraying shall perform after morning watering and should not be watered for 1 night after spraying.</li> <li>- Visiting Agent conducted once a year to check and monitor the implementation of general Agronomy best management practices. Last visit performed in Tanjung Selamat Estate on 18 – 22 December 2017 by Sinnaiha Ganapathy number of comments recommendation were made</li> </ul>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>such as:</p> <ul style="list-style-type: none"> <li>✓ Main issue affecting performance: Due to very high rainfall between September to December 2017, the existing flood mitigating program was unable to cope resulting in about loss of 863 palm while a significant number suffered severe setback.</li> <li>✓ There were still narrow circle due to encroaching ferns and in number of instance due to poor frond stacking. Lack of verification on quality of work and weak reporting by mandores were the main reason. Recommendations: the Assistant must enforce the standards (SOP) and hold the mandore accountable and this was only possible if verification on quality of work was consistently done.</li> </ul> <p>- Visiting Agent in Pangkatan Estate conducted on 7 – 12 August 2017 by Ng Herng Shiew, number of comments recommendation were made such as:</p> <ul style="list-style-type: none"> <li>✓ Main issue affecting performance: Circle condition have deteriorated due to poor spray quality and timing, usage of unsuitable herbicides and fast weed regeneration due to the open nature of the field.</li> <li>✓ <i>Stenochlaena</i> and sedges were sighted in the interrows of several blocks especially in the flood-prone fields.</li> </ul> <p>- Visiting Engineering (VE) performed once a year to check and monitoring the implementation of mill operation procedure. Last VE in Tanjung Selamat Mill performed on 20 – 23 February 2017 by TCJ Thomas. All issue found during visit has been addressed and solved by Tanjung Selamat POM. For example:</p> <ul style="list-style-type: none"> <li>✓ Quality of CPO and PK produced is well within specifications as the result of good measures taken by the mill.</li> <li>✓ The mill has taken initiatives to improve and achieve a higher standard of electric motor maintenance.</li> </ul>	

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>✓ The mill must improve on the housekeeping standards in the Press Station.</li> <li>- Process and Quality Control visit performed each semester to check the quality parameter of mill process and mill production (CPO and PK standard quality), loses, FFB quality, sterilizer pressure, process temperature, unstriped bunches, raw water treatment plant, laboratory, etc. Last visit performed on 12 – 16 September 2017 by Tri Lasmono. All issue found during visit has been addressed and solved by Tanjung Selamat POM. For example:               <ul style="list-style-type: none"> <li>✓ The quality of own estate FFB seen from the maturity of TBS is sufficient, only the percentage of empty fruit bunch and dirt is still quite high which average reaches 1.88% and 0.94%.</li> <li>✓ From result of sample cross check analysis, oil losses and kernel losses to sample in Tanjung Selamat POM is still fluctuating.</li> </ul> </li> </ul>	
4.1.3	<p>Records of monitoring and any follow-up actions shall be available.</p> <p>- Minor compliance -</p>	<p>Records of monitoring and any follow up actions can be demonstrated during audit, such as:</p> <ul style="list-style-type: none"> <li>- RSPO internal audit report, which done in 22 – 23 November 2017 in Tanjung Selamat Estate, 13 – 15 November 2017 in Tanjung Selamat Palm Oil Mill. Audit result findings can be demonstrated and the corrective action has been implemented to address issue found during audit.</li> <li>- R&amp;D Agronomic Visit Report Tanjung Selamat Estate no. KTS/R&amp;D-Agro/01-17 date of visit 15-16 March 2017 by Zulkasta Sinuraya. All issues found during visit have been addressed by the company as explained in indicator 4.1.2 above.</li> <li>- R&amp;D Agronomic Visit Report Pangkatan Estate no. KPT/R&amp;D-P&amp;D/03-17 date of visit 8 – 9 September 2017 by Dedek Haryadi. All issues found during visit have been addressed by the</li> </ul>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>company as explained in indicator 4.1.2 above.</p> <ul style="list-style-type: none"> <li>- Visit Agent Report No.KTS/VA/FULL 01-17 by Sinnaiha Ganapathy, date of visit 18 – 22 December 2017 in Tanjung Selamat Estate. All issues found during visit have been addressed by estates as explained in indicator 4.1.2 above.</li> <li>- Visit Agent Report No.KPT/VA/FULL 01-17 by Ngu Heng Shiow, date of visit 7 – 12 August 2017 in Pangkatan Estate. All issues found during visit have been addressed by estates as explained in indicator 4.1.2 above.</li> <li>- Production Performance report, that explained the FFB production performance and evaluation as well as determined production target for next year. Evaluation FFB production each block can be demonstrated.</li> <li>- Mandore logbook, contain information of daily work monitoring covering: harvesting, spraying, fertilizing, pest and disease census, road and infrastructure maintenance, and others.</li> <li>- Visiting Engineering report No.PTS-VE-FULL 01-17 date of visit 20 – 23 February 2017 by TCJ Thomas. All issue found during visit has been addressed by company as explained in indicator 4.1.2 above.</li> <li>- Process and QC visit report No. PTS/R&amp;D-P&amp;QC/01-2017 date of visit 12 – 16 September 2017 by Tri Lasmono. All issue found during visit has been addressed by company as explained in indicator</li> </ul>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>4.1.2 above.</p> <ul style="list-style-type: none"> <li>- Internal Audit RSPO SSC carried out on 24 November 2017 by Anisa Handayani, against RSPO SCCS 2017 – RSPO General Chain of Custody requirements and Module E: Mass Balance.</li> <li>- Mill Daily Report of Tanjung Selamat Tebo POM, latest on 27 February 2018; contain information covering FFB receiving, FFB process: gross and net FFB processed, FFB stock, shift hour, process hour, press hour, press capacity, sterilizer process, Utility factor commercial and capacity, CPO and PK production, CPO and PK extraction rate, CPO and PK quality. Process performance evaluated each day by mill manager and some corrective action to address some issue has been developed by Tanjung Selamat POM.</li> </ul> <p>It is a routine that the estate and mill management prepare monthly reports and send to the company's head office for monitoring purpose as well. Monthly Report Document has recorded all field inspection results.</p>	
4.1.4	<p>Records of the origins of all third-party FFB sourced (collector, deliver, Cooperative, Farmers Association and outgrower) shall be available.</p> <p>- Major compliance -</p>	<p>The Mill has recorded list of third party FFB supplier as recorded in "Laporan Harian Pabrik" (Mill Daily Report) and resume in document Mill Summary Operation. The FFB from third party coming from collectors, cooperative farmers association and outgrower. List of third party supplier that supplied FFB to Tanjung Selamat Mill are as follow:</p> <ul style="list-style-type: none"> <li>a. Roma</li> <li>b. Wan Juma Sari Dewi (WJD)</li> <li>c. UD Ula Tersia</li> </ul>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> <li>d. UD Sahabat</li> <li>e. CV Vhirly Jaya (VJ)</li> <li>f. William Tanizar</li> <li>g. Tan Ing Sing (TSG)</li> <li>h. Soo Boon Pin</li> <li>i. Wan Juma Sari Dewi-KS (WJD-KS)</li> <li>j. Kopkun Anug Jaya Mandiri SJH</li> <li>k. Kop Mandiri Tani Sejahtera (MTS)</li> </ul> <p>Based on document "Laporan Harian Pabrik" dated 31 December 2017, FFB received from own and third-party during 2017, are as follows::</p> <ul style="list-style-type: none"> <li>- Own estate: 92,908,542 kg</li> <li>- Third party: 107,288,991 kg</li> <li>- Total: 200,197,533 kg</li> </ul> <p>FFB received data until 27 February 2018 are as follow:</p> <ul style="list-style-type: none"> <li>- Own Estates: 13,130,639 kg</li> <li>- Third-party: 17,464,245 kg</li> <li>- Total: 30,594,884 kg</li> </ul>	
<p><b>Criterion 4.2</b> Practices maintain soil fertility at, or where possible improve soil fertility to a level that ensures optimal and sustained yield.</p>		



Criterion / Indicator		Assessment Findings	Compliance																				
4.2.1	<p>A record of SOP implementation to maintain soil fertility that ensures optimal and sustained yield, shall be available.</p> <p>- Major compliance -</p>	<p>The company has established procedure soil fertility in "SOP AA-APM-OP-1100.09. R1" - SOP Pemupukan, consist of type and recommendation of fertilizer for immature and mature areas, cycle, dosage and when fertilizer is applied. During field visit can be demonstrated that company has applied management strategy to maintain soil fertility according to the procedure. Manuring was performed manually with spreading the fertilizer by person uniformly in each palm oil trees in accordance with dosage which has defined by Research and Development recommendation.</p> <p>Fertilizers were applied to maintain and increase soil fertility, fertilizer applied in accordance to the fertilizer recommendation which created based on soil and leaf analysis. Records of fertilizer application in Tanjung Selamat and Pangkatan Estate 2017 as well as recommendation are available in "Fertilizer application and recommendation 2017".</p>	Comply																				
4.2.2	<p>Records of fertilizer inputs shall be available.</p> <p>- Minor compliance -</p>	<p>Fertilizer recommendation and actual implementation is recorded under "Fertilizer Application and Recommendation 2017" and "Laporan Unit Kebun". Below are fertilizer input of Tanjung Selamat and Pangkatan Estate in 2017:</p> <p>Tanjung Selamat Estate:</p> <table border="1"> <thead> <tr> <th rowspan="2">Type of Fertilizer</th> <th colspan="2">Tanjung Selamat Estate</th> </tr> <tr> <th>Recommendation (kg)</th> <th>Realization (kg)</th> </tr> </thead> <tbody> <tr> <td>Dolomite</td> <td>586,314</td> <td>580,098</td> </tr> <tr> <td>Kieserite</td> <td>4,110</td> <td>1,035</td> </tr> <tr> <td>MOP</td> <td>-</td> <td>1,123,595</td> </tr> <tr> <td>Rock Phosphate</td> <td>236,713</td> <td>234,141</td> </tr> <tr> <td>NPK 13:6:27:4+ 0.65B</td> <td>819,500</td> <td>805,719</td> </tr> </tbody> </table>	Type of Fertilizer	Tanjung Selamat Estate		Recommendation (kg)	Realization (kg)	Dolomite	586,314	580,098	Kieserite	4,110	1,035	MOP	-	1,123,595	Rock Phosphate	236,713	234,141	NPK 13:6:27:4+ 0.65B	819,500	805,719	Comply
Type of Fertilizer	Tanjung Selamat Estate																						
	Recommendation (kg)	Realization (kg)																					
Dolomite	586,314	580,098																					
Kieserite	4,110	1,035																					
MOP	-	1,123,595																					
Rock Phosphate	236,713	234,141																					
NPK 13:6:27:4+ 0.65B	819,500	805,719																					

Criterion / Indicator		Assessment Findings			Compliance																				
		ZA	767,331	760,318																					
		Cu-EDTA	13,917	13,736																					
		CuSO <sub>4</sub>	26,965	22,935																					
		HGFB	71,376	85,438																					
		ZnSO <sub>4</sub>	-	29,143																					
		Zn-EDTA	14,257	14,019																					
		Pangkalan Estate:																							
		Mature (OP 1992, 1993, 1997)																							
		<table border="1"> <thead> <tr> <th rowspan="2">Type of Fertilizer</th> <th colspan="2">Pangkalan Estate</th> </tr> <tr> <th>Recommendation (kg)</th> <th>Realization (kg)</th> </tr> </thead> <tbody> <tr> <td>ZA</td> <td>208,757</td> <td>208,757</td> </tr> <tr> <td>Bunch Ash</td> <td>-</td> <td>8,982</td> </tr> <tr> <td>MOP</td> <td>219,107</td> <td>214,616</td> </tr> <tr> <td>Zn-EDTA</td> <td>561</td> <td>561</td> </tr> <tr> <td>Rock Phosphate</td> <td>72,899</td> <td>72,899</td> </tr> </tbody> </table>			Type of Fertilizer	Pangkalan Estate		Recommendation (kg)	Realization (kg)	ZA	208,757	208,757	Bunch Ash	-	8,982	MOP	219,107	214,616	Zn-EDTA	561	561	Rock Phosphate	72,899	72,899	
Type of Fertilizer	Pangkalan Estate																								
	Recommendation (kg)	Realization (kg)																							
ZA	208,757	208,757																							
Bunch Ash	-	8,982																							
MOP	219,107	214,616																							
Zn-EDTA	561	561																							
Rock Phosphate	72,899	72,899																							
		Immature (OP 2015)																							
		<table border="1"> <thead> <tr> <th rowspan="2">Type of Fertilizer</th> <th colspan="2">Pangkalan Estate</th> </tr> <tr> <th>Recommendation (kg)</th> <th>Realization (kg)</th> </tr> </thead> <tbody> </tbody> </table>			Type of Fertilizer	Pangkalan Estate		Recommendation (kg)	Realization (kg)																
Type of Fertilizer	Pangkalan Estate																								
	Recommendation (kg)	Realization (kg)																							

Criterion / Indicator		Assessment Findings			Compliance
		Hi-Kay plus	316,595	316,595	
		Dolomite	23,453	23,453	
		ZnSO <sub>4</sub>	5,778	5,778	
		HGFB	9,598	9,598	
		CuSO <sub>4</sub>	5,120	5,120	
		Immature (OP 2016)			
		Type of Fertilizer	Pangkalan Estate		
			Recommendation (kg)	Realization (kg)	
		Hi-Kay plus	258,349	258,349	
		Dolomite	10,666	10,666	
		ZnSO <sub>4</sub>	9,654	9,654	
		HGFB	7,165	7,165	
		CuSO <sub>4</sub>	6,706	6,706	
		NPK 12:12:17.2+TE	60,762	60,762	
4.2.3	Records of periodical leaf, soil and visual analysis shall be available. - Minor compliance -	Records of periodical leaf sampling and visual analysis were available. Foliar Analysis Report shows that leaf sampling and analysis has been done recently in May 2017. The result will be used to develop fertilizer recommendation of 2018. It was shown Foliar Analysis Report #042/INT/R&D/MEI/L/17 dated 30 May 2017, Lab Ref 17L06533, Block C16 – C15G, year of planting 2015, Afdeling IV Pangkatan Estate; frond: 17, Ash: 5.79, N: 2.53, P: 0.154, K: 1.35, Mg:0.26, Ca: 0.63 (all UOM % on DM), and B: 16, Cu: 7, Zn: 15, Fe: 74 ppm on DM.			Comply

Criterion / Indicator		Assessment Findings	Compliance								
		Evidence of soil analysis was shown on record "Data Analisis Tanah Profil 6" of Block J93c Afdeling IV Pangkatan Estate dated 25/04/2013, by Gunawan Kristiyanto, with result; main material: Alluvium Riverine, humidity regime: Udik, Temperature regime: Isohipertermik, drainage class: Good, Epipedon: Okrik, Horizon: Argilik, Classification: Typic Endoaquults. Analysis result: Lab no. 13S1174, depth: 0 – 20, Coarse: 0, Fine sand: 1, Silt: 42, Clay: 57, Texture: SiCl, pH H <sub>2</sub> O: 3.9, pH KCl: 3.6, pH level: sm, N: 0.16%, C Org: 2.06%, Org C level: S, P total: 183.57 ppm, Av Brayll: 1.39 ppm, P total level: T, P Av level: SR, CEC pH7: 4.77 meq/100g soil, CEC level: SR, K: 0.22 meq/100g soil, K level: R, Ca: 1.21 meq/100g soil, Ca level: SR, Mg: 1.18 meq/100g soil, Mg level: S.									
4.2.4	A nutrient recycling strategy is recorded, including use of Empty Fruit Bunches (EFB), land application, and palm residues after replanting.  - Minor compliance -	<p>Nutrient recycling strategy performed by maintaining palm residues after replanting. The company also implemented bunch ash application. Below is bunch ash application record of Pangkatan Estate:</p> <table border="1"> <thead> <tr> <th>Description</th> <th>Pangkatan Estate</th> </tr> </thead> <tbody> <tr> <td>Applied Area (ha)</td> <td>22</td> </tr> <tr> <td>Dosage (kg/tree)</td> <td>3</td> </tr> <tr> <td>Bunch ash (kg)</td> <td>8,982</td> </tr> </tbody> </table> <p>There is no application of EFB and POME in Tanjung Selamat and Pangkatan Estate since the whole area is peat.</p>	Description	Pangkatan Estate	Applied Area (ha)	22	Dosage (kg/tree)	3	Bunch ash (kg)	8,982	Comply
Description	Pangkatan Estate										
Applied Area (ha)	22										
Dosage (kg/tree)	3										
Bunch ash (kg)	8,982										
<p><b>Criterion 4.3</b> Practices minimise and control erosion and degradation of soils.</p>											
4.3.1	Maps of any fragile soils shall be available.  - Major compliance -	<p><b>Tanjung Selamat Estate:</b></p> <p>Map of peat soil is available in place with scale 1 : 20.000, including:</p> <ol style="list-style-type: none"> <li>Peta Kerja Kebun Tanjung Selamat, contained block number, Afdeling, hectares, road, river and housing complex.</li> </ol>	Comply								

Criterion / Indicator	Assessment Findings	Compliance
	<p>2. Peta Citra Landsat year 2002.</p> <p>3. Elevation Map; contain 0 – 8% (3,855 ha)</p> <p>4. Topography Map; contain 2.5 – 12.5 m above sea level</p> <p>5. Soil and Suitability Map;</p> <p style="margin-left: 20px;">a. Peat &lt; 1 meter: 1,602 ha</p> <p style="margin-left: 20px;">b. Peat 1 – 3 meter: 2,101 ha</p> <p style="margin-left: 20px;">c. Peat &gt; 3 meter: 152 ha</p> <p style="margin-left: 20px;">Total: 3,855 ha</p> <p>7. Soil Serial Map</p> <p><b>Pangkalan Estate</b></p> <ul style="list-style-type: none"> <li>- Peta Citra Landsat 7 ETM, path 128, raw: 058, PT Rantau Sinar Karsa Kebun Pangkatan, year 2002, scale 1:20.000</li> <li>- Soil Serial Map, covers 3,855 ha, scale 1:20.000 <ul style="list-style-type: none"> <li>a. Typic Endoaquults seri Pangkatan</li> <li>b. Sapric Haplohemists seri Pangkatan</li> <li>c. Typic Haplohemist seri Pangkatan</li> </ul> </li> <li>- Soil Suitability Map, scale 1:20.000; <ul style="list-style-type: none"> <li>o Typic Endoaquults – Slope: 0-3% (856 ha)</li> <li>o Typic Haplohemist, Peat &lt; 1 m; Slope 0-3% (746 ha)</li> <li>o Sapric Haplohemist, Peat 1 - 3 m; Slope: 0-3% (2,101 ha)</li> </ul> </li> </ul>	

Criterion / Indicator		Assessment Findings	Compliance																		
		<ul style="list-style-type: none"> <li>o Sapric Haplohemist, Peat &gt; 3m; Slope 0-3% (152 ha)</li> <li>o Marginal Suitable Area (S3): ± 746 ha (19,4%)</li> <li>o Unsuitable Area with Condition (N1): ± 3,109 ha (80,6%)</li> </ul> <p>- Elevation Map, scale 1:20.000; Flat (0 - 8%): 3,855 ha.</p>																			
4.3.2	<p>A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific).</p> <p>- Minor compliance -</p>	<p>All of area on Tanjung Selamat and Pangkatan Estate has slope 0-3 %, so the organization does not implement management strategy for planting on slope a certain limit.</p>	Comply																		
4.3.3	<p>A road maintenance program shall be in place.</p> <p>- Minor compliance –</p>	<p>Procedure for road maintenance has been established. Company have established road maintenance program for main road, collection road and access road by manual and mechanical maintenance. Road maintenance includes manual, grading and compacting and road hardening. Budget for Grading and Compacting 2018 is available including the realization.</p> <p>Program of Grading and Compacting Afdeling 1 Pangkatan Estate, February 2018:</p> <table border="1" data-bbox="689 1059 1375 1358"> <thead> <tr> <th>Block</th> <th>Meter</th> <th>HM</th> </tr> </thead> <tbody> <tr> <td>MR S4</td> <td>1200</td> <td>3</td> </tr> <tr> <td>MR S5</td> <td>1200</td> <td>3</td> </tr> <tr> <td>MR S6</td> <td>1200</td> <td>3</td> </tr> <tr> <td>MR S7</td> <td>900</td> <td>2.25</td> </tr> <tr> <td>MR S8</td> <td>1200</td> <td>3</td> </tr> </tbody> </table>	Block	Meter	HM	MR S4	1200	3	MR S5	1200	3	MR S6	1200	3	MR S7	900	2.25	MR S8	1200	3	Comply
Block	Meter	HM																			
MR S4	1200	3																			
MR S5	1200	3																			
MR S6	1200	3																			
MR S7	900	2.25																			
MR S8	1200	3																			

Criterion / Indicator		Assessment Findings			Compliance															
		<table border="1"> <tr> <td>Total</td> <td>5700</td> <td>14.25</td> <td></td> </tr> </table> <p>Program of Grading and Compacting Afdeling 4 Pangkatan Estate, February 2018:</p> <table border="1"> <thead> <tr> <th>Block</th> <th>Meter</th> <th>HM</th> </tr> </thead> <tbody> <tr> <td>MR S3</td> <td>2100</td> <td>5</td> </tr> <tr> <td>MR S2</td> <td>3600</td> <td>9</td> </tr> <tr> <td>Total</td> <td>5700</td> <td>14</td> </tr> </tbody> </table> <p>Manual road maintenance implemented based on Division Work Program or road condition. Mechanical road maintenance use heavy equipment – motor grader and compactor. The mechanical road maintenance program provided for all Afdeling (division) and detailed in Blocks. Manual and mechanical road maintenance realization recorded includes complex area maintained, distance of road maintained, diesel fuel consumption and quantity of gravel. During audit it was observed that road passed was in good condition.</p>	Total	5700	14.25		Block	Meter	HM	MR S3	2100	5	MR S2	3600	9	Total	5700	14		
Total	5700	14.25																		
Block	Meter	HM																		
MR S3	2100	5																		
MR S2	3600	9																		
Total	5700	14																		
4.3.4	<p>Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.</p> <p>- Major compliance –</p>	<p>The company has established a documented water management program to ensure that subsidence of peat soils are minimized and monitored. There is sufficient evidence that the defined program was implemented. Water management procedure for peat land is available in implemented, the company has installed water gate, main drain gate, peat subsidence monitoring, and washing drainage regularly, also monitoring of water level, main gate water lever, peat subsidence level.</p> <p>The organization has documented water and ground cover management program and maintained records of monitoring subsidence of peat soils, i.e.:</p> <ul style="list-style-type: none"> <li>- Water Level Monitoring, using water level pole</li> <li>- Monitoring of Peat Subsidence, using peat subsidence pole</li> </ul>		Comply																

Criterion / Indicator		Assessment Findings	Compliance
		<p>- Water Table Monitoring, using piezometer</p> <p>It was found that water level is maintained at 50 – 70 cm.</p>	
4.3.5	<p>Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.</p> <p>- Minor compliance –</p>	<p>Drainability Assessment has been conducted and documented in “Studi Drainase Di Areal Gambut Kebun Pangkatan PT Rantau Sinar Karsa (RSK), April 2016.</p> <p>The conclusions from this study are as follows:</p> <ol style="list-style-type: none"> <li>1. Pangkatan Estate elevation ranges from 6 to 13 m asl, and it is above the merbau river with the lowest contour height is 1.3 m.</li> <li>2. The actual drainage class in general is S-3 which means that water excess can be released when the Merbau River water level is at the lowest level (LWL).</li> <li>3. Pangkatan Estate has a vary peat depth from 1 to &gt; 3 m with good maturity level (saprik).</li> </ol> <p>Minimum economic life span of peatlands in Pangkatan Estate is about 74.6 years and may change according to land management and drainage system.</p>	Comply
4.3.6	<p>A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).</p> <p>- Minor compliance –</p>	<p>There is no other fragile and problem soil in Tanjung Selamat and Pangkatan Estate area, beside peat soil.</p>	Comply
<p><b>Criterion 4.4</b></p> <p><b>Practices maintain the quality and availability of surface and groundwater</b></p>			
4.4.1	<p>An implemented water</p>	<p>The Company has a water management document, both in the estate and mill. Monitoring</p>	Comply



Criterion / Indicator	Assessment Findings	Compliance
<p>management plan shall be in place.</p> <p>- Minor compliance -</p>	<p>the implementation of water management has been implemented on a regular basis, such as surface water quality monitoring are available in the report of RKL / RPL. Company has analysed water quality each semester to ensure the compliance against PP No. 82 tahun 2001 regarding water quality standard.</p> <p>Procedure SOP AA-APM-OP-1100.05. R1 "Konservasi Tanah dan Air" has been established to maintain the quality and availability of water. Procedures was also established for protection and management of riparian buffer zones at or before replanting. Procedure mentioned that in 50 m on the left and right side of riparian buffer zones, Estates are prohibited to apply agrochemical, used manual manuring and river bank was planted by erosion barrier crop (planting of "vetiver" grass). The organisation also has policy that prohibits Estates for planting in 50 m on the left and right side of riparian buffer zones at or before replanting. Warning board placed regarding prohibition to apply agrochemicals and fertiliser in the buffer zone. Riparian buffers of small natural water courses were 50 metres wide on both sides of the rivers as defined in the procedure AA-KL-12-EFP <i>Restorasi Riparian dan Areal Sekitar Danau/Waduk atau Mata Air lainnya</i>. Several evidence of maintaining quality and availability of water were evident, such as plan and realisation of riparian management, installation of warning boards, planting erosion prevention plan (e.g. Hibiscus sp. and vetiver grass) and checking of water quality.</p> <p>The organisation has described water management by monitoring the water consumption; if there is above the average, then efficiency of water use will conducted by reduce the water consumption, water savings from sochlet water recycle in the Mill laboratory and reuse of turbine water coolant.</p> <p>In Estate, water efficiency conducted by water reuse from cleaning ex pesticide package and socialization to minimize the water usage as neccesary. Program to manage wetland/peatland covered cleaning of main and collection drain and making of field drain. The program was provided in Tanjung Selamat Estate and Pangkatan Estate. Ditch was managed based on programme or ditch condition which was monitored regularly. Programme of ditch management using heavy equipment was also established, includes cleaning of main and collection drain and making of field drain. Result of ditch management using heavy equipment was recorded. Program and realization of cleaning of</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>main drain, collection drain and making of field drain was clear to which block area cleaned.</p> <p>There evident to ensure local communities, workers and their families have access to adequate, clean water for drinking, cooking, bathing and cleaning purposes. As the required government regulation related to water quality shall be refer to Regulation the ministry of health (Permenkes) No. 492/2010.</p> <p>Mill and estate has conducted analysis and measurement of surface water, ground water and consumed water (consumed by employees and local people) periodically (every semester and annually).</p> <p>Company has a permit to use the surface water of Pantun River based on “Keputusan Gubernur Sumatera Utara Nomor: 610/480/BPPTSU/2/XII.1/X/2016 tentang perpanjangan ijin pengambilan dan pemanfaatan air permukaan oleh PT Indo Sepadan Jaya” datedl 19 October 2016 valid until 3 years since it issued. Company also reporting the water usage regularly and pay the regular retribution of water usage, latest retribution payment of water usage to “Dinas Pendapatan daerah Provinsi Sumatera Utara” on 2 February 2018 were evident.</p>	
4.4.2	<p>Protection of water courses and wetlands, including securing and maintaining appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated.</p> <p>- Major compliance -</p>	<p>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>Estate has had program restoration and conserving the water course a such as planting of Hibiscus and vetiver grass on riparian area of Kalundang River. No chemical-related operation on riparian area. Riparian area was marked with radius 50 meters from both side of the river as per procedure AA-KL-12-EFP <i>Restorasi Riparian dan Areal Sekitar Danau/Waduk atau Mata Air lainnya.</i></p>	Comply

Criterion / Indicator		Assessment Findings	Compliance																																																														
4.4.3	<p>Records for monitoring of effluent especially BOD (Biochemical Oxygen Demand) and efforts to comply with legal requirements, shall be available (see criteria 2.1 and 5.6).</p> <p>- Minor compliance –</p>	<p>Tanjung Selamat POM has a procedure to manage the palm oil mill effluent, under AA-MPM-OP-1400.13-R1. The mill effluent process from recovery tank into cooling pond, into acidification pond (anaerob bacteria activation) into primary anaerob pond (decomposition), secondary anaerobic pond. The purpose was to reduce BOD &lt;100 ppm.</p> <p>Mill has a work instruction for management of POME pond, under “Instruksi Kerja Pengoperasian Kolam Limbah”.</p> <p>The fresh palm oil mill effluent was processed in order to met regulation “PerMenLH No. 05 tahun 2014 Lampiran III tentang Baku Mutu Air Limbah Bagi Usaha dan atau Industri Sawit”.</p> <p>Mill effluent was processed in waste water processing installation and discharge to the river. PT Indo Sepadan Jaya has permit to discharge the waste water to water body (river) according to “Keputusan Bupati Labuhan Batu nomor 503.660/279/BLH/WAS/2013 tentang Izin Pembuangan Air Limbah ke air atau sumber air pada Pabrik kelapa Sawit (PKS) PT Indo Sepadan Jaya Desa Aek Nauli Kecamatan Pangkatan Kabupaten Labuhan Batu” dated 17 September 2013 valid until 5 years.</p> <p>POME quality monitoring, analysis was conducted by Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit (BTKLPP) Kelas I Medan, against “PerMenLH No. 05 tahun 2014 Lampiran III tentang Baku Mutu Air Limbah Bagi Usaha dan atau Industri Sawit”. Below are the POME quality analysis result in periode 2017:</p> <table border="1"> <thead> <tr> <th rowspan="2">Parameter</th> <th rowspan="2">Standard</th> <th colspan="6">Analysis Result (mg/l)</th> </tr> <tr> <th>Jan</th> <th>Feb</th> <th>Mar</th> <th>Apr</th> <th>Mei</th> <th>Jun</th> </tr> </thead> <tbody> <tr> <td>TSS</td> <td>250</td> <td>78,2</td> <td>88</td> <td>85</td> <td>93</td> <td>84</td> <td>85</td> </tr> <tr> <td>pH</td> <td>6,0 – 9,0</td> <td>6,64</td> <td>7,69</td> <td>8,64</td> <td>6,50</td> <td>6,28</td> <td>6,25</td> </tr> <tr> <td>BOD</td> <td>100</td> <td>92,42</td> <td>91,90</td> <td>89,63</td> <td>93,50</td> <td>89,74</td> <td>89,67</td> </tr> <tr> <td>COD</td> <td>350</td> <td>258,74</td> <td>283,30</td> <td>265,34</td> <td>289,12</td> <td>240,54</td> <td>235,24</td> </tr> <tr> <td>Oil &amp; fat</td> <td>25</td> <td>1,44</td> <td>12,40</td> <td>11,20</td> <td>21,30</td> <td>24,10</td> <td>24,30</td> </tr> <tr> <td>Nitrogen total</td> <td>50</td> <td>2,62</td> <td>18,60</td> <td>18</td> <td>21,60</td> <td>26,20</td> <td>26,50</td> </tr> </tbody> </table>	Parameter	Standard	Analysis Result (mg/l)						Jan	Feb	Mar	Apr	Mei	Jun	TSS	250	78,2	88	85	93	84	85	pH	6,0 – 9,0	6,64	7,69	8,64	6,50	6,28	6,25	BOD	100	92,42	91,90	89,63	93,50	89,74	89,67	COD	350	258,74	283,30	265,34	289,12	240,54	235,24	Oil & fat	25	1,44	12,40	11,20	21,30	24,10	24,30	Nitrogen total	50	2,62	18,60	18	21,60	26,20	26,50	Comply
Parameter	Standard	Analysis Result (mg/l)																																																															
		Jan	Feb	Mar	Apr	Mei	Jun																																																										
TSS	250	78,2	88	85	93	84	85																																																										
pH	6,0 – 9,0	6,64	7,69	8,64	6,50	6,28	6,25																																																										
BOD	100	92,42	91,90	89,63	93,50	89,74	89,67																																																										
COD	350	258,74	283,30	265,34	289,12	240,54	235,24																																																										
Oil & fat	25	1,44	12,40	11,20	21,30	24,10	24,30																																																										
Nitrogen total	50	2,62	18,60	18	21,60	26,20	26,50																																																										

Criterion / Indicator		Assessment Findings						Compliance																																																														
		<table border="1"> <thead> <tr> <th rowspan="2">Parameter</th> <th rowspan="2">Standard</th> <th colspan="6">Analysis Result (mg/l)</th> </tr> <tr> <th>Jul</th> <th>Agust</th> <th>Sept</th> <th>Okt</th> <th>Nov</th> <th>Des</th> </tr> </thead> <tbody> <tr> <td>TSS</td> <td>250</td> <td>36</td> <td>65</td> <td>57</td> <td>67</td> <td>54</td> <td>68</td> </tr> <tr> <td>pH</td> <td>6,0 – 9,0</td> <td>7,85</td> <td>8,19</td> <td>7,60</td> <td>7,81</td> <td>7,24</td> <td>7,38</td> </tr> <tr> <td>BOD</td> <td>100</td> <td>82,20</td> <td>29,20</td> <td>46,40</td> <td>34,00</td> <td>18,60</td> <td>45,25</td> </tr> <tr> <td>COD</td> <td>350</td> <td>256</td> <td>91,25</td> <td>145,00</td> <td>78,00</td> <td>36,21</td> <td>84,75</td> </tr> <tr> <td>Oil &amp; fat</td> <td>25</td> <td>18,40</td> <td>18,40</td> <td>8,44</td> <td>12,47</td> <td>8,22</td> <td>3,48</td> </tr> <tr> <td>Nitrogen total</td> <td>50</td> <td>25,50</td> <td>24,80</td> <td>12,42</td> <td>18,72</td> <td>12,42</td> <td>2,46</td> </tr> </tbody> </table>						Parameter	Standard	Analysis Result (mg/l)						Jul	Agust	Sept	Okt	Nov	Des	TSS	250	36	65	57	67	54	68	pH	6,0 – 9,0	7,85	8,19	7,60	7,81	7,24	7,38	BOD	100	82,20	29,20	46,40	34,00	18,60	45,25	COD	350	256	91,25	145,00	78,00	36,21	84,75	Oil & fat	25	18,40	18,40	8,44	12,47	8,22	3,48	Nitrogen total	50	25,50	24,80	12,42	18,72	12,42	2,46	
Parameter	Standard	Analysis Result (mg/l)																																																																				
		Jul	Agust	Sept	Okt	Nov	Des																																																															
TSS	250	36	65	57	67	54	68																																																															
pH	6,0 – 9,0	7,85	8,19	7,60	7,81	7,24	7,38																																																															
BOD	100	82,20	29,20	46,40	34,00	18,60	45,25																																																															
COD	350	256	91,25	145,00	78,00	36,21	84,75																																																															
Oil & fat	25	18,40	18,40	8,44	12,47	8,22	3,48																																																															
Nitrogen total	50	25,50	24,80	12,42	18,72	12,42	2,46																																																															
4.4.4	<p>Monitoring of mill water use per ton of FFB shall be recorded.</p> <p>- Minor compliance –</p>	<p>Company monitored mill water usage each month. Water usage monitored by flowmeter which installed in water treatment plant station. Below are the data of water usage monitoring in PT Indo Sepadan Jaya – Tanjung Selamat POM periode January – December 2017:</p> <table border="1"> <thead> <tr> <th rowspan="2">Month</th> <th rowspan="2">FFB processed</th> <th colspan="2">Water consumption process</th> <th rowspan="2">Water consumption domestic</th> <th colspan="2">Budget</th> </tr> <tr> <th>Total Process usage (m<sup>3</sup>)</th> <th>m<sup>3</sup>/ton FFB</th> <th>Total water usage</th> <th>Ratio m<sup>3</sup>/ton FFB</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>16,050</td> <td>14,187</td> <td>0.88</td> <td>0</td> <td>15,463.83</td> <td>1.09</td> </tr> <tr> <td>Feb</td> <td>12,691</td> <td>10,059</td> <td>0.79</td> <td>0</td> <td>10,964.31</td> <td>1.09</td> </tr> <tr> <td>Mar</td> <td>15,668</td> <td>13,072</td> <td>0.83</td> <td>0</td> <td>14,248.48</td> <td>1.09</td> </tr> </tbody> </table>						Month	FFB processed	Water consumption process		Water consumption domestic	Budget		Total Process usage (m <sup>3</sup> )	m <sup>3</sup> /ton FFB	Total water usage	Ratio m <sup>3</sup> /ton FFB	Jan	16,050	14,187	0.88	0	15,463.83	1.09	Feb	12,691	10,059	0.79	0	10,964.31	1.09	Mar	15,668	13,072	0.83	0	14,248.48	1.09	Comply																														
Month	FFB processed	Water consumption process		Water consumption domestic	Budget																																																																	
		Total Process usage (m <sup>3</sup> )	m <sup>3</sup> /ton FFB		Total water usage	Ratio m <sup>3</sup> /ton FFB																																																																
Jan	16,050	14,187	0.88	0	15,463.83	1.09																																																																
Feb	12,691	10,059	0.79	0	10,964.31	1.09																																																																
Mar	15,668	13,072	0.83	0	14,248.48	1.09																																																																

Criterion / Indicator		Assessment Findings							Compliance
		Apr	13,255	10,716	0.81	0	11,680.44	1.09	
		May	15,256	13,104	0.86	0	14,283.36	1.09	
		Jun	16,666	14,664	0.88	0	15,983.76	1.09	
		Jul	19,868	19,594	0.99	0	21,357.46	1.09	
		Aug	22,172	20,443	0.92	0	22,282.87	1.09	
		Sept	20,248	19,653	0.97	0	21,421.77	1.09	
		Okt	19,785	21,299	1.08	0	23,215.91	1.09	
		Nov	18,153	21,236	1.17	0	23,147.24	1.09	
		Dec	16,739	18,531	1.11	0	20,198.79	1.09	
		<b>Total</b>	<b>206,553</b>	<b>196,558</b>	<b>0.95</b>	<b>0</b>	<b>212,907</b>	<b>1.09</b>	
<b>Criterion 4.5</b>									
Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate integrated Pest Management (IPM) techniques.									
4.5.1	Monitoring of Integrated Pest Management (IPM) plan implementation shall be available.  - Major compliance -	<p>Integrated Pest Management (IPM) was implemented and documented in related records, e.g. "Rekap Serangan Hama dan Penyakit", Pest Census Summary form B2 (Ulat Api &amp; Ulat Kantong), "Data Titik Sensus Ulat Api", "Ringkasan Sensus Hama Tikus", "Sensus Kandang Burung Hantu", "Formulir A4 Sensus Burung Hantu".</p> <p>Detection of leaf-eater caterpillar conducted monthly as early warning system. There is no nettle caterpillar exist in Tanjung Selamat and Pangkatan Estate in 2017 based on "Rekapitulasi Hasil Sensus Hama Pemakan Daun" and "Rekap Sensus Hama Daun" period January - December 2017. The company has implemented butterfly trap to control population of leaf-eater caterpillar as well as planting beneficial plants.</p> <p>Tanjung Selamat and Pangkatan Estate has implemented biological control to minimize or eliminate</p>							Comply

Criterion / Indicator		Assessment Findings	Compliance
		pest and disease, e.g. by use of barn owl and planting beneficial plants such as <i>Casia sp.</i> , <i>Antigonon leptopus</i> and <i>Turnera subulatta</i> .	
4.5.2	<p>Training records of Integrated Pest Management (IPM) shall be available.</p> <p>- Minor compliance -</p>	<p>Training related Integrated Pest Management (IPM) has been held recently by Learning &amp; Development Department on 20 February 2018. All supervisors and worker of IPM from Tanjung Selamat and Pangkatan Estate have attended the training. Based on document of training module and attendance list, the training was attended by 25 participants.</p>	Comply
<p><b>Criterion 4.6</b> Pesticides are used in ways that do not endanger health or the environment.</p>			
4.6.1	<p>Documented evidence shall be available to show that pesticide used based on regulations and the use of pesticide is specific to target species with appropriate dosage which have minimal impact on non-target species.</p> <p>- Major compliance -</p>	<p>Justification of pesticide used is explained under company procedure of weed control - "SOP Pengendalian Gulma No.AA-APM-OP-11100.08- R1" dated 1 November 2008. Chapter IV explains the weed control program for woody, grass, fern, caladium, wild banana (<i>Musa spp</i>), <i>Asystasia</i>, etc. It does explain active ingredients use to control such weed, dosage per application, type of nozzle used and volume of spraying per application. Chapter V explains selection of pesticide and its active ingredients content, nature of the pesticide and target species. Chapter VII describes calculation of actual area implemented per hectare plantation (spray factor), spraying rotation and spraying output. Interview with spraying worker in Afdeling III Block C14a indicated that they understood the target species and active ingredients to control it. Spraying worker shows knowledge on minimizing chemical impact on beneficial weed. Justification for use of pesticide is clear, and understood by workers.</p> <p>Spraying works were conducted by selected spraying on specific target, for example weeds spraying on circle, path and TPH. Other areas beside specific area were not applied. Riparian area along the river are prohibits to be performed spraying to minimize and reduce the negative environmental impact to the river and ecosystem. Pesticide and herbicide used by company was registered in the book of pesticides - "Komisi Pestisida" and has permit from government.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance																																
		<p>Type of pesticide use by Tanjung Selamat and Pangkatan Estate and its weeds target are as follow:</p> <table border="1"> <thead> <tr> <th>Agrochemical</th> <th>Active ingredients</th> <th>Register No.</th> <th>Weeds target</th> </tr> </thead> <tbody> <tr> <td>Metsulindo 20 WP</td> <td>Metil metsulfuron 20%</td> <td>01030119991484</td> <td>Wide leaf weeds, Stenochlaena, Crysan</td> </tr> <tr> <td>Gramoxone</td> <td>Paraquat 200 g/l</td> <td>0103011975116</td> <td>Fern, VOP, wood, Kerisan grass</td> </tr> <tr> <td>Kenlon 480 EC</td> <td>Triklopir 480 g/l</td> <td>01030120062433</td> <td>Wood</td> </tr> <tr> <td>Bionasa 480 AS</td> <td>Isopropil Amina Glifosat 480 g/l</td> <td>01030120031806</td> <td>Narrow leaf weed, <i>Asystasia</i>, <i>Imperata cylindrical</i></td> </tr> <tr> <td>Kenrane 288 EC</td> <td>Floroksipir 20 g/l</td> <td>01010120103759</td> <td><i>Legume</i>, <i>Asystasia</i></td> </tr> <tr> <td>Solusi 865 SL</td> <td>2.4 Dimetil Amina 865 g/l</td> <td>011030120031931</td> <td><i>Legume</i>, <i>Asystasia</i></td> </tr> <tr> <td>Elang 480 SL</td> <td>Isopropil Amina Glifosat 480 g/l</td> <td>01030119941170</td> <td>Narrow leaf weed, <i>Asystasia</i>, <i>Imperata cylindrical</i></td> </tr> </tbody> </table>	Agrochemical	Active ingredients	Register No.	Weeds target	Metsulindo 20 WP	Metil metsulfuron 20%	01030119991484	Wide leaf weeds, Stenochlaena, Crysan	Gramoxone	Paraquat 200 g/l	0103011975116	Fern, VOP, wood, Kerisan grass	Kenlon 480 EC	Triklopir 480 g/l	01030120062433	Wood	Bionasa 480 AS	Isopropil Amina Glifosat 480 g/l	01030120031806	Narrow leaf weed, <i>Asystasia</i> , <i>Imperata cylindrical</i>	Kenrane 288 EC	Floroksipir 20 g/l	01010120103759	<i>Legume</i> , <i>Asystasia</i>	Solusi 865 SL	2.4 Dimetil Amina 865 g/l	011030120031931	<i>Legume</i> , <i>Asystasia</i>	Elang 480 SL	Isopropil Amina Glifosat 480 g/l	01030119941170	Narrow leaf weed, <i>Asystasia</i> , <i>Imperata cylindrical</i>	
Agrochemical	Active ingredients	Register No.	Weeds target																																
Metsulindo 20 WP	Metil metsulfuron 20%	01030119991484	Wide leaf weeds, Stenochlaena, Crysan																																
Gramoxone	Paraquat 200 g/l	0103011975116	Fern, VOP, wood, Kerisan grass																																
Kenlon 480 EC	Triklopir 480 g/l	01030120062433	Wood																																
Bionasa 480 AS	Isopropil Amina Glifosat 480 g/l	01030120031806	Narrow leaf weed, <i>Asystasia</i> , <i>Imperata cylindrical</i>																																
Kenrane 288 EC	Floroksipir 20 g/l	01010120103759	<i>Legume</i> , <i>Asystasia</i>																																
Solusi 865 SL	2.4 Dimetil Amina 865 g/l	011030120031931	<i>Legume</i> , <i>Asystasia</i>																																
Elang 480 SL	Isopropil Amina Glifosat 480 g/l	01030119941170	Narrow leaf weed, <i>Asystasia</i> , <i>Imperata cylindrical</i>																																
4.6.2	<p>Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per Ha and number of applications) shall be available.</p> <p>- Major compliance -</p>	<p>The Company has a pesticide application program which documented in annual work programme. Activities using pesticides among others circle and path spraying, selective spraying etc.</p> <p>Records of pesticides use have been recorded including active ingredient, area treated, amount applied per ha, use of selective product and rotation number of applications. Several records of pesticide used were sighted, e.g. application schedule, list of pesticide use in oil palm estate, work achievement and pesticide use, stock card of agrochemicals. The records covered date of application, quantity of pesticide use and name of sprayers.</p> <p>Record "Daftar Pemakaian Bahan Pestisida Tahun 2017" described that pesticide use are as follows:</p>	Comply																																

Criterion / Indicator	Assessment Findings	Compliance
	<ol style="list-style-type: none"> <li>1. Gramoxone 276 SL, active ingredient Ion paraquat, 7,246 I, LD50 218, license: RI.0105012002016 valid until 17 October 2020.</li> <li>2. Bionasa 480 SL, active ingredient Isoprofilamina glifosat, 3,853 I, LD50 405, license: RI.010101199512017 valid until 18 Mar 2021.</li> <li>3. Kenlon 480 EC, active ingredient Triklopir butoksi etil ester, 99.13 I, LD50 2, license: RI.01030120062017 valid until 23 June 2021.</li> <li>4. Kenrane 288 EC, active ingredient Floroksipir, 538.41 I, LD50 57, license: RI.01010120103759 valid until 12 December 2020.</li> <li>5. Metsulindo 20 WP, active ingredient Metil metsulfuron, 465.93 I, LD50 0.76, license: RI.10301199912016 valid until 18 June 2020.</li> <li>6. Solusi 865 SL, active ingredient Dimetil amina, 186.80 I, LD50 0.32, license: RI.01030120031931 valid until 29 April 2018.</li> </ol> <p>The company has monitored and recorded pesticides use since 2012. Usage quantity of pesticides was within the recommended levels. Monitoring of pesticides toxicity unit LD50/ton FFB was conducted monthly, record sight in December 2017 and January 2018.</p> <p>Agrochemicals have been applied and handled by trained spraying workers who have received usage of limited pesticide training. Training for limited pesticides uses was delivered by Pesticide Commission of Agriculture Department of North Sumatera Province on 19 March 2014 in Tanjung Selamat Estate. Refreshment training for SOP and WI regarding spraying work was conducted regularly in morning briefing, e.g. on 20 February 2018. Training record and certificates were sighted for all sprayers.</p> <p>Training covered handling of concentrate agrochemical and spraying method including pesticide hazard. Pesticides handled, used and applied only by persons who have completed the necessary training, it was observed during field audit that all sprayers' workers have been trained.</p>	



Criterion / Indicator		Assessment Findings	Compliance
4.6.3	<p>Any use of pesticides shall be minimized as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in Indonesia Best Practice guidelines.</p> <p>- Major compliance -</p>	<p>There were records showing that the use of pesticides have been minimised in accordance with Integrated Pest Management (IPM) plan. Use of pesticides in the field was always lower than the planned budget. It also shows the company's commitment to always reduce pesticide usage and give priority to the prevention of mechanical, biological and integrated pest management.</p> <p>There was no prophylactic use of pesticides, it is evident by site visit and field observation in Tanjung Selamat and Pangkatan Estate. Pesticide only used and apply for weeds and pest.</p>	Comply
4.6.4	<p>The evidence shall be available to demonstrate that use of Pesticides, categorized in Class 1A or 1B by World Health Organization, or those are listed in the Stockholm and Rotterdam Conventions, and paraquat are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p>- Minor compliance -</p>	<p>The Company has a complete listing of WHO class 1A, class 1B, and Stockholm or Rotterdam Conventions pesticide. It was well documented in Estate office. Paraquat is not banned in Indonesia according Act No.12/1992 regarding plant cultivation system, article 60 (g) jo. Article 38, and Ministry of Agriculture regulation No.107/Permentan/SR.140/9/2014 regarding pesticides supervisor. National regulation mentioned that paraquat dichloride is a restricted active ingredient so that its user must hold a certificate use of limited pesticides and the manufacturer must train first for the user of the pesticide.</p> <p>Paraquat which was the active ingredient of Gramoxone was still used in Tanjung Selamat and Pangkatan Estate especially at replanting area, however the organisation has set internal target to reduce paraquat use. Record of paraquat use in Tanjung Selamat and Pangkatan Estate are available in "Monitoring Penggunaan Paraquat".</p>	Comply
4.6.5	<p>Evidence of pesticide application by trained person and in</p>	<p>Pesticide use and handling was documented in the procedure of Pesticides Management (SOP AA-APM-OP-1100.11-R1, dated 1 February 2009), Pests &amp; Disease Control (SOP AA-APM-OP-1100.10-</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
<p>accordance with application guidelines in product label and storage guidelines shall be available. Appropriate safety equipment shall be provided and utilized. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>- Major compliance -</p>	<p>R5, dated 11 January 2016) and Weeding Control (SOP AA-APM-OP-1100.08-R5, dated 7 December 2015). General instructions of security in working with pesticides described in procedure includes the selection of types of pesticides, pesticide storage, pesticide use, addressing pesticide contamination, first aid instructions, medical assistance.</p> <p>Agrochemicals have been applied and handled by trained spraying workers who have received usage of limited pesticide training. Training for limited pesticides uses was delivered by Pesticide Commission of Agriculture Department of North Sumatera Province on 19 March 2014 and 3 September 2015 located in Tanjung Selamat Estate. Refreshment training for SOP and WI regarding spraying work was conducted regularly in morning briefing, as evidence on 20 February 2018. Training record and certificates were sighted for all sprayers. Its evidence that training has been conducted in an appropriate language (Bahasa Indonesia) and understood by the workers.</p> <p>Training covered handling of agrochemical concentrate and spraying method including pesticide hazard. Pesticides handled, used and applied only by persons who have completed the necessary training, it was observed during field audit at Block C14a, Afdeling III Tanjung Selamat Estate that all spraying workers have trained. Personnel interviewed (spraying workers) can clearly explain the type of work including work methods and goals, materials used (pesticides) including the dosage and hazards and risks, personal protective equipment and first aid.</p> <p>Pesticides were always applied in accordance with the product label and storage instruction. Agrochemicals storage was locked areas with limited access. The storage was ventilated. MSDS and hazard symbol label were provided nearby of agrochemicals. Emergency shower and eyewash were also provided to anticipate in case of an emergency of agrochemical handling. The possible spill was managed. Secondary containment was provided around the chemical storage area. Spill kit was also provided in the area.</p> <p>PPE for handling of chemicals were provided including boots, apron, safety glass, respiratory mask and hand gloves. PPE used was appropriate according to recommendations in any risk assessments. PPE provided and used can be easily replaced if damaged.</p>	

Criterion / Indicator		Assessment Findings	Compliance
4.6.6	<p>Storage of pesticides shall be according to recognised best practices. All pesticides containers shall be properly managed according to the existing regulations and or instructions enclosed on the containers (see criterion 5.3).</p> <p>- Major compliance -</p>	<p>Pesticides were stored in the determined area separated from fertilizer and other chemicals. Pesticides storage was provided in central workshop and it was locked areas with limited access, both Tanjung Selamat Estate and Pangkatan Estate. The storage was ventilated through cross flow ventilation. MSDS and hazard symbol label were provided nearby of pesticides. Emergency shower and eyewash were also provided to anticipate in case of an emergency of chemical handling. PPE for handling of chemicals were provided including boots, apron, safety glass, respiratory mask and hand gloves. The possible spill was managed. Secondary containment was provided around the pesticides storage area. Spill kit was also provided in the area. EHS patrol was regularly performed monitor possible spill.</p> <p>All empty pesticides containers were triple rinsed and collected in the temporary storage of hazardous waste. Pesticides containers were transported by authorized transporter in accordance to procedure of hazardous waste handling – “Penanganan Limbah Bahan Berbahaya dan Beracun” (AA-KL-06-EFP), point 6.2. Records of pesticides containers quantity were evident. Liquid waste from pesticides was reused for the next spraying applications also there are several ex-containers “jerry can” that may re-use for field application.</p>	Comply
4.6.7	<p>Application of pesticides shall be by proven methods that minimize risk and negative impacts.</p> <p>- Minor compliance -</p>	<p>Application of pesticides was following SOP of Pesticides Management – “Pestisida dan Pengelolaannya” (AA-APM-OP-1100.11-R1) chapter III point 3.2 which stated that pesticide operator must be fit, not in pregnancy or breast feeding, must have meal before work, and uses appropriate PPE. Based on interview with spraying workers at Block C14a Afdeling III Tanjung Selamat Estate, they know how to handle pesticide during storage, mixing, usage, and how to conduct first aid for poisoning pesticide.</p>	Comply
4.6.8	<p>Pesticides may only be applied aerially where there is a documented justification. Surrounding communities shall be informed of impending aerial</p>	<p>Based on interview with Estate Management, surrounding community and field observation, there was no pesticide applied aerially Tanjung Selamat Estate and Pangkatan Estate.</p>	N/A

Criterion / Indicator		Assessment Findings	Compliance
	pesticide applications with all relevant information within reasonable time prior to application.  - Major compliance -		
4.6.9	Evidence of training on handling pesticide for workers and scheme smallholder (if any) shall be available.  - Minor compliance -	The Company has provided information materials on pesticide handling to all employees. Refreshment training and dissemination on work instruction including risk and impacts of pesticide applications (Material safety data sheet) has been performed by organization on 20 February 2018 attended by all pesticides sprayer workers. Training module and attendance list were available. Company has conducted periodic training (in Bahasa Indonesia) of employees on pesticide handling.	Comply
4.6.10	Proof that pesticide waste has been handled as per legal regulations and understood by worker and manager, shall be demonstrated.  - Minor compliance -	All empty pesticides containers were triple rinsed and collected in the temporary storage of hazardous waste. Pesticides containers were transported by authorized transporter. Records of pesticides containers quantity were evident, e.g. Hazardous Waste Disposal Manifest. Liquid waste from pesticides was reused for the next spraying applications also there are several ex-containers "jerry can" that may re-use for field application.  Training/briefing regarding disposal of waste material has been conducted to all workers and staffs. Based on interview with sprayer workers, they all understood the disposal of waste material.	Comply
4.6.11	Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available.  - Major compliance -	Organization has been performed regular medical check-up for all workers once a year and special medical checkup twice a year for workers which exposed pesticide/fertilizer/agrochemical including warehouse officer of store and supervisor (Mandor).  Regular medical checkup latest performed on 4 – 10 February 2017 by Asian Agri Sehat Clinic doctor. Medical test covered blood pressure, pulse and breath. The MCU result were evident.  Special medical checkup for workers which exposed pesticide/fertilizer/agrochemical including warehouse officer of store and supervisor (Mandor) has been performed on August 2017 for 134	NC # 1600992-201802-M2 CLOSED on 6 April 2018 Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>workers in PT Rantau Sinar Karsa. Based on MCU result, there were identified:</p> <ul style="list-style-type: none"> <li>- 16 workers were restriksi ringan</li> <li>- 2 workers were restriksi sedang</li> <li>- 1 workers were restriksi sedang-berat</li> <li>- 12 workers were obstruksi ringan</li> <li>- 2 workers were obstruksi sedang</li> </ul> <p>Company has followed up by further check up and medication.</p> <p>The result from medical check-up has been communicated back to each worker. The medical status of said worker was monitored and follow up action taken.</p> <p><u>Non conformity:</u></p> <p>There were 11 workers indicated lekosit/eritrosit in complete blood checked and completed urine checked were not followed up by PT Rantau Sinar Karsa.</p> <p>Company has taken action to address the non conformity, details of correction and corrective action presented in section 3.4 Details of findings.</p>	
4.6.12	<p>Records shall be available to show that spraying is not conducted by pregnant or breast-feeding women.</p> <p>- Major compliance -</p>	<p>Pesticide female workers are prohibited to do their job during pregnancy or breast-feeding as stated in company policy and Memorandum No. 343/ES-KTS/MEMO/11/2017 dated 9 November 2017. Based on interview with female worker on Tanjung Selamat Estate dated 26 February, 2018 at Afdeling III, Block C14A and 27 February 2018 Block D16D Afdeling III Pangkatan Estate its confirmed that no pregnant and/or breast-feeding involved in chemical/pesticides.</p> <p>List of menstruated female workers was established and monitored each month. 2 days-off are given to those women in the list without any salary deduction. Latest monitoring in February 2018 shown that there is no female sprayer workers/fertilizer workers who indicated pregnant and breastfeeding. Monitoring performed by Clinic midwife by Test Pack. Evidence of monitoring</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>presented in Buku Periksa Kehamilan.</p> <p>In case female sprayer and fertilizer workers pregnant, those workers are relocated to another job station with low risk level. No negative case was found in regard with reproduction rights of female workers during past years as interviewed with female workers and gender committee.</p> <p>Based on interview with female worker, its confirmed that no pregnant and/or breast-feeding involved in chemical/pesticides, they are transferred to other duties.</p>	
<p><b>Criterion 4.7</b> An occupational health and safety plan is documented, effectively communicated and implemented.</p>			
4.7.1	<p>A health and safety policy shall be in place. A health and safety plan shall be documented and implemented, and its effectiveness monitored.</p> <p>- Major compliance -</p>	<p>The organization has established the Occupational health and safety policy under “Kebijakan Perusahaan”, signed by Managing Director of Asian Agri Group, on 1<sup>st</sup> December 2014. Point 3. Committed to implement and maintain occupational health and safety management system in compliance with national and international applicable regulation</p> <p>The policy was communicated to all employees and displayed at strategic locations of Mill and Estates and communicated to employees including contractor workers. e.g: socialization on January 2018 in Tanjung Selamat Estate, Pangkatan Estate and Tanjung Selamat POM.</p> <p>The procedure for OHS management and monitoring has been established:</p> <ul style="list-style-type: none"> <li>- SOP Identifikasi Bahaya Penilaian Resiko dan Penentuan Pengendalian AA-SMK3-1101.02-R0 dated 1 May 2017</li> <li>- SOP Investigasi Kecelakaan Kerja AA-SMK3-1101.01-R0 dated 1 May 2017</li> <li>- SOP Kesiagaan Tanggap Darurat AA-EMS-820-PR dated 5 April 2017</li> <li>- SOP Pengendalian Kebakaran Lahan AA-KL-14-EFP dated 5 May 2013, described the mechanism of handling fire.</li> </ul>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> <li>- SOP Pengendalian Kebakaran di Pabrik, Kantor, dan Perumahan AA-KL-15-EFP dated 1 December 2010</li> <li>- SOP Pengendalian Tumpahan B3 dan Limbah B3 AA-KL-16-EFP dated 1 December 2010</li> <li>- SOP Pengendalian Tanggap Darurat Boiler AA-KL-17-EFP dated 1 December 2010</li> <li>- SOP Pengendalian Gempa Bumi, Banjir, dan Tanah Longor AA-KL-18 - EFP dated 1 December 2010</li> <li>- Accident and emergency procedures no. AA-EMS-446-PR (operation control), AA-EMS-447-PR (Emergency preparedness), AA-EMS-001-FM (Emergency plan), AA-EMS-003-FM (Emergency incident), and AA-EMS-004-FM (Emergency incident Reporting).</li> </ul> <p>Job safety analysis for working in confined space (e.g. cleaning of storage tank), working at height, welding and other critical area. Work permit system and job safety analysis was established and implemented for these works. It was noted that measurement of adequacy of oxygen and availability of dangerous gas were required before entering confined space and it was mentioned in the Job safety analysis; the portable gas detector was sighted during this audit.</p> <p>The company has develop the OHS Program in 2018 such as:</p> <ul style="list-style-type: none"> <li>- PPE provision for all employee according to risk analysis</li> <li>- Safety talk and briefing</li> <li>- Machine inspection</li> <li>- Medical Checkup for employee</li> <li>- Update OHS warning sign</li> <li>- Emergency equipment &amp; First aid kit monitoring</li> <li>- OHS Internal Audit</li> </ul>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>- Management Reveiw</p> <p>Safety Committee (P2K3) meeting conducted each month, latest meeting on 10 February 2018 in PT Indo Sepadan Jaya discussing OHS program achievement and OHS issue. The three monthly report of Safety Committee (P2K3) has submitted to Manpower and Transmigration Office Labuhan Batu Regency e.g: Report P2K3 for period October - December 2017 reported on 13<sup>rd</sup> January 2018.</p> <p>Safety sign for using PPE was provided at several areas. It was noted that workers appear to have a good discipline in wearing this PPE. Chemical factors measurement at workplace has been measured for mill each two years; the sample taking location was properly performed. Chemical factors measurements for estates have been performed e.g. chemical store and fertilizer store.</p> <p>In general, housekeeping at Mill and Estates (office estate, storage, and workshop) was good. Access for workers to workplace in general also good e.g. stair was provided with hand rail and platform at height was provided with border to prevent fall risk. Vertical stair in general has been provided with cover as well.</p> <p>OHS internal audit has been performed by PT Indo Sepadan Jaya on 13 – 23 November 2017 integrated with sustainabiliy audit by Internal auditor. Report of internal audit were evident, follow up action against findings has also taken by company.</p>	
4.7.2	<p>A documented risk assessment shall be available and its implementation shall be recorded.</p> <p>- Major compliance -</p>	<p>OHS risk assessment procedure SOP “Identifikasi bahaya, Penilaian Resiko dan Penentuan Pengendalian” AA-SMK3-02-R0 dated 3 August 2017 was established and implemented for Mill and Estates activities both routine and non-routine activities. Hierarchy of control was considered for planning of risk control. According to the procedure, at least OHS risk assessment document must be reviewed once a year. Risk assessment in Tanjung were available.</p> <p>Risk Assessment Tanjung Selamat POM and Estate was reviewed on 31<sup>th</sup> March 2017, for period 2018 will be reviewed on March 2018.</p> <p>Some activities were examined in regard to risk assessment including for boiler operation, sterilizer operation, generator set operation, loading ramp activity, cleaning of CPO storage tank, chemical</p>	<p>NC</p> <p>#1600992-201802-M3</p> <p>CLOSED on 6 April 2018</p> <p>Comply</p>



Criterion / Indicator		Assessment Findings	Compliance
		<p>mixing, fertilizer warehouse, herbicide and pesticide sprayer, harvesting, road maintenance, waste water treatment, etc. The company has conducted HIRADC for all areas and it was observed that the workers understood MSDS.</p> <p><u>Non conformity:</u></p> <p>Tanjung Selamat POM has A documented risk assessment updated on March 2017. However the risk assessment was not covered several area such as: Incenerator operation, Contractor activity (Methane capture development contractor), CPO dispatch and sounding activity.</p> <p>Company has taken action to address the non conformity, details of correction and corrective action presented in section 3.4 Details of findings.</p>	
4.7.3	<p>Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.</p> <p>- Major compliance -</p>	<p>OHS training has been programmed and provided appear balanced with OHS hazard and risk at Mill and Estates. Basic OHS training performed internally by safety officer in charge at mill and estate, the training record and programme related to OHS were sighted and verified during this audit, e.g. licenses for boiler operator, licence for operator of generator set, licence of heavy equipment operator, pesticide training for sprayers, etc.</p> <p>Observed evidence that all workers have been adequately trained in safe working practices. For example safe working practice training in Tanjung Selamat POM conducted on 15 December 2018, in Tanjung Selamat Estate and Pangkatan Estate conducted on 16 January 2018. Complete records are in place for all training including pesticide workers in each estate. Personal Protective Equipment (PPE) is available for all workers in regards to pesticide applications and use of other hazardous areas and is being used correctly in most cases. During field audit indicated that all sprayer workers using appropriate PPE such as rubber hand gloves, safety goggles, respiratory masker, apron and safety boots. Previously, company provides closed safety goggles which fog up and nowadays company changed the safety goggles with glasses safety goggles and it was anti fog up. In other areas, all PPE is supplied are being used correctly at all times – this includes mill, estates and contractors. The contractors are inducted on all occasions and made fully aware of any OHS and PPE requirements on site.</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>Safety inspection regularly conducted by company to check the OHS implementation and unsafe condition/action. For example safety inspection and observation on 19 December 2017 in Tanjung Selamat POM. PPE inspection in Mill and Estate conducted each day during master morning before working.</p> <p>The company has conducted OHS training for workers and preparing PPE appropriately, during field visit, it was confirmed that workers using PPE based on risk assessment. Training record and program related to OHS were sighted and verified during this audit, e.g. boiler certificate and license for boiler operator, license for operator of generator set, license of heavy equipment operator, pesticide training for sprayers, "Hiperkes" training for doctor and paramedics, welder certificate (SIO) and basic OHS training performed internally. OHS training has been programmed and provided appear balanced with OHS hazard and risk at Mill and Estates.</p> <p>Based on field visit and worker interview, all worker are using appropriate PPE. Sprayer: using masker, goggle, apron, hand glove, overall, gum boot. Harvester: using helmet, goggle, shoes and sickle cover.</p>	
<p>4.7.4</p>	<p>The responsible person(s) for occupational health and safety shall be identified and there shall be records of periodical meetings on health and safety issues.</p> <p>- Major compliance -</p> <p>OHS Organization (P2K3) has established and approved by "Dinas Tenaga Kerja dan Transmigrasi" Labuhan Batu Regency, in each operation unit, e.g:</p> <ul style="list-style-type: none"> <li>- Tanjung Selamat Estate: OHS committee as approved by Manpower and Transmigration Labuhan Batu Regency based on "Surat keputusan Kepala Dinas Tenaga Kerja Kabupaten Labuhan Batu Nomor : KEP.25-7/P2K3/WIL-IV/DTK/SU/2018 tentang Pengesahan Panitia Pembina Keselamatan dan Kesehatan Kerja", dated 22 Februari 2018;</li> <li>- Pangkatan Estate: OHS committee as approved by Manpower and Transmigration Labuhan Batu Regency based on "Surat keputusan Kepala Dinas Sosial, Tenaga Kerja dan Transmigrasi Kabupaten Labuhan Batu Nomor : KEP.16/P2K3/DSTKT-4/2016 tentang Pengesahan Panitia Pembina Keselamatan dan Kesehatan Kerja" dated 4 March 2016;</li> <li>- Tanjung Selamat POM: OHS committee has been developed however has not been registered and approved by Manpower and Transmigration Labuhan Batu regency due to decree of OHS Expert</li> </ul>	<p>NC</p> <p># 1600992-201802-M4</p> <p>CLOSED on 6 April 2018</p> <p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>assignment has not been issued by Ministry of Manpower and transmigration.</p> <p>The dedicated person who is responsible in OHS is formed in organizational chart for OHS Committee as OH expert "Ahli K3", e.g:</p> <ul style="list-style-type: none"> <li>- Tanjung Selamat POM: Mr. Kurniawan; Certificate OHS expert and License of OHS expert assignment letter from Manpower and Transmigration Ministry has not been issued.</li> <li>- Tanjung Selamat Estate: Mr. Oki Sanjaya; License of OHS expert assignment letter from Manpower and Transmigration Ministry No.Reg. 16825/PK3/AJ/12/2014/PO (valid until 3 years) dated 14 November 2014.</li> <li>- Pangkatan Estate: Firmansyah Harahap Certificate OHS expert No. Ser. 403/SR-MDN/IX/2015 dated 19 September 2015; License of OHS expert assignment letter from Manpower and Transmigration Ministry No. Reg. 25188/PK3/AJ/12/2015/PO dated 19 October 2015 (valid until 2018).</li> </ul> <p>Safety Committee (P2K3) conducts periodic meeting (once a month) to discuss the performance of the OSH program and the problems faced. An example of the latest meeting of P2K3 was held on March 28, 2018 to discuss a review of near miss reports, P2K3 activity reviews and work accident reviews. Minutes of P2K3 meeting can be shown during the audit.</p> <p>P2K3 activity reports are reported as well quarterly by PT Indo Sepadan Jaya to the Manpower Office of Labuhan Batu Regency. For example the P2K3 Report of Tanjung Selamat Estate period fourth Quarter 2017 reported on January 5, 2018 to the Manpower Office of Labuhan Batu Regency; P2K3 report of Tanjung Selamat POM for the first quarter 2018 has been reported to the Manpower Office of Labuhan Batu District on April 10, 2018. Evidence of receipt, stamped and signed report can be demonstrated.</p> <p><u>Non conformity:</u></p> <ul style="list-style-type: none"> <li>- P2K3 (Safety committee) in Tanjung Selamat POM has not formed yet in accordance with the new organization and there is no OHS expert assigned in P2K3 organization;</li> </ul>	

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- OHS expert in Tanjung Selamat Estate was not assigned as secretary of P2K3 (Safety Committee) and the chairman of P2K3 has been change however there is no revised of P2K3 structure and endorsed by Disnakertrans Kab. Labuhan Batu.</li> </ul> <p>Company has taken action to address the non conformity, details of correction and corrective action presented in section 3.4 Details of findings.</p>	
4.7.5	<p>A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas.</p> <p>- Minor compliance -</p>	<p>There were established several documented procedures related to emergency response in local language Bahasa Indonesia. Company has establish SOP Kesiagaan Tanggap Darurat AA-EMS-820-PR dated 5 April 2017. The emergency conditions have been identified including Fire and explosion at buildings; land fire; earthquake; flooding; chemical spill and poisonings also waste water ponds spillage. The procedures described the roles and responsibilities of each emergency response team include the mechanism how to conduct medical evacuation to near hospital/local health centre, the emergency contact number of each internal emergency team and external related parties such as public fire station at local area Kabupaten Labuhan Batu and Public health centre were also available. Othe emergency response procedure was defined in:</p> <ul style="list-style-type: none"> <li>- SOP Pengendalian Kebakaran Lahan AA-KL-14-EFP dated 5 May 2013, described the mechanism of handling fire.</li> <li>- SOP Pengendalian Kebakaran di Pabrik, Kantor, dan Perumahan AA-KL-15-EFP dated 1 December 2010</li> <li>- SOP Pengendalian Tumpahan B3 dan Limbah B3 AA-KL-16-EFP dated 1 December 2010</li> <li>- SOP Pengendalian Tanggap Darurat Boiler AA-KL-17-EFP dated 1 December 2010</li> <li>- SOP Pengendalian Gempa Bumi, Banjir, dan Tanah Longor AA-KL-18 - EFP dated 1 December 2010</li> </ul> <p>Gunung Melayu I POM and Pulau Maria Estate also has establish Rencana Tanggap Darurat "AA-447-001-FM dated 2 January 2018 covered a mechanism to handle the emergency situation such as: fire,</p>	<p>NC</p> <p># 1600992-201802-M5</p> <p>CLOSED on 6 April 2018</p> <p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>spill and leaking.</p> <p>Accident and emergency procedures no. AA-EMS-446-PR (operation control), AA-EMS-447-PR (Emergency preparedness), AA-EMS-001-FM (Emergency plan), AA-EMS-003-FM (Emergency incident), and AA-EMS-004-FM (Emergency incident Reporting).</p> <p>Each estate and mill has establish Emergency response Team called "Tim Kesiapsiagaan Tanggap Darurat". Consist of:</p> <ul style="list-style-type: none"> <li>- Tim Kesiapsiagaan Tanggap Darurat PT Indo Sepadan Jaya – Tanjung Selamat POM</li> <li>- Tim Kesiapsiagaan Tanggap Darurat PT Indo Sepadan Jaya – Tanjung Selamat Estate</li> <li>- Tim Kesiapsiagaan Tanggap Darurat PT Rantau Sinar Karsa – Pangkatan Estate</li> </ul> <p>The composition of emergency response team was established consist of Emergency Response Team commander, several fire fighters and first aiders.</p> <p>Company conducted regular simulation of emergency response/drill. Latest simulation fire emergency response conducted on 10 February 2018 in Tanjung Selamat Estate/POM. Record of emergency response simulation and evaluation on "Skenario Pengujian Kesiagaan Tanggap Darurat".</p> <p>Work accident handling procedure is available under SOP Investigasi Kecelakaan Kerja AA-SMK3-1101.01-R0 dated 1 May 2017.</p> <p>Accident report is documented in "Rekaman Kecelakaan Kerja" and Form "Investigasi Kecelakaan Kerja" also available. Accident reports were reviewed and corrective action is done to prevent repetition of accident in the future.</p> <p>First aider who have a license from Ministry of Manpower and Transmigration in PT Indo Sepadan Jaya is Nurlinawati Magdalena Sitorus A.Md.Keb License/Certificate No. 16.662/PM-VII/14 Maret 2014.</p> <p>First aid training for foreman and first aider has been conducted on 26 January 2018 (for estate and mill) attend by 18 participant of foreman and first aider who responsible for first aid action.</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>Documentation and attendance list were available.</p> <p>First aid boxes are available in all operation units appropriately and also supervisor brings first aid box to the field during operation, e.g. harvesting and spraying activities. First aid equipment for both mill and estates was available at worksites and several workers have been trained to use it. For example in Tanjung Selamat Estate there were 18 unit of first aid box and 13 unit in Tanjung Selamat POM. Monitoring of first aid kit perform each month to ensure the availability of medicine and first aid equipment.</p> <p><u>Non conformity:</u></p> <ul style="list-style-type: none"> <li>- There is no regular emergency response drill performed by Emergency response team in Pangkatan Estate and Tanjung Selamat POM.</li> <li>- During field visit in Tanjung Selamat POM, it was found that Hydrant installation near to Workshop area is in broken condition and leaking.</li> <li>- During field visit in Tanjung Selamat POM, its found that in TPS LB3 emergency washer and eye wash was not proper function, there is no water flow when shower/tap opened.</li> </ul> <p>Company has taken action to address the non conformity, details of correction and corrective action presented in section 3.4 Details of findings.</p>	
<p>4.7.6 All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).</p> <p>- Minor compliance –</p>	<p>All workers in mill and estate including daily workers have been covered by Medical and Social Insurance (BPJS), as requested by applicable regulation. Records of insurance payment available in:</p> <ul style="list-style-type: none"> <li>- BPJS registration number</li> <li>- Monthly BPJS insurance premium payment.</li> </ul> <p>Based on document review confirmed that the company has registered all their employees in social insurance program, namely BPJS. Payment social insurance (BPJS Ketenagakerjaan &amp; BPJS Kesehatan) is paid to the "BPJS" monthly, verified; payment January 2018.</p>	<p>Comply</p>

**RSPO Public Summary Report  
Revision 6 (December /2017)**

Criterion / Indicator	Assessment Findings	Compliance
	<p>Record seen:</p> <ul style="list-style-type: none"> <li>- Document of Payment Application for BPJS Ketenagakerjaan Tanjung Selamat POM January 2018, A/C No. 180202xxxx. Registration of BPJS Number BB020568000, number of employee 84. Payment Slip Bilyet Giro No. xxxx.</li> <li>- Document of Payment Application for BPJS Kesehatan Tanjung Selamat POM January 2018, A/C No. 180202xxxx. Registration of BPJS Number SS012558, number of employee 84 with dependent Payment Slip Bilyet Giro No. xxxx.</li> </ul> <p>Company has also programmed and implemented the annual medical checkup for all workers at all estate and mill. MCU has been done annually for all workers. Latest MCU was held in 2017 and attended by all workers including those who work with high risk (blood, urine, cholinestrace, spirometri). All workers are in fit condition. Complete report on MCU result and workers health condition available at clinic.</p>	
<p>4.7.7</p>	<p>Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.</p> <ul style="list-style-type: none"> <li>- Minor compliance</li> </ul> <p>PT Indo Sepadan Jaya EHS team prepares safety index. The safety index is monitoring tool, indicating number of worker (at each operating units), number of major and minor accident as well as the lost time injury.</p> <p>The monitoring carried out on monthly basis and results were discussed during safety committee meeting. The incident statistics include man-hours, lost time accident and Frequency rate (FR) and Severity rate (SR) were reported quarterly by safety officer.</p> <p>For example in Tanjung Selamat POM by December 2017, total man hours 92,925 hours; total incident in a year 11 incident with lost time accident in a year 9 days; FR 22.83 and SR 22.83. In 2018 since January – February 2018.</p> <p>In Tanjung Selamat and Pangkatan Estate there is a record of accident report, however there is no incident statistics include man-hours, lost time accident and Frequency rate (FR) and Severity rate (SR) were made by safety officer.</p>	<p>NC</p> <p>#1600992-201802-N2</p> <p>status remain OPEN</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>Non conformity:</p> <ul style="list-style-type: none"> <li>- Tanjung Selamat Estate and Pangkatan Estate has record the accident report, however there is no calculation of Lost Time Accident including Frequency rate and severity rate of accident.</li> <li>- Tanjung Selamat Estate, Pangkatan Estate and Tanjung Selamat POM has investigate the accident and recorded in Catatan Kecelakaan Kerja, however there is no proper of rootcause analysis and follow up action to prevent the similar accident.</li> </ul> <p>Company has made corrective action plan to address the non conformity, details of correction and corrective action plan presented in section 3.4 Details of findings.</p>	
<p><b>Criterion 4.8</b> All staff, workers, smallholders and contract workers are appropriately trained.</p>			
4.8.1	<p>Records of training program related to the aspects of RSPO Principles and Criteria shall be available.</p> <p>- Major compliance -</p>	<p>Assessment of training needs was performed using Training Need Matrix Identification “Matriks Identifikasi Kompetensi personal” January – December 2018. The assessment was conducted once in a year and the records of assessment were maintained properly. All functions were included in this training identification from mill manager, estate manager, assistant head, group leader, operator at mill, sprayer, welder, boiler operator including for contractor (civil, mechanic and transporter). The training needs identified appear sufficient and complete, this including training related to OHS, environmental, social, training required by regulations, and training related to operation of mill and estate.</p> <p>The training program was created annually based on training assessment to improve the workers skill and competency as documented in “Rencana dan Realisasi Pelatihan”.</p> <p>Tanjung Selamat POM:</p> <p>Training programme 2017 and 2018 were sighted, the training programme is established based on the training needs identification and covered all aspects of the RSPO criteria such as safety, environment, social, best practice, human rights, HCV and ethical. Some trainings have been</p>	Comply



Criterion / Indicator	Assessment Findings	Compliance
	<p>conducted, such as:</p> <ul style="list-style-type: none"> <li>- P3K training</li> <li>- MSDS Training</li> <li>- Training SOP and WI for each station and operator</li> <li>- Training K3 awareness, PPE usage, high risk job and HIRARC</li> <li>- Training Technical Agriculture oil</li> <li>- Training sludge centrifuge</li> </ul> <p><u>Tanjung Selamat Estate and Pangkatan Estate:</u></p> <p>Training Program presented in “Rencana Kegiatan Training Periode 2017” among others:</p> <ul style="list-style-type: none"> <li>- Fire fighting techniques</li> <li>- Training waste and hazardous waste (LB3) control</li> <li>- Training OHS Policy, ISBPR, PPE</li> <li>- Training First Aid (P3K)</li> <li>- Training herbicide handling and MSDS</li> </ul>	
<p>4.8.2</p>	<p>Records of training for each employee shall be maintained.</p> <ul style="list-style-type: none"> <li>- Minor compliance –</li> </ul> <p><u>Tanjung Selamat POM:</u></p> <p>Report of realization training 2017 was available in “Dokumentasi dan Notulen Training” and can be shown, such as:</p> <ul style="list-style-type: none"> <li>- Training Hazardous waste management has been conducted on June 2017. Minutes of training, evaluation and attendat list were available.</li> <li>- MSDS Training has been conducted on April 2017. Minutes of training, evaluation and attendat list</li> </ul>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>were available.</p> <ul style="list-style-type: none"> <li>- Training SOP and WI for each station and operator on May 2017.</li> <li>- Training Operator mesin listrik, on behalf nama Edi Supriadi, kualifikasi OPR. Pesawat Uap Kelas I, no. 614-OPK3-PUBT-B.I/VI/2012, dated 19 April 2010, valid until 22 Juni 2017</li> <li>- Training Operator Boiler, on behalf nama M. Ali, kualifikasi OPR. K3 Pesawat Uap Kelas I, no. 491/OPK3/B.I/IV/2014, dated 14 Maret 2014, valid until 28 April 2019.</li> <li>- Training Sertifikat AK3U, on behalf Julvandi Purba, no. 13975/PK3/AJ/12/2014,dated 28 April 2014, valid until 27 Juni 2017.</li> </ul> <p>The evidence of record of training for each employee was shown, e.g. record of training for Boiler operator, Analis, Tippler operator, Press operator, grading operator.</p> <p><u>Tanjung Selamat Estate and Pangkatan Estate:</u></p> <p>Report of realization training 2017 was available in “Dokumentasi dan Notulen Training” and can be shown, such as:</p> <ul style="list-style-type: none"> <li>- Training Operator Loader Back Hoe, on behalf Sugianto, kualifikasi OPR. K3 Backhoe Loader, no. 1788/OPK3/PAA/III/2014,dated 6 Februari 2014 valid until 7 Maret 2019</li> <li>- Training Welder on behalf Sopyan, kualifikasi Juru las Kelas II, no. 330/JL/PNK3/VIII/13, dated 7 June 2013, valid until 26 Agustus 2018</li> <li>- Training HIPERKES, on behalf Nuraini Purba, certificate no. 16.961/PM-VII/14, dated 17 February 2014, valid until 17 Februari 2019</li> <li>- Training HIPERKES as P3K (First aider), on behalf Nuraini Purba, certificate no. 952/PK3-P3K/III/2014, dated 3 February 2014, valid until 1 Juli 2019.</li> </ul>	
<p><b>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity</b></p>		

Criterion / Indicator	Assessment Findings	Compliance
<p><b>Criterion 5.1</b></p> <p><b>Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</b></p>		
<p>5.1.1</p> <p>Environmental impact assessment document(s) shall be available.</p> <p>- Major compliance -</p>	<p>Environmental impact assessment PT Indo Sepadan Jaya refer to SEL (Studi Evaluasi Lingkungan) documents, its consist of EIA document, Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL). The company has EIA documents which have been approved by persetujuan Komisi AMDAL Departemen Pertanian No. 998/AMDAL/V/1993 dated 4 May 1993. EIA scope for Tanjung Selamat Estate was 3,855 ha and Tanjung Selamat Palm Oil Mill with plan capacity 30 MT/hour and can be extended to become 60 MT/hour..</p> <p>Environmental impact assessment document(s) are available, last updated May 10<sup>th</sup>, 2017, in accordance with procedure "Identifikasi &amp; Evaluasi Aspek Lingkungan" (AA-EMS-431-PR) covering technical, period, and determining level of impact and it's mitigation, for all activities in estates and mill, since replanting until CPO dispatching.</p> <p>Environmental impact assessment PT Rantau Sinar Karsa refer to ANDAL (Analisa Dampak Lingkungan) documents, its consist of EIA document, Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL). The company has EIA documents which have been approved by persetujuan Komisi Pusat AMDAL Departemen Pertanian No. 49/AMDAL/V/1993 dated 15 May 1993. EIA scope for Pangkatan Estate was 4,366 ha with mill capacity 60 MT/hour.</p>	<p>Comply</p>
<p>5.1.2</p> <p>Environment management plan document to prevent negative impacts, its implementation report and revision (if the identification of impact requires changes in current company's practices) shall</p>	<p>Environment management plan document presented in Document "Rencana Pengelolaan Lingkungan" as part of AMDAL document. Environment management plan to prevent negative impact such as:</p> <ul style="list-style-type: none"> <li>- To prevent air quality decrease, company performed action: Reduce exhaust emissions from the engines by maintenance routine engine, the use of anti-dust mask continuously for workers who</li> </ul>	<p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance
	<p>be available. The company's management shall appoint the responsible person(s) for the implementation of the document.</p> <p>- Minor compliance -</p>	<p>are near the source of pollutants that exceed the threshold.</p> <ul style="list-style-type: none"> <li>- To prevent water quality decrease, maintaining green areas along the river banks, do not logging in the river banks area, planting land cover crop on the cliffs and prone to erosion areas, the use of wastewater for Land Application, solid waste utilization plant (shell, fibre) for fuel.</li> <li>- To prevent erosion: land clearing mechanically, land clover crop planting, terracing in slope.</li> <li>- To prevent wildlife habitat disturbance, place signboard to prohibit illegal hunting in conservation area and around estate, awareness to employee and surrounding community to save the protected species.</li> <li>- To increased job opportunities, provide employment opportunities to the local community, the provision of supporting infrastructure for public economic activities, providing employment opportunities information to the public.</li> <li>- The increase in public revenues, maximize the use of local labor, involving the local community as business partners.</li> <li>- Company appoint manager Estate and Mill PT Indo Sepadan Jaya to control and ensure the document RKL implementation. RKL implementation report is submitted to the government every 6 months, latest Environmental Management Report for Semester II (July – December 2017) has submitted to Dinas Lingkungan Hidup Kabupaten Labuhan Batu and Dinas Lingkungan Hidup Provinsi Sumatera Utara on 7<sup>th</sup> February 2018. Evidence of report submission can be demonstrated in "Tanda Terima Laporan Pelaksanaan Izin Lingkungan".</li> </ul>	
5.1.3	<p>Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on</p>	<p>Environment monitoring plan document presented in "Rencana Pemantauan Lingkungan" as part of AMDAL document. Its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) available in "Laporan Pengelolaan dan Pemantauan Lingkungan". Environment monitoring plan such as:</p> <ul style="list-style-type: none"> <li>- The decline in air quality including monitoring the ambient air quality (based PP No. 41 of 1999) and emission (genset - PermenLH No. 13 of 2009, boiler - KepMenLH No. 07 of 2007), Odor</li> </ul>	<p>NC</p> <p>#1600992-201802-N3</p> <p>status remain OPEN</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>two-yearly basis.</p> <p>- Minor compliance –</p>	<p>(based on PermenLH No. 50 of 1996) every 6 months by Accredited Testing Laboratory Sucofindo. The latest analysis performed in semester II 2017 and the result of analysis was met with the standard. Analysis report No. 08609/CLACAK dated 30 November 2017 for Ambient air quality, Analysis report No. 08612/CLACAK dated 30 November 2017 for Emission Boiler 1 &amp; 2, Analysis report No. 08611/CLACAK dated 30 November 2017 for Emission Genset 1 &amp; 2 Tanjung Selamat POM, Analysis report No. 08608/CLACAK dated 30 November 2017 for Emission Genset 1 &amp; 2 Tanjung Selamat Estate. Odor monitoring in waste water treatment installation (IPAL) performed each semester, latest monitoring on 13 November 2017 was met with standard KepMenLH No. 50/MENLH/11/1996. Analysis report No. 08610/CLACAK dated 30 November 2017 by Sucofindo. Emission monitoring of incinerator has performed and follow the standard KepMenLH No. KEP-13/MENLH/3/1995 Appendix 5B. Analysis report No. 08613/CLACAK dated 30 November 2017 for Emission Tungku Bakar Tanjung Selamat POM, the resul of analysis generally met with standard however there was one parameter of NH3 was exceed the threshold (standard 0.5 mg/m3 and the standard was 0.66 mg/m3).</p> <ul style="list-style-type: none"> <li>- Noise, temperature, vibration, humidity, ambient indoor monitoring at Power house station, Nut &amp; Kernel, Press, sterilizer, Boiler station based on standard Permenakertrans No. 13/MEN/X/2011, latest analysis in 13 November 2017 was met with the standard. Analysis report No. 08614/CLACAK dated 30 November 2017 by Sucofindo.</li> <li>- The decline in water quality, monitoring surface water quality each semester as per PP No. 82 tahun 2001 by Accredited Testing Laboratory Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit (BTKLPP) Kelas I Medan. Analysis performed in upstream and downstream of Kalundang River. Latest analysis result semester II 2017 on 10 July 2017 was met with the standards. Analysis report No. F/BTKL-MDN/5.10.1.k. Plankton and Benthos monitoring each semester in upstream and downstream of Kalundang River by Accredited Testing Laboratory Sucofindo, latest analysis on 13 November 2017, Analysis report No. 0961/CLACAK dated 1 December 2017. Monitoring of Mill wastewater each month by Accredited Testing Laboratory Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit (BTKLPP) Kelas I Medan, latest analysis result semester II 2017 was met with the standard PerMenLH No. 5, 2014 Appendix III.</li> </ul>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>- Social, economic and culture component - Improved community job opportunities, conduct interviews with workers regarding to the origin of the area and the level of wages. Local labor that works in PT Indo Sepadan Jaya are open and wellcome by wages paid in accordance with the applicable UMR, the public perception is also positive for the company's existence. The increase in community income conducted by monitoring directly to the local community, generally, people's income increases with the workers in the company, the company's cooperation with the community in terms of transportation of FFB, infrastructure project like bridges, drainage, culverts, etc.</p> <p>RPL implementation report is submitted to the government every 6 months, latest Environmental Management Report for Semester II (July – December 2017) has submitted to Dinas Lingkungan Hidup Kabupaten Labuhan Batu and Dinas Lingkungan Hidup Provinsi Sumatera Utara on 7<sup>th</sup> February 2018. Evidence of report submimission can be demonstrated in "Tanda Terima Laporan Pelaksanaan Izin Lingkungan".</p> <p><u>Non conformity:</u></p> <ul style="list-style-type: none"> <li>- Tanjung Selamat POM has measured the emission of incinerator (Tungku Bakar) No. 02 Certificate analysis No. 08613/CLACAK dated 30 November 2017, however there was a parameter of Amonia (NH3) was exceed the threshold KepMenLH No, KEP-13/MENLH/3/1995: result of analysis 0.66 mg/m3 and the standard is 0.5 mg/m3.</li> <li>- PT Indo Sepadan Jaya has analyzed the water body/surface water of Kalundang river in upstream and downstream, Analysis report No. F/BTKL-MDN/5.10.1.k dated 10 July 2017, however there was a parameter of BOD and COD was exceed the threshold PP No. 82 tahun 2001 regarding Water quality management and water pollution mitigation Class II. Analysis result:               <ul style="list-style-type: none"> <li>✓ Upstream: BOD 17.75 mg/l, COD 15.45 mg/l</li> <li>✓ Downstream: BOD 20.0 mg/l, COD 62.50 mg/l</li> <li>✓ Standard: BOD 3 mg/l, COD 25 mg/l</li> </ul> </li> </ul> <p>For the environment parameter which exceed the threshold was not explained in the RKL-RPL report,</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>there is no rootcause analysis, correction and corrective action to addressed the issue.</p> <p>Company has made corrective action plan to address the non conformity, details of correction and corrective action plan presented in section 3.4 Details of findings.</p>	
<p><b>Criterion 5.2</b></p> <p>The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>			
5.2.1	<p>Record(s) on the results of High Conservation Value (HCV assessment) that includes both the planted area and the relevant wider landscape-level considerations (such as wildlife corridors) shall be available.</p> <p>- Major compliance -</p>	<p>The organization both of Tanjung Selamat and Pangkatan estates has conducted HCV assessment included both of planted area and the relevant wider landscape. The HCV assessment was conducted by the competent HCV asesors. There is no any revisions on HCV assessment and HCV areas since the last audit. Short explanation of HCV assessment documents as below:</p> <p><u>Tanjung Selamat Estate(under PT Indo Sepadan Jaya)</u></p> <p>The company has conducted HCV identification with collaborated IPB (Bogor Agriculture University) in 2013 as documented in "Laporan Akhir Kajian Penuh (Full Assessment) Identifikasi dan Analisis Keberadaan Nilai Konservasi Tinggi (NKT) di Areal PT Indo Sepadan Jaya – Kebun Tanjung Selamat Tahun 2014".</p> <p>Assessor team consist of Dr. Ir. H. Nyoto Santoso, MS (Team Leader/RSPO HCV Assessor), Ahmad Faisal, S.Hut, MSI (Member /RSPO HCV Assessor), Eko Adhiyanto, S.Hut (Member); Sutopo S.Hut (Member /RSPO HCV Assessor); Rae Birumbo (Member), Arif Prasetyo, S.Hut (Member).</p> <p>Peer Review by Mr Dr. Jarwadi Budi Hernowo (Independent Consultant/RSPO HCV Assessor) in January 2014.</p> <p>Based on the assessment report, it was identified HCV area, such as: HCV 1.3: 1.24 ha and HCV: 5,33 ha (total HCV area 6.57 ha). It means HCV area was 0.16% from total area of Tanjung Selamat Estate (3.977 ha).</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Pangkalan Estate (under PT Rantau Sinar Karsa)</u></p> <p>The company has conducted HCV identification with collaborated IPB (Bogor Agriculture University) in 2013 as documented in “Laporan Akhir Kajian Penuh (Full Assessment) Identifikasi dan Analisis Keberadaan Nilai Konservasi Tinggi (NKT) di Areal PT Rantau Sinar Karsa – Kebun Pangkatan tahun 2014.</p> <p>Assessor team consist of Dr. Ir. H. Nyoto Santoso, MS (Team Leader/RSPO HCV Assessor), Ahmad Faisal, Shut, MSI (Member /RSPO HCV Assessor), Eko Adhiyanto, S.Hut (Member); Sutopo S.Hut (Member /RSPO HCV Assessor); Rae Birumbo (Member), Arif Prasetyo, S.Hut (Member). Peer Review by Mr Rachmad Hermawan (Independent Consultant/RSPO HCV Assessor) in January 2014</p> <p>Based on the assessment report, it was identified HCV area, such as: HCV 1.3 and HCV 4.1 (110,87 Ha) as well as HCV 6 (0,04 Ha). So, total HCV area at Pangkatan estate was 110.91 ha.</p> <p>Therefore, total HCV area within Tanjung Selamat and Pangkatan estates was 117.48 ha</p>	
5.2.2	<p>Where rare, threatened or endangered (RTE) species and or other HCVs are present or affected by the plantation and mill operations, an appropriate measures that are expected to maintain or enhance them shall be implemented through a management plan.</p> <p>- Major compliance -</p>	<p>The company has established “Conservation Management Plan” to manage and to monitor of RTE’s. There was found RTEs as per PP No. 7, year 1999, such as: Kucing kuwuk (<i>Prionailurus Bengalensis</i>), Burung Madu kelapa (<i>Anthreptes Malacensis</i>), Elang Brontok (<i>Nisaetus Cirrhatus</i>), Kuntul kecil (<i>Egretta garzeta</i>) and etc.</p> <p>Company has monitor the RTE species and HCV area regularly.</p> <p>Based on document “Laporan Monitoring Areal Konservasi” for period July – December 2017, there is found and reported any RTE species (flora and fauna) within areas such as: Kucing kuwuk (<i>Prionailurus Bengalensis</i>), Burung Madu kelapa (<i>Anthreptes Malacensis</i>), Elang Brontok (<i>Nisaetus Cirrhatus</i>), Kuntul kecil (<i>Egretta garzeta</i>), cekakan sungai (<i>Tordirhampus chloris</i>).</p>	Comply
5.2.3	<p>Program(s) to socialize the status of protected, rare, threatened or endangered (RTE) to all workers</p>	<p>Organization has been established management program of HCV to annually educate about the status and protection of the RTE species to worker and community around estate. Public Consultation and dissemination of information to local communities has been carried out on 23</p>	Comply



Criterion / Indicator		Assessment Findings	Compliance
	<p>shall be available, including records of appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance –</p>	<p>February 2017 and 4 December 2017 to surrounding community.</p> <p>All staff and employees was informed about HCV areas and RTE species. Object of educate program regarding the status of the RTE species, list of protection species in area, management of RTE species, protection of RTE species. Educate to worker through socialization conducted continuously through master morning and minimum twice a year. Latest socialization in Jakluay Estate conducted on 7 November and 23 October and in Pantun Mas Estate on 27 February 2017. Documentation and minutes of socialization can be demonstrated.</p> <p>Based on field visit and interview with workers and local communities it was found no any capture, harm, collect or kill RTEs.</p>	
5.2.4	<p>Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available, and the results of monitoring are to be used to follow-up on the improvement of the management plan.</p> <p>- Minor compliance –</p>	<p>HCV and wildlife/animal monitoring continuously conducted in a regular basis. Secondary monitoring conducted each month and primary monitoring conducted twice a year. Monitoring of animal/wildlife performed by HCV/Sustainability officer and field workers, result of monitoring presented in “laporan pemantauan Jenis satwa/tumbuhan”.</p> <p>Report of Management and Monitoring for HCV and RTEs is reported every 6 months and review is conducted regularly to ensure that monitoring is effective. Reports first half 2017 period can be demonstrated. Results of monitoring was evaluated using trend evaluation. Monitoring RTE species in January – June 2017 observed type of mammal and two species was protected by law such as Macan akar (<i>Felis bengalensis</i>); 42 species of Aves (bird) and 7 species was protected such as Alap-alap kawah (<i>Falco feregrinus</i>), Burung madu kelapa (<i>Anthreptes malaccensis</i>), Kipasan belang (<i>Rhipidura javanica</i>), Kuntul kerbau (<i>Bubulcus ibis</i>), Cekakak sungai (<i>Tordirhampus chloris</i>); 6 species of Herpetofauna such as Biawak (<i>varanus salvator</i>), Kodok buduk (<i>Bufo asper</i>).</p> <p>Result of monitoring gives the feedback into the management plan improvement. The results from monitoring of wildlife, environmental, and socio-cultural services gives feedback advice and recommendations to the management plan.</p>	Comply
5.2.5	Where HCV areas overlapped with	No any HCV areas in existing local community rights	N/A

Criterion / Indicator		Assessment Findings	Compliance
	<p>an identified local community's land, there shall be evidence of a negotiated agreement that optimally safeguard their HCVs and the local community's rights.</p> <p>- Minor compliance -</p>		
<p><b>Criterion 5.3</b> Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>			
5.3.1	<p>A documented identified source of all waste and pollution, shall be available.</p> <p>- Major compliance -</p>	<p>Waste and pollution sources have been identified and documented, including used lubricant and filter, old battery, used laboratory chemical, clinical/medical waste, mill effluent, EFB, smoke, dust, fiber and shell, empty agrochemical container, boiler ash, scrap iron, used tires, waste water and domestic household refuse. Record of identification was presented in "Evaluasi Aspek Dampak Lingkungan" EMS-431-003-LT issued 27<sup>th</sup> December 2017 in Tanjung Selamat Estate .</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.</p> <p>- All polluting activities has been assessed including emission from boiler and generator, effluent from mill waste water, particulate from boiler stack, noise, 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.</p>	Comply
5.3.2	<p>There shall be evidence that all chemicals and their empty containers are disposed off</p>	<p>PT. Indo Sepadan Jaya Tanjung Selamat POM and Supply bases collects all hazardous waste from estate and mill into temporary hazardous waste storage. The temporary hazardous waste storage has permit according to:</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
<p>responsibly.</p> <p>- Major compliance -</p>	<ul style="list-style-type: none"> <li>- Keputusan Bupati Labuhan Batu Nomor 503.660/324/BLH-LB/WAS/2014 tanggal 30 Desember 2014. tentang Izin Penyimpanan Sementara Limbah Bahan Berbahaya dan Beracun kepada PT Indo Sepadan Jaya – Kebun Tanjung Selamat Desa Kampung Padang Kecamatan Pangkatan Kabupaten labuhan Batu. Permit valid for 5 years and PT Indo Sepadan Jaya has permit to store the hazardous waste for 180 days because of producing hazardous waste less than 50 kg/day.</li> <li>- Keputusan Bupati Labuhan Batu Nomor 503.660/199/BLH-LB/WAS/2015 tanggal 29 Juni 2015. tentang Izin Penyimpanan Sementara Limbah Bahan Berbahaya dan Beracun kepada PT Indo Sepadan Jaya – PMKS Tanjung Selamat Desa Kampung Padang Kecamatan Pangkatan Kabupaten labuhan Batu. Permit valid for 5 years and PT Indo Sepadan Jaya has permit to store the hazardous waste for 180 days because of producing hazardous waste less than 50 kg/day.</li> </ul> <p>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 equipement 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. Indo Sepadan Jaya Tanjung Selamat POM and Supply bases has an agreement in transporting the hazardous waste with licensed contractor: “Perjanjian Kerjasama antara PT. Indo Sepadan Jaya dengan Konsorsium PT. Sumatera Deli Lestari Indah – PT Indostar Cargo dan PT Prasadha Pamunah Limbah Industri No.003/AA-SDLI-ISC-PPLI/III/2017 dated 3<sup>rd</sup> March 2017; valid for one year. 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, contaminated waste and used filter.</p> <p>The contractor, PT. Indostar Cargo holds valid permit: “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</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>RI", valid for 5 years. PT Indostar Cargo has also permit for hazardous waste transporting based on "Izin Penyelenggaraan Angkutan Barang Khusus Untuk Mengangkut Barang Berbahaya dari Kementerian Perhubungan Direktorat Jenderal Perhubungan Darat berdasarkan SK Nomor: SK.4990/AJ.309/DJPD/2017/120710258bb-0062 dated 2 November 2017, Valid until 3 November 2018.</p> <p>PT Indo Sepadan Jaya has demonstrate the records of hazardous waste management such as:</p> <ul style="list-style-type: none"> <li>- "Laporan Penyimpanan Sementara Limbah B3 Triwulan IV Periode Oktober – Desember 2017" contain information of hazardous waste number, store and delivery of hazardous waste to licensed vendor. The report has submit to "Dinas Lingkungan Hidup Kabupaten Labuhan Batu" on 15 February 2018 for Tanjung Selamat Estate and 7 February 2018 for Tanjung Selamat POM.</li> <li>- "Catatan serah terima limbah B3" and "Manifest limbah B3". For example Minutes of hazardous waste delivery to PT Indo Star Cargo on 14 December 2017 covering:               <ul style="list-style-type: none"> <li>- Oil/Fuel Filter 1 drum, Manifest Limbah B3 No. OL 0018881</li> <li>- Used oil 3 drum, Manifest Limbah B3 No. OL 0018876</li> <li>- Medical waste 1 drum, Manifest Limbah B3 No. OL 0018877</li> <li>- Ex Chemical storage 4 drum karton, Manifest Limbah B3 No. OL 0018878</li> <li>- Ex pesticide container 58 drum karton, Manifest Limbah B3 No. OL 0018879</li> <li>- Used battery 22 pcs, Manifest Limbah B3 No. OL 0018880</li> </ul> </li> </ul> <p>Berita Acara Serah terima limbah B3 dari PKS Tanjung Selamat kepada PT Indo Star Cargo tanggal 15 Desember 2017 dapat ditunjukkan. Limbah B3 yang dikirimkan sebagai berikut:</p> <ul style="list-style-type: none"> <li>- Oil/Fuel Filter 1 Pail (8 kg), Manifest Limbah B3 No. OL 0018884</li> <li>- Used oil 1 drum (100 kg), Manifest Limbah B3 No. OL 0018882</li> </ul>	

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Medical waste 1 Pail (4 Kg), Manifest Limbah B3 No. OL 0018886</li> <li>- Ex Chemical storage 1 drum + 1 pail (58 kg), Manifest Limbah B3 No. OL 0018885</li> <li>- Used rags 1 Pail (10 kg), Manifest Limbah B3 No. OL 0018884</li> </ul>	
5.3.3	<p>A documented waste management plan to avoid or reduce pollution and its implementation shall be available.</p> <p>- Minor compliance –</p>	<p>Waste and pollution sources have been identified and documented in Tanjung Selamat Estate and Pangkatan Estate. The identification of waste and pollution including used lubricant and filter, old battery, used laboratory chemical, clinical/medical waste, mill effluent, EFB, smoke, dust, fiber and shell, empty agrochemical container, boiler ash, scrap iron, used tires, waste water and domestic household refuse. Record of identification was documented in “Evaluasi Aspek Dampak Lingkungan” EMS-431-003-LT issued 27th December 2017.</p> <p>Company also prepare waste management plan such as:</p> <ul style="list-style-type: none"> <li>- Domestic waste, managed by segregation of organic and inorganic waste, transport the waste to sanitary landfill</li> <li>- Liquid domestic waste, managed by providing septic tank and trench each house</li> <li>- Solid waste resulted from mill such as: shell and fiber used as boiler fuel, EFB applied to plantation used as mulched and organic fertilizer</li> <li>- Liquid waste from mill managed by application to plantation as fertilizer (Land application)</li> <li>- Hazardous waste resulted from mill and estate managed by store in the temporary storage which has licensed and delivered to licensed transporter and collector.</li> <li>- Waste of used goods/scrap, collect and sell to vendors</li> <li>- Air emission, water and soil pollutant managed by dust collector installation</li> </ul>	Comply
<b>Criterion 5.4</b>			

Criterion / Indicator	Assessment Findings	Compliance
Efficiency of fossil fuel use and the use of renewable energy is optimized.		
5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimize renewable energy shall be in place and monitored. - Minor compliance –	<p>Tanjung Selamat POM:</p> <p>Tanjung Selamat POM is using 100% fiber and nut shell for power generation during FFB processing. The fiber and nut shell is by-product from CPO production. Tanjung Selamat POM has calculated the total energy required for process, based on FFB tonnage x steam required to process one ton FFB x energy required to generate one kg steam. Tanjung Selamat POM has also calculated the potential energy generated from using fiber and nut shell. From calculation it was known that there is energy surplus, whereby used as power generation when mill is in operation but not processing FFB (electricity source, cleaning, etc.).</p> <p>Total fiber use as boiler fuel since January – December 2017 was 24,188 ton (11.7% from FFB processed) while shell use as boiler fuel was 8,685 ton (4.20% from FFB processed). Total FFB processed was 206,553 ton.</p> <p>Total solar use since January – December 2017 by Tanjung Selamat POM was 40,900 litre.</p> <p>Tanjung Selamat and Pangkatan Estate:</p> <p>Tanjung Selamat Estate monitor the diesel fuel usage each month. Diesel fuel usage for: genset, heavy equipment, truck and operational vehicle. Total diesel fuel usage since January 2017 – December 2017 was 362,664.84 litre (2.86 litre/ton FFB) while budget of diesel fuel was 706,130 litre (5.57 litre/ton FFB). In 2016 actual usage : 353,960.45 litre (3.52 litre/ton FFB) while budget was 438,300 litre (4.36 litre/ton FFB).</p> <p>Pangkat an Estate : actual usage 2017 was 393,180 litre (4.27 litre/ton FFB) while budget was 369,855 litre in 2016 actual usage 426,550 litre (5.74 litre/ton FFB) while budget was 402,699.99 litre (5.73 litre/ton FFB).</p>	Comply
<b>Criterion 5.5</b>		

Criterion / Indicator		Assessment Findings	Compliance
Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.			
5.5.1	Records of land clearing with zero burning shall be available, referring to the ASEAN Policy on Zero Burning (2003) or other recognised techniques based on the existing regulations.  - Major compliance -	The company has zero burning policy documented in "Kebijakan Perusahaan, 1 December 2014" stated : "Melakukan Praktek Tanpa Bakar dalam kegiatan pembangunan perkebunan dan secara aktif mendukung inisiatif mencegah dan mengawasi kebakaran hutan dan asap".  During field visit and obervation was not found open burning during audit, included in land preparation or replanting.	Comply
5.5.2	Where fire has been used for eradication of pest during replanting, the records of the analysis of the use of fire and permit from the authorised agency shall be available.  - Minor compliance -	No fire was used during land preparation or replanting.	Comply
<b>Criterion 5.6</b>			
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			
5.6.1	Document(s) assessing pollution and emission sources, including gaseous, particles, soot emissions and effluent, shall be available. (see Criterion 4.4)  - Major compliance -	Identification of pollution and emission sources at Mill and Estates activities were evident. The source of pollution, type of pollution and its control was documented in List of environmental aspect and impact evaluation:  - Boiler stack emission including particulate and soot  - Diesel electric generator emission	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> <li>- POME methane emission</li> <li>- Use of fertilizer</li> <li>- Use of Pesticide</li> <li>- Diesel fuel usage</li> <li>- Vehicle and heave equipment emission</li> </ul> <p>All the activities of mill and estate as well as the waste generated has been well documented, for examples the operational activities from generator is generates air emissions, the company conducts periodic generator maintenance and perform quality measurement of exhaust emissions each semester to ensure air quality is comply with standard regulation.</p> <p><b><u>Tanjung Selamat POM</u></b></p> <p>Genset emission and boiler emission monitoring has been performed each semester, latest analysis performed on 13 November 2017 by Acredited Testing laboratory of Sucofindo. Boiler emission standard based on Environment Ministry Regulation #07/2007 Appendix I, while diesel electricity generator (genset) based on Environment Ministry Regulation #13/2009 Appendix IA. Report of testing can be demonstrated and the result of analysis were met with the standard for both genset and boiler:</p> <ul style="list-style-type: none"> <li>- Analysis report No. 08612/CLACAK dated 30 November 2017 for Emission Boiler 1 &amp; 2</li> <li>- Analysis report No. 08611/CLACAK dated 30 November 2017 for Emission Genset 1 &amp; 2 Tanjung Selamat POM</li> </ul> <p>Tungku Bakar/incinerator emission also measured and monitored each semester by company and analysed by Acredited Testing laboratory of Sucofindo. Latest analysis on 13 November 2017, Analysis report No. 08613/CLACAK dated 30 November 2017.</p> <p>Tanjung Selamat POM also has monitor the emission of vehicle (Mitsubishi) and heavy equipment (Case Bachoe Loader and Ford Tractor) once a year. Latest measurement by Acredited testing</p>	



Criterion / Indicator		Assessment Findings	Compliance
		<p>laboratory Sucofindo was performed on 17 May 2017 based on Environment Ministry Regulation #05/2006. Analysis report No.05696/CLACAK. The result of analysis is met with the standard.</p> <p><b><u>Tanjung Selamat Estate &amp; Pangkatan Estate</u></b></p> <p>Genset emission monitoring in estate has been performed each semester, latest analysis performed on 13 November 2017 by Accredited Testing laboratory of SUCOFINDO.</p> <ul style="list-style-type: none"> <li>- Genset 02/GS KTS 02 67.5 KVA in Tanjung Selamat Estate, Report of Testing No. 08608/CLACAK dated 30 November 2017.</li> <li>- Genset 03/GS KTS 03 45 KVA in Tanjung Selamat Estate, Report of Testing No. 08608/CLACAK dated 30 November 2017.</li> </ul> <p>All parameter measured was met with PerMenLH No. 13 Tahun 2009 Lampiran IA tentang Baku Mutu Emisi Sumber Tidak Bergerak.</p>	
5.6.2	<p>Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plan to reduce or minimize them implemented.</p> <p>- Major compliance -</p>	<p>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.</p> <p>Tanjung Selamat POM was plan to develop Biogas plant with capacity 1.2 MW to reduce green house emission, and currently is on progress of development.</p> <p>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. Records of all monitoring are kept and documented e.g. Laporan RKL-RPL, and PBD Biogas Plant Processing.</p> <p>Buatan II POM has programme to reduce greenhouse gas emission by reducing fosil fuel usage from 147,502 L in 2016 to become 133,000 L in 2017. Buatan II POM monitored fossil fuel usage each month. In period January – July 2017 diesel fuel usage total was 99,908 L</p> <p>“Program Mitigasi dan Pengurangan Gas Rumah Kaca PT. Tapian Nadenggan 2017”, identifies:</p> <ul style="list-style-type: none"> <li>- Use of fossil fuel: substitute diesel fuel with renewable energy (shell and fiber);</li> </ul>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Monitoring diesel fuel use: calculating diesel fuel use and analyze the root cause should increase of</li> <li>- diesel fuel use identified, optimizing actual KWh produced from shell and fiber usage; Communicating to FFB transport contractor to maximize dump truck capacity to reduce diesel fuel use inefficiency;</li> <li>- Monitoring KWh per ton product in mill from renewable energy. Monitoring trend in three years span: monitoring energy generated from shell and fiber per ton FFB, monitoring energy generated from shell and fiber per ton CPO, analyze the trend in use of renewable energy source for 5 years time.</li> <li>- Use of fertilizer: fertilizer application in line with recommendation from SMARTRI (in correct time and dosage). To provide alternative soil nutrient in form of EFB and land application. Record fertilizer application, monitoring land application, maintain flatbed and pipe network (reduce leakage), maintain flowmeter.</li> <li>- Use of pesticide: implementing integrated pest management; monitoring of pest, monitoring use of pesticide and the target species, applying pesticide in accordance to SMARTRI recommendation, determining economic threshold for each pest, implementing best management practice for the use of pesticide.</li> <li>- Use of electricity: cutting electricity during rest time of 23:00 – 04:00 AM, change bulb lamp/tube lamp into SL for office use.</li> <li>- Company planning to develop methane capture technology, and utilize as alternative energy source.</li> </ul>	
5.6.3	A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate	Company has calculated the GHG emission from estate and mill operation. The result presented in Appendix I.	Comply

Criterion / Indicator		Assessment Findings	Compliance
	<p>methods, shall be available.</p> <p>- Minor compliance –</p>		

Criterion / Indicator	Assessment Findings	Compliance
<b>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and mills</b>		
<b>Criterion 6.1</b> Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.		
6.1.1	<p>A social impact assessment (SIA) including records of meetings shall be documented.</p> <p>- Major compliance -</p> <p><u>PT Indo Sepadan Jaya</u> Social Impact Assessment was conducted as documented in “Study Evaluasi Lingkungan” which covering social impact assessment. This SEL has been approved by Ministry Agriculture no. RC.220/385/B/II/94.</p> <p><u>PT Rantau Sinar Karsa</u> Social Impact Assessment was conducted as documented in “Study Evaluasi Lingkungan” which covering social impact assessment. This SEL has been approved by Ministry Agriculture no. RC.220/383/B/II/94 dated 26 February 1994.</p> <p>The social impact monitoring of the company has been reported every 6 months for the last period is the Semester II / 2017 Period</p> <p>The company also has shown the document of social impact assessment (SIA) for mill and all estates and it was established in January 2014.</p> <ul style="list-style-type: none"> <li>- During Social Impact Assessment, the company conducted stakeholders meeting with surrounding local communities which affected the project, e.g. Public consultation on 12th March 2014 involved representative from 3 villages (Kampung Padang Village, Sennah Village and Perlabian Village) and attended 66 participants.</li> </ul>	Comply

Criterion / Indicator		Assessment Findings	Compliance
6.1.2	<p>There shall be evidence that the assessment has been conducted with the participation of affected parties.</p> <p>- Major compliance -</p>	<p>The company has mechanisms to update the Social Impact Improvement Plan, including input from local communities, the company improving relationships with both internal and external stakeholders that allow the company to identify and focus on the key social issues.</p> <p>During Social Impact Assessment, the company conducted stakeholders meeting with surrounding local communities which affected the project, e.g. Public consultation on 12th March 2014 involved representative from 3 villages (Kampung Padang Village, Sennah Village and Perlabian Village) and attended 66 participants.</p>	Comply
6.1.3	<p>Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, through consultation with the affected parties, shall be available, documented and timetabled, including responsibilities for implementation.</p> <p>- Major compliance -</p>	<p>The Social Impact Assessment Plan is referred to the AMDAL recommendation that should be done by company to minimize negative impact and promote positive impact from social impact management.</p> <p>The company also showed the Social Impact Management Plan, as stated in the UKL/UPL period SM I/2017 pada chapter "Sosial Ekonomi Masyarakat", there is only discuss the problem of the impact of dust on the transportation activities of FFB, CPO and Kernel, control by way of watering the road every 2 days.</p> <p>Based on interview and document verified, that in UKL / UPL document which is a social impact monitoring program at PT ISJ and PT RSK, but the monitoring discussion only covers social economy of society related to impact of dust from transportation of FFB, CPO and Kernel. There are still some social impacts that have not been monitored, for example: CSR programs and the impact of activities undertaken by plantations (eg replanting, pruning, kemitraan scheme etc.)</p> <p>Actually there are some activities in the plantation include: Replanting (until December 2017 has reached 3,855 Ha), seeding, pruning etc.</p>	Comply
6.1.4	<p>The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If</p>	<p>Monitoring of social impact management has been reviewed in January 2018 and recorded in "Review Efektivitas SIA PT Indo Sepadan Jaya dan PT Rantau Sinar Karsa Kebun Tanjung Selamat dan Kebun Pangkatan". This review process also involves affected communities through the dissemination of public opinion around plantatiopns on September 2017 to about 20 of several</p>	<p>NC</p> <p>#1600992-201802-M6</p>

Criterion / Indicator		Assessment Findings	Compliance
	necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.  - Minor compliance –	villages located around the plantation.  Previous NC-minor escalation to major, with justification:  The Company has reviewed in January 2018 and recorded in "Review Efektivitas SIA PT Indo Sepadan Jaya (Tanjung Selamat Estate dan Mill) dan PT Rantau Sinar Karsa (Pangkalan Estate)". In the Review document only discusses of CSR program. While based on the report of identification and monitoring of social impact (SEIA), that there is some activity on the plantations, for example: replanting activities in Tanjung Selamat and Pangkatan Estate area of 3855 Ha and also there is "Kemitraan" scheme (Koperasi Konsumen Anugrerah Jaya Mandiri Sejahtera and Koperasi Mandiri Tani Sejahtera) area of 1,122.1365 Ha, but not included in SEIA review (Review Efektivitas SIA PT Indo Sepadan Jaya dan PT Rantau Sinar Karsa).  Plans for management and monitoring of social impacts was not covered social aspect in current condition such as: impact of replanting, plantation partnership with independent smallholder, labor recruitment.	CLOSED on 6 April 2018  Comply
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).  - Minor compliance –	Started in 2017 The new company entered into cooperation with the surrounding communities under the "Partnership" scheme based on: Partnership agreement between PT Indo Sepadan Jaya and Koperasi Anugrerah Jaya Mandiri Sejahtera, no. 03/CSV-KTS/III/2017 dated 2/03/2017; farmer group "swadaya" with an area of 157,1365 Ha (79KK) and Cooperation Agreement with Koperasi Mandiri Tani Sejahtera no. 01/CSV-KTS/VIII/2017, dated 24/08/2017 covering an area of 965 Ha; cooperate in the guidance of "Petani Swadaya" including in the receipt and purchase of Fresh Fruit Bunches (FFB). However, in the review of SIA by the Company has not seen the identification of social aspects of cooperation with the newly established "Kemitraan". The SIA review will be verify at the next audit.	Comply
<b>Criterion 6.2</b> There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.			

Criterion / Indicator		Assessment Findings	Compliance
6.2.1	<p>Communication and consultation procedures shall be documented.</p> <p>- Major compliance -</p>	<p>Company has developed a communication procedure under “Mekanisme Penanganan Permintaan Informasi Stakeholder “(No. SOP; AA-GL-5008.1-R1) dated 22nd August 2011, which explains the company responses against all information request sent by stakeholders including response time of 14 working days after information request accepted.</p>	Comply
6.2.2	<p>The company shall have official(s) who is responsible for consultation and communications with parties.</p> <p>- Minor compliance -</p>	<p>The company has nominated person to responsible in consultation and communication with local communities and others stakeholders, Mr. Susanto Yap as Coordinator of D&amp;L and Humas.</p> <p>Chapter 1.4.5 state that: “There are also departments that support operational activities, including: D&amp;L Department And Humas namely: Mr. Glorius Bangun for land acquisition and licensing issues, Department of HR Ops. Namely Mr. Ricki related to labor issues and EHS Department Mr. Moh Sahrial on environmental issues as well as on health and safety of the work and the CSR Department (PIC Social: ie Mr. Fajar Suryono and manager unit for social and civic responsibilities) SPO Officer is responsible for the implementation and planning of information necessary and should be communicated (TSE, Mill and PKTE: namely Mr. Oskar Pardosi) to related parties as well as carrying out related documents.</p>	Comply
6.2.3	<p>The company shall have a list of stakeholders, records of communications, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders.</p> <p>- Minor compliance -</p>	<p>The company has updated list of stakeholder on 02nd February 2018, list of stakeholders consist of Bupati of Labuhan Batu, Badan Lingkungan Hidup, Dinas Sosial &amp; Tenaga Kerja Labuhan Batu Regency, Camat Pangkatan, Head of Village Kampong Padang and Head of Village Tanjung Selamat.</p> <p>Record of communication and consultation with stakeholders is documented in “Buku Agenda Surat Masuk”, up to February 2018 where noted 9 letters coming from stakeholders, e.g. Letter from “Kecamatan Kampung Rakryat” dated 1 February 2018 regarding Working Visit.</p> <p>In January to December 2017 there are 23 incoming communication and consultation was recorded. Person in charge, action taken, and the target have been recorded in every communication.</p> <p>See also criterion 1.1.2.</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
<p><b>Criterion 6.3</b> There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p>		
<p>6.3.1</p>	<p>The mechanism, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested, as long as that information is supported with adequate initial evidence.</p> <p>- Major compliance -</p> <p>Company has established a mechanism to handle complaint from external party, as written in “Mekanisme Penanganan Keluhan” – complaint handling mechanism (Doc. No.SOP AA-GL- 5005-RO 01) while complaint from internal regulated under “Mekanisme Penyampaian Keluhan dan Penyelesaian Keluhan Karyawan” – Employee’ complaint and resolution mechanism (Doc. No.SOP-AA-HR-3008-RO 05). These mechanisms has been communicated to external parties and disseminated to PT Indo Sempadan Jaya employees. Based on interview with Tanjung selamat village head, Gender committee leader and worker union leader; they understood the procedure and mechanism to communicating complaint and/or grievance to company.</p> <p>The procedure is how to handling complaint and grievances, the company keeps confidential complainer and whistleblower. Complaint and grievances is recorded in log Book and in “Formulir Pencatatan Keluh Kesah dan Ketidakpuasan”.</p>	<p>Comply</p>
<p>6.3.2</p>	<p>There shall be records of process and outcome of dispute resolution.</p> <p>- Major compliance -</p> <p>Company is recording each complaint and response provided in the Logbook, where from complaint from external is documented in “Buku agenda Surat Masuk” and complaint from internal is documented in “Keluhan karyawan per afdeling”, on period 2017 there were noted 9 complaints from internal at Afdeling IV, e.g. :</p> <p>Tanjung Selamat Estate:</p> <ul style="list-style-type: none"> <li>- On 3 February 2018; from Suwarsonno harvester from afdeling IV, concerning: the living room floor was broken and the septic tank was full so that overflowing, it has been responded on 8 February 2018.</li> <li>- On 6 February 2018; from afdeling IV namely Yusuf K., concerning: the walls of the room and the bathroom floor were broken, has been responded on 13 February 2017.</li> </ul>	<p>Comply</p>



Criterion / Indicator		Assessment Findings	Compliance
		<p>Pangkalan Estate:</p> <ul style="list-style-type: none"> <li>- On 15 November 2017 from Iwan Sinaga related septic tank leak so that the outflow, has been responded on 18 November 2017.</li> <li>- On 16 Januari 2018 dari Hayadin A. related of damage to the living room floor, has been followed up on January 19, 2018</li> <li>- 8 Februari 2018 dari Arianus related leak of living room floor and also damage of bath room door, has been folloed up on 10 February 2018</li> </ul> <p>Tanjung Selamat Mill:</p> <ul style="list-style-type: none"> <li>- On 26 12/2017; from M. Tambunan, about the leakage of leaking zinc roof and broken door lock, was responded on 28/2/2017</li> <li>- On 26/2/2018; from Agus Arianto, related broken kitchen door as well as water bath in leaking bathroom, has been responded on 26/2/2018.</li> <li>- On 28/2/2018; from Nasib Iriadi from Dusun Lestari: related to watering the road in front of the community house at least 2 times a day, the response has been responded on that day also by sending a tractor to do watering the road.</li> </ul>	
<p><b>Criterion 6.4</b></p> <p>Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>			
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be available, referring to decision of	<p>Mechanism to identify and calculate fair compensation or loss of legal or customary rights to land set out in the standard operating procedure (SOP) No. AA-GL-5003-1-R1, dated 5th December 2009 and has undergone first revisions on 22nd August 2011. The mechanism described is similar to conflict resolution procedures involving community representatives and others stakeholders.</p> <p>In the work area of PT Indo Sepadan Jaya and PT Rantau Sinar Perkasa is a Land of Free Country,</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
	the Constitution Court. - Major compliance –	so there is no process of compensation to other parties including to the community. (See 2.3.2).	
6.4.2	A procedure for calculating and distributing fair compensation shall be established, implemented, monitored and evaluated in a participatory way. Corrective actions are taken as a result of this evaluation. - Minor compliance –	Mechanism to identify and calculate fair compensation or loss of legal or customary rights to land set out in the standard operating procedure (SOP) No. AA-GL-5003-1-R1, dated 5 <sup>th</sup> December 2009 and has undergone first revisions on 22nd August 2011.  There is no negotiation/compensation payment currently. The company has settled all land compensation since at the beginning of land preparation process. The procedure was described preparation for a meeting with representatives of the public community attention to the various elements of community leaders, informal leaders, women, youth, farmers, etc.  The company also gives opportunity for each group to choose a representative in the meeting. Participatory mapping and agreement involving various stakeholders in compensation to the local communities.	Comply
6.4.3	Compensation claims, process and outcome of any negotiated agreements shall be documented, with evidence of the participation of affected parties. - Major compliance –	As an output of dispute settlement process, all of those are documented into agreement between both of parties by involving other related parties or even a copy of court decision for its dispute settlement in case if solved in a court or by law.  Based on interviews with local communities that in the period of 2017 until this audit there is no compensation or land compensation activities.	Comply
<b>Criterion 6.5</b> Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.			

Criterion / Indicator	Assessment Findings	Compliance
<p>6.5.1 Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.</p> <p>- Major compliance -</p>	<p>Company has had state about the wages for workers base on SK Gubernur no. 188.44/44/KPTS/2017, dated 2 February 2017; regarding: "Penetapan Upah Minimum Sektoral Kabupaten Labuhan Batu Tahun 2017 sebesar Rp 2.467.000,-.</p> <p>SK Gubernur no. 188.44/17/KPTS/2017, dated 22 January 2018, regarding: "Penetapan Upah Minimum Kabupaten Labuhan Batu Tahun 2018", amount Rp 2,737,000,-</p> <p>The wage payment for the period of January-February 2018 will be conducted in March 2018, based on a letter from HRD dated 12 February 2018, the calculation of remuneration is from the January 2018 period following the Governor's Decree no. 188.44/17/KPTS/2017, dated 22 January 2018, regarding: "Penetapan Upah Minimum Kabupaten Labuhan Batu Tahun 2018", amount Rp 2,737,000,-</p> <p>The Company has already set wage standard based on wages set by the government based on Governor Decree Decree no. 188.44/17/KPTS/2017, dated 22 January 2018, regarding: "Penetapan Upah Minimum Kabupaten Labuhan Batu Tahun 2018", amount Rp 2,737,000,- and recorded on Memorandum no. 066/HR-R01/MEMO/04/2018, dated 12 January 2018; regarding: "Kenaikan Upah Pekerja Golongan", including:</p> <ol style="list-style-type: none"> <li>1) PHL: Rp 109,480 per day</li> <li>2) SKU-H: Increase of Rp 190,630 per month</li> <li>3) SKU-B: Increase of Rp 190,630 per month (increments adjusted to wage table 2018 and also based on employee performance appraisal in the applicable year.</li> </ol> <p>Based on interview with the Department of KTU namely Mr. Wardohar Rajagukguk, that the wage period of 2018 will be done "Rapel" in March 2018.</p> <p>During audit take sample of "PaySlip" in January 2018, eg:</p> <ol style="list-style-type: none"> <li>1. Namely Mr.Ar#####ah (PHL).</li> </ol>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Title: Supervisor Div 2, Tanjung Selamat Estate Period January 2018</p> <p>Working day: 23 days</p> <p>Basic Salary: Rp. 2,269,640; Premi non panen: Rp. 597,360, BPJS TK: Rp.49,340; BPJS Kesehatan: Rp. 24,670; deduction: Rp. 74,010 (BPJS and Pension); Net salary: Rp. 2,139,990.</p> <p>2. Namely Mr. Ng###no (SKUH) Tanjung Selamt Estate Period January 2018</p> <p>Title : upkeep employee</p> <p>Number of Day: 23 days, Basic salary: Rp. 1,816,448 (@ Rp 78,976 per day); fring benefit Rp 631,808, premi: Rp. 552,103 -; deduction: mangkir (P2): Rp 324,031, BPJS TK: Rp. 49,905 -; BPJS Kesehatan: Rp. 25,043-; pansion: Rp. 25,050-; Net Salary: Rp. 2,576,330,-.</p> <p>3. Namely Mr. Pl###bu (PHL) Pangkatan Estate Period January 2018</p> <p>Title : Harvester</p> <p>Number of Day: 21 days, Basic salary: Rp. 2,072,280 (@ Rp 98,680 per day); premi Rp 1,616,303; deduction: mangkir (P2): Rp 74,010, BPJS TK: Rp. 49,340 -; BPJS Kesehatan: Rp. 24,670-;; Net Salary: Rp. 3,506,573,-.</p> <p>4. Namely Mr. Sm###no (SKUH) Pangkatan Estate Period January 2018</p> <p>Title : upkeep employee</p> <p>Number of Day: 15 days, Basic salary: Rp. 1,500,544 (@ Rp 78,976 per day); deduction: mangkir (P2): Rp 85,479, BPJS TK: Rp. 50,110 -; BPJS Kesehatan: Rp. 23,693-; pansion: Rp. 24,952-; Net Salary: Rp. 2,088,022,-.</p> <p>5. Namely Mr. Jm###S (SKUH) Tanjung Selamat Mill Period January 2018</p> <p>Title : Process</p> <p>Number of Day: 26 days, Basic salary: Rp. 2,053,376 (@ Rp 78,976 per day), fring benefit Rp</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>394,880, Premi proses Rp 3,684,150; deduction: mangkir (P2): Rp -, BPJS TK: Rp. 50,086 -; BPJS Kesehatan: Rp. 25,043-; pansion: Rp. 25,042-; Net Salary: Rp. 5,982,243,-.</p> <p>6. Namely Mr. B####wan (PHL) Tanjung Selamat Mill Period January 2018</p> <p>Title : process</p> <p>Number of Day: 24 days, Basic salary: Rp. 2,368,320 (@ Rp 98,680 per day), Premi process Rp 3,579,288; deduction: mangkir (P2): Rp -, BPJS TK: Rp. 49,340 -; BPJS Kesehatan: Rp. 24,670-; pansion: Rp. 24,670-; Net Salary: Rp. 5,848,928,-.</p>	
6.5.2	<p>Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to the workers.</p> <p>- Major compliance -</p>	<p>There is a work agreement - "Kontrak Kerja" which signed by workers and company's representatives, the contract each worker is available in premises, the contract covering working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, period of notice, etc. Based on interview with workers, they understood the contract.</p> <p>The company and workers have arranged mutual working agreements – "Perjanjian Kerja Bersama/PKB" as described in PKB document (created in 2015) which is expected to be updated every 2 years, the PKB is period 2015-2017 and has been register to the Disnakertrans Labuahanbatu Regency, no. KEP. 88/PHIJSK-PKKAD/PKB/VI/2015, dated 18 June 2015.</p> <p>Rights and obligation between two parties seems to be implemented accordingly. Some items were regulated in the PKB (2015 version), such as working hours, holiday entitlement, wage, over time, sickness, leave, maternity leave, work accident, etc. PKB only applies to SKU employees.</p> <p>The latest agreement - PKB dated 21 April 2015, the validity period until 20 April 2017.</p> <p>Based on the Letter of Management (Dept. HRD) dated July 12, 2017, no. 72 / BKS-PPS / 2017 from BKS - PPS (Badan Perencanaanaan Perusahaan Perkebunan Sumatera, that PKB Period 2017-2019 is still in negotiation stage</p> <p>At this time the company and worker representative (Labor Union/SPM: Serikat Pekerja Mandiri and also Bipartit) has agreed to review and renew work collective work agreement/PKB period 2018-</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>2020, as recorded in the Minutes dated 14<sup>th</sup> November 2017, and during this audit still in progress to register to Disnakertran Labuhanbatu Regency.</p> <p>Taken Sample for agreement with daily workers: “Perjanjian Kerja Harian Lepas” no. 176/PKHL/KTS/10/2017, dated 15/10/2017: on behalf of Bilah Martah Kusuma, position: Cleaning service in Office, valid for 3 months.</p> <p>Daily Working Agreement Release “Perjanjian Kerja Harian Lepas” no. 006 / PKHL / PTS / II / 2018, dated February 5, 2018 on behalf of Wahyu Nababan (process employee) valid for up to 3 months.</p> <p>Daily Working Agreement Release “Perjanjian Kerja Harian Lepas no. 005 / PKHL / PTS / II / 2018, dated February 1, 2018 on behalf of Dicky Dwi Saprizal (Krani Bengkel) valid for up to 3 months.</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 such public facilities are unavailable or inaccessible.</p> <p>- Minor compliance –</p>	<p>Company provides facility and social amenities for all employees i.e. housing, day care (Balai Penitipan Anak- BPA), electricity and water supply, clinics, sport facilities, worker hall (Balai karyawan), etc.</p> <p>The list of public facility such as:</p> <p>The company has prepared facilities for their workers, such as: housing, school, polyclinic, mosque, church, sport facilities, school bus, electricity, water supply, etc.</p> <p>Sample taken:</p> <p><u>Tanjung Selamat Mill:</u></p> <ul style="list-style-type: none"> <li>- Housing for employees (type: E1: 190 units, E2: 78 units, D1: 12 units etc.)</li> <li>- Balai Karyawan (1 unit)</li> <li>- Clinic (1 unit)</li> <li>- Mosque (1 unit)</li> <li>- Penitipan anak (2 units)</li> </ul>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p><u>Tanjung Selamat Estate:</u></p> <ul style="list-style-type: none"> <li>- Housing for employees (type: E4: 200 unit, E2: 100 unit, D1: 12 unit etc.)</li> <li>- Elementary School (1 unit)</li> <li>- Clinic (1 unit)</li> <li>- School Bus (2 unit)</li> <li>- Ambulance (1 unit)</li> <li>- Mosque (5 unit)</li> <li>- Church (3 unit)</li> </ul> <p><u>Pangkalan Estate:</u></p> <ul style="list-style-type: none"> <li>- Housing for employees (type: E4: 198 unit, E2: 100 unit, D1: 16 unit etc.)</li> <li>- Elementary School (1 unit)</li> <li>- Clinic (1 unit)</li> <li>- School Bus (2 unit)</li> <li>- Ambulance (1 unit)</li> <li>- Creche (3 units)</li> <li>- Mosque (3 unit)</li> <li>- Church (2 unit)</li> </ul>	
6.5.4	<p>There shall be demonstrable efforts to improve workers' access to adequate, sufficient and</p> <p>Worker receives rice by organization that was distributed twice a month. This was mentioned in the "Collective Work Agreement" (PKB) between employees and the organization.</p> <p>In addition, organization has provided special area in place for local market. Local market provides</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
	affordable food. - Minor compliance –	food for worker. The market is nearby the company site and company also provide minimarket, namely “Waserda Bina Mandiri”	
<b>Criterion 6.6</b>			
The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.			
6.6.1	A record of the company’s policy in understandable language recognising freedom of association, shall be available. - Major compliance –	Freedom of association policy, dated 26th November 2012, written in Bahasa Indonesia, this policy has been informed to all employees and being placed into public area easily accessed.  Based on interview with labour union (SPM), the company has provided facilities and support programs of SPM.	Comply
6.6.2	Records of meetings with labor unions or workers representatives shall be available. - Minor compliance –	PT Indo Sepadan Jaya (Tanjung Selamat and Pangkatan Estate) has established a Labor Union in accordance with the Decision Letter of PD FSPPP - SPSI of North Sumatra No. Kep-237/ORG/PC FSPPP-LB /X 2012, dated October 29, 2012 regarding “Pengukuhan Pengurus Unit Kerja Serikat Pekerja Pertanian dan Perkebunan – Serikat Pekerja Seluruh Indonesia (PUK SP.PP-SPSI) PT Indo Sepadan Jaya Kebun Tanjung Selamat Kec. Kampung Rakyat, Kabupaten Labuhabatu Selatan Masa Bakti 2012-2017”, and has been registered with the Manpower Office of Labuahanbatu Regency. 26/DTK-VIII/ 2001 dated August 30, 2001.  Labor Unions at Tanjung Selamat Mill, is based on “Perwakilan Cabang”-PC FSP.PP-SPSI Decree no. 59/ORG/PC FSP.PP-LBR/X/ 2015; regarding “Pengesahan Penetapan Penataan Kedua Komposisi Pengurus Unit Kerja Serikat Pekerja Pertanian dan Perkebunan PT Indo Sepadan Jaya PMKS Tanjung Selamat periode 2015-2017” is chaired by Mr. Faisal Ahmad Nasution.  Worker union in PT Rantau Sinar Karsa has been formed according to “Surat Keputusan PC FSP.PP-SPSI Wilayah Kabupaten Labura No. Kep 88/ORG/PC FSPPP-LBR/IX/2017, dated 27 September 2017	Comply



Criterion / Indicator		Assessment Findings	Compliance
		<p>regarding “Penetapan Penataan Komposisi dan Pengganti Antar Waktu Fungsionaris PUK SP.PP-SPSI PT Rantau Sinar Karsa Kec. Pangkatan, Kab. Labuhan Batu periode 2014-2019”. Workr union has been registered in Dinas Tenaga Kerja Kabupaten Labuhan Batu No. 26/DTK-VIII/2001 since dated 30 August 2001.</p> <p>Record of meeting between company and labour union is conducted regularly, e.g.</p> <ol style="list-style-type: none"> <li>1. On April 25, 2017; regarding: Determination of palm oil "pruning" basis.</li> <li>2. On 17 November 2017; regarding: the discussion of school buses that require repair and use of buses that have exceeded capacity.</li> <li>3. February 9, 2018; on the adjustment of wages in 2018 and the obligation of membership to the organization.</li> <li>4. Dated August 11, 2017; Indonesia Independence Day celebration meeting.</li> <li>5. Dated 21 February 2018; about the meeting with the PUK was attended by 10 SPSI officials and management representatives.</li> </ol> <p>During audit attendance list of meeting and minutes of meeting were available.</p>	
<p><b>Criterion 6.7</b> Children are not employed or exploited.</p>			
6.7.1	<p>There shall be documented evidence that minimum age requirements are met.</p> <p>- Major compliance –</p>	<p>Sustainability palm oil Policy, point 3, dated on 1<sup>st</sup> May 2009 concerning the minimum age limit of recruitment are 18 years old. Based on a list of labour period January 2016 in Estate and Mill, there was no employee under the age of 18 years, and also based on document review of list of employees, field visit and interview with stakeholders, there is no employeed is hired less than 18 year as regulated by government and company's policy.</p> <p>Review of “Daftar Karyawan” confirmed that the youngest employee is Mr. Yg ## H born on 07 May 1998 (19 years and 8 month old) in Pangkatan Estate, and namely Mr. T###. S., born on 1/10/1982</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		(21 years and 3 months old), in Tanjung Selamat Estate.	
<b>Criterion 6.8</b>			
Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.			
6.8.1	A company's policy on equal opportunity and treatment for work shall be available and documented.  - Major compliance –	Equal Opportunity policy is stated in “Kebijakan Perusahaan”, dated 01st December 2014 “Company Treats employees fairly, whether in terms of acceptance, judgment, conditions and work environment, and representation irrespective of race, tribe, caste, national origin, religion/faith, disability, gender, sexual orientation, union membership, political affiliation and/or age.  This policy has been informed to all employees and being placed into noticed board in public area and easlily accessed.  Company also has SOP about the new employment recruitment. According on SOP CR. 01.01 about “Penerimaan Karyawan Baru” (Reqrutment and Selection of Employee), the company will accept new employee based on their capabilities and qualifications.This policy has been communicated to worker. The policy describe the organization recognize and respect to the rights of local, migrant or urban worker.	Comply
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated.  - Major compliance –	Worker register for mill and estates mentioned that all workers came from different backgrounds (race, religion, gender, etc). Ethnical iversity of worker and also during interview with workers, no discrimination was identified based on religion, ethnic, gender. No evidence of discrimination found during the audit.  Working tools was provided by company to the workers, relevant to the nature of the work performed.	Comply
6.8.3	Records of evidence that equal opportunity and treatment for	All discrimination was prohibited for all area in estate and mill. PKB also mentioned ban of discrimination for all workers in the organization.	Comply

Criterion / Indicator	Assessment Findings	Compliance																																				
<p>work shall be available. – Minor compliance -</p>	<p>Procedure for worker recruitment was available and mentioned there was no discrimination treatment during recruitment. Based on interviews with the Estate and Mill Manager, that there is no recruitment of new employees in the period January - December 2017 in both the estate and mill.</p> <p>Interviews of male and female workers confirmed that the company anti-discrimination policy was strictly enforced. They were not aware of any cases of discrimination, e.g. document review of salary payment (Payroll) and interview with workers did not find any evidence of discrimination</p> <p>The organization has shown the document of list employees which could have shown a comparing the number of employees based on the rate as of January 2018, i.e:</p> <p><u>Tanjung Selamat Mill:</u></p> <table border="1" data-bbox="689 799 1319 954"> <thead> <tr> <th>Status</th> <th>Number of Workers</th> <th>Percent</th> </tr> </thead> <tbody> <tr> <td>Male</td> <td>80</td> <td>94%</td> </tr> <tr> <td>Female</td> <td>5</td> <td>6%</td> </tr> <tr> <td><b>Total</b></td> <td><b>85</b></td> <td><b>100%</b></td> </tr> </tbody> </table> <table border="1" data-bbox="689 1023 1319 1347"> <thead> <tr> <th>Religion</th> <th>Number of Workers</th> <th>Percent</th> </tr> </thead> <tbody> <tr> <td>Buddhism</td> <td></td> <td>0%</td> </tr> <tr> <td>Catholics</td> <td>3</td> <td>1%</td> </tr> <tr> <td>Christianity</td> <td>26</td> <td>6%</td> </tr> <tr> <td>Hinduism</td> <td></td> <td>0%</td> </tr> <tr> <td>Muslim</td> <td>56</td> <td>13%</td> </tr> <tr> <td>Others</td> <td></td> <td>0%</td> </tr> <tr> <td><b>Total</b></td> <td><b>85</b></td> <td><b>20%</b></td> </tr> </tbody> </table>	Status	Number of Workers	Percent	Male	80	94%	Female	5	6%	<b>Total</b>	<b>85</b>	<b>100%</b>	Religion	Number of Workers	Percent	Buddhism		0%	Catholics	3	1%	Christianity	26	6%	Hinduism		0%	Muslim	56	13%	Others		0%	<b>Total</b>	<b>85</b>	<b>20%</b>	
Status	Number of Workers	Percent																																				
Male	80	94%																																				
Female	5	6%																																				
<b>Total</b>	<b>85</b>	<b>100%</b>																																				
Religion	Number of Workers	Percent																																				
Buddhism		0%																																				
Catholics	3	1%																																				
Christianity	26	6%																																				
Hinduism		0%																																				
Muslim	56	13%																																				
Others		0%																																				
<b>Total</b>	<b>85</b>	<b>20%</b>																																				

Criterion / Indicator	Assessment Findings	Compliance																																																						
	<table border="1"> <thead> <tr> <th data-bbox="689 485 869 517">Race</th> <th data-bbox="880 485 1151 517">Number of Workers</th> <th data-bbox="1196 485 1308 517">Percent</th> </tr> </thead> <tbody> <tr> <td data-bbox="689 528 869 560">Aceh</td> <td data-bbox="1003 528 1025 560">1</td> <td data-bbox="1256 528 1308 560">0%</td> </tr> <tr> <td data-bbox="689 568 869 600">Melayu</td> <td data-bbox="1003 568 1025 600">1</td> <td data-bbox="1256 568 1308 600">0%</td> </tr> <tr> <td data-bbox="689 608 869 639">Jawa</td> <td data-bbox="994 608 1032 639">37</td> <td data-bbox="1256 608 1308 639">5%</td> </tr> <tr> <td data-bbox="689 647 869 679">Batak</td> <td data-bbox="994 647 1032 679">45</td> <td data-bbox="1256 647 1308 679">6%</td> </tr> <tr> <td data-bbox="689 687 869 719">Minang</td> <td data-bbox="1003 687 1025 719">1</td> <td data-bbox="1256 687 1308 719">0%</td> </tr> <tr> <td data-bbox="689 727 869 759"><b>Total</b></td> <td data-bbox="994 727 1032 759"><b>85</b></td> <td data-bbox="1234 727 1308 759"><b>11%</b></td> </tr> </tbody> </table> <p data-bbox="689 823 981 855"><u>Tanjung Selamat Estate:</u></p> <table border="1"> <thead> <tr> <th data-bbox="689 871 869 903">Status</th> <th data-bbox="880 871 1151 903">Number of Workers</th> <th data-bbox="1196 871 1308 903">Percent</th> </tr> </thead> <tbody> <tr> <td data-bbox="689 911 869 943">Male</td> <td data-bbox="987 911 1032 943">319</td> <td data-bbox="1245 911 1308 943">77%</td> </tr> <tr> <td data-bbox="689 951 869 983">Female</td> <td data-bbox="994 951 1032 983">97</td> <td data-bbox="1245 951 1308 983">23%</td> </tr> <tr> <td data-bbox="689 991 869 1023"></td> <td data-bbox="1003 991 1025 1023"></td> <td data-bbox="1256 991 1308 1023">0%</td> </tr> <tr> <td data-bbox="689 1031 869 1062"><b>Total</b></td> <td data-bbox="981 1031 1032 1062"><b>416</b></td> <td data-bbox="1223 1031 1308 1062"><b>100%</b></td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th data-bbox="689 1142 869 1174">Religion</th> <th data-bbox="880 1142 1151 1174">Number of Workers</th> <th data-bbox="1196 1142 1308 1174">Percent</th> </tr> </thead> <tbody> <tr> <td data-bbox="689 1182 869 1214">Buddhism</td> <td data-bbox="1003 1182 1025 1214"></td> <td data-bbox="1256 1182 1308 1214">0%</td> </tr> <tr> <td data-bbox="689 1222 869 1254">Catholics</td> <td data-bbox="1003 1222 1032 1254">25</td> <td data-bbox="1256 1222 1308 1254">6%</td> </tr> <tr> <td data-bbox="689 1262 869 1294">Christianity</td> <td data-bbox="994 1262 1032 1294">158</td> <td data-bbox="1245 1262 1308 1294">38%</td> </tr> <tr> <td data-bbox="689 1302 869 1334">Hinduism</td> <td data-bbox="1003 1302 1025 1334"></td> <td data-bbox="1256 1302 1308 1334">0%</td> </tr> <tr> <td data-bbox="689 1342 869 1374">Muslim</td> <td data-bbox="994 1342 1032 1374">233</td> <td data-bbox="1245 1342 1308 1374">56%</td> </tr> </tbody> </table>	Race	Number of Workers	Percent	Aceh	1	0%	Melayu	1	0%	Jawa	37	5%	Batak	45	6%	Minang	1	0%	<b>Total</b>	<b>85</b>	<b>11%</b>	Status	Number of Workers	Percent	Male	319	77%	Female	97	23%			0%	<b>Total</b>	<b>416</b>	<b>100%</b>	Religion	Number of Workers	Percent	Buddhism		0%	Catholics	25	6%	Christianity	158	38%	Hinduism		0%	Muslim	233	56%	
Race	Number of Workers	Percent																																																						
Aceh	1	0%																																																						
Melayu	1	0%																																																						
Jawa	37	5%																																																						
Batak	45	6%																																																						
Minang	1	0%																																																						
<b>Total</b>	<b>85</b>	<b>11%</b>																																																						
Status	Number of Workers	Percent																																																						
Male	319	77%																																																						
Female	97	23%																																																						
		0%																																																						
<b>Total</b>	<b>416</b>	<b>100%</b>																																																						
Religion	Number of Workers	Percent																																																						
Buddhism		0%																																																						
Catholics	25	6%																																																						
Christianity	158	38%																																																						
Hinduism		0%																																																						
Muslim	233	56%																																																						

Criterion / Indicator		Assessment Findings	Compliance																																	
		<table border="0"> <tr> <td>Others</td> <td></td> <td>0%</td> </tr> <tr> <td><b>Total</b></td> <td><b>416</b></td> <td><b>100%</b></td> </tr> </table> <table border="0"> <thead> <tr> <th>Race</th> <th>Number of Workers</th> <th>Percent</th> </tr> </thead> <tbody> <tr> <td>Aceh</td> <td>1</td> <td>0%</td> </tr> <tr> <td>Melayu</td> <td>3</td> <td>0%</td> </tr> <tr> <td>Jawa</td> <td>187</td> <td>24%</td> </tr> <tr> <td>Karo</td> <td>4</td> <td>1%</td> </tr> <tr> <td>Nias</td> <td>51</td> <td>7%</td> </tr> <tr> <td>Simalungun</td> <td>3</td> <td>0%</td> </tr> <tr> <td>Tapanuli</td> <td>167</td> <td>22%</td> </tr> <tr> <td><b>Total</b></td> <td><b>416</b></td> <td><b>100%</b></td> </tr> </tbody> </table>	Others		0%	<b>Total</b>	<b>416</b>	<b>100%</b>	Race	Number of Workers	Percent	Aceh	1	0%	Melayu	3	0%	Jawa	187	24%	Karo	4	1%	Nias	51	7%	Simalungun	3	0%	Tapanuli	167	22%	<b>Total</b>	<b>416</b>	<b>100%</b>	
Others		0%																																		
<b>Total</b>	<b>416</b>	<b>100%</b>																																		
Race	Number of Workers	Percent																																		
Aceh	1	0%																																		
Melayu	3	0%																																		
Jawa	187	24%																																		
Karo	4	1%																																		
Nias	51	7%																																		
Simalungun	3	0%																																		
Tapanuli	167	22%																																		
<b>Total</b>	<b>416</b>	<b>100%</b>																																		
<p><b>Criterion 6.9</b></p> <p>There is no harassment or abuse in the work place, and reproductive rights are protected.</p>																																				
6.9.1	<p>A policy to prevent sexual and all other forms of harassment and violence, shall be documented, implemented and communicated to all levels of the workforce.</p> <p>- Major compliance –</p>	<p>The company has implemented policy on prevention of sexual harassment and violence against women, the policy is prominently displayed on notice boards at the Mills and the Estates muster areas. Interviews of female staff, workers and union representatives confirmed that the company implemented the sexual harassment policy. (which is the latest circular letter to complement previous circulars).</p> <p>The policy has been disseminated to all employees on 21 September 2017, in Tanjung Selamat Estate, attended by 136 members; and on 2nd October 2017 in Tanjung Selamat Mill, attended by</p>	Comply																																	

Criterion / Indicator		Assessment Findings	Compliance
		47 participants; on 2 November 2017 in Pangkatan Estate, attended by 130 members.	
6.9.2	<p>A policy to protect the reproductive rights, shall be documented, implemented and communicated to all levels of the workforce.</p> <p>- Major compliance –</p>	<p>As it is found in company policy that's signed by Managing Director (Mr. Kelvin Tio) on November 26<sup>th</sup> 2012 and on one part of the policies stated that: "To prevent any sexual or physical abuses happen to women as well as to protect their reproductive rights".</p> <p>There is a gender committee actively meets and discussing general agenda and other issue related to handling sexual harassment, dissemination of sexual harassment prevention.</p> <p>Based on interview with Gender Committee, company has implemented the protection of women reproductive rights, in form of maternal leave, period leave, and regular pregnancy check for female sprayers and strictly prohibit pregnant and/or breastfeeding female worker applying pesticides. The last pregnancy check on April 2017.</p> <p>Monthly committee meeting gender committee, on December 12-13 December 2017; Related discussion: The importance of maintaining the health of workers and families ", attended by 43 participants.</p>	Comply
6.9.3	<p>A specific grievance mechanism which respects anonymity of complainants where requested, and as long as they are supported with adequate information, shall be documented, implemented, and communicated to all workforce.</p> <p>- Minor compliance –</p>	<p>Standard Operating Procedure, No. SOP: XX-HR-308.5-RO; Revision: 0, December 11th 2009: Employees complaints: submission and settlement</p> <p>Mechanism for complaints management where it needs to protect its confidentiality for complaint submitter was found in company policy's draft as in one of points of this policies stated that:</p> <p>"To provide appropriate information for those who inquiry it and to protect its confidentiality for whistle blower cases in accordance to law regarding environmental and social issue, food safety, health and safety work, so that it enables them to more participate to the decision making processes for improving company's performance.</p> <p>Policies that have been made by companies related to the protection of women's rights such as;</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>a. The company has provided menstrual leave for female employee in accordance with the recommendation from paramedic in clinic, and this is in line with "Perjanjian Kerja Bersama" and applicable regulations.</p> <p>b. The company has granted the right for maternity leave the women who gave birth in accordance with the applicable rules and "Perjanjian Kerja Bersama".</p> <p>c. The company has consistently perform pregnancy tests to women workers who worked as a fertilizer and spraying every 1 month.</p> <p>d. The company has a policy of not hiring female labor during pregnancy or breast-feeding for the kind of work that endanger such as fertilizer or spraying by temporarily moving the work force to other types of work.</p> <p>e. The company has consistently performed regular health checks for sprayers every six months.</p> <p>The company has conducted training and socialization prevention of sexual harassment in the workplace to the Committee members for example gender socialization on 3rd November 2017, on "Sosialiasi Pelecehan Seksual dan Kebijakan Hak Reproduksi", was attended by 46 participants.</p> <p>Work Program of Women Commission / Gender Committee Year 2018, e.g:</p> <ul style="list-style-type: none"> <li>- Implementing a live pharmacy planting on the home page</li> <li>- Conducting sporting activities on Wednesday "Wednesday Sehat" in the afternoon.Counseling on Breastfeeding and and Milk Formula for Infants &lt;2 years, Socialization of prevention and handling of sexual harassment issues etc.</li> <li>- Socialization of sexual harassment prevention and handling on April 30, 2018 in Tanjung Selamat Estate and Mill</li> <li>- Sosilaisasi sexual harassment at Pangkatan Estate on November 7, 2018.</li> </ul> <p>Realization of Gender committee programe on 2017 and 2018, such as:</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>On April 28, 2017; socialization to female workers related to the protection of women and children workers and sexual harassment at Tanjung Selamat Estate was attended by as many as 21 women workers.</p> <p>January 2018; socialization of menstruation leave (H2), maternity leave and breastfeeding mothers, to women workers at Tanjung Selamat Estate attended by 39 female workers.</p>	
<p><b>Criterion 6.10</b></p> <p>Growers and millers deal fairly and transparently with smallholders and other local businesses.</p>			
6.10.1	<p>Current and past prices paid for Fresh Fruit Bunches (FFB), shall be publicly available.</p> <p>- Minor compliance -</p>	<p>The company has displayed the FFB price in Mill's notice board in front of the weighbridge station, all FFB suppliers can see it and able to access the FFB price by phone.</p> <p>The company cooperates with the surrounding community in terms of purchasing FFB and recorded in "Pernyataan dan Jaminan" - Statement and Guarantee as a supplier of FFB. The document stated that:</p> <ol style="list-style-type: none"> <li>1. FFB that supplied to Tanjung Selamat POM came from land that has been owned/controlled/cultivated in accordance with the legislation, especially in the field of land and plantation.</li> <li>2. FFB supplied does not originate from unauthorized areas, such as:               <ol style="list-style-type: none"> <li>a. Protected Forest Area</li> <li>b. Industrial Forest Area</li> <li>c. Production Forest Area</li> <li>d. Conservation area</li> </ol> </li> </ol> <p>Record seen: "Statement and Guarantee" on behalf of William Tanizar as FFB supplier from</p>	Comply



Criterion / Indicator		Assessment Findings	Compliance
		Pangkalan Village for ± 40 Ha planting area year 2005/2006; and 2001.	
6.10.2	<p>Pricing mechanisms for Fresh Fruit Bunches (FFB) and inputs/services shall be explained and documented (where these are under the control of the mill or plantation).</p> <p>- Major compliance -</p>	<p>FFB Pricing for third party is determined by market mechanism and set every day and recorded in the pricing of FFB Tanjung Selamat Palm Oil Mill. FFB price establishment was documented by company under "Mekanisme Penerimaan TBS Luar (Agen/ Pengepul)". Formula of FFB price from third parties is as follow :</p> $((\text{CPO Price/Tax } 1.1\%) - \text{Transport cost}) \times \text{OER} = X$ $(\text{PK price} - \text{Transport cost}) \times \text{KER} = Y$ $X + Y - \text{Processing cost} - \text{other cost} = \text{FFB Price}$ <p>For Example FFB Price for 26 February 2018:</p> $(7,890 - 200) \times 18.3\% = 1,407$ $(6,350 - 160) \times 5.2\% = 322$ $1,407 + 322 - 69 - 20 = 1,640$ <p>Price changes will be informed one day before the changes, and it applicable for large size FFB (more than 8 kg). Mechanism for FFB price has been known, understood and explained to FFB suppliers. Based on interview with a number of FFB supplier, they can demonstrate their understanding.</p>	Comply
6.10.3	<p>Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> <p>- Minor compliance -</p>	<p>The agreement/contract documents between the company and the contractor is sighted such as for replanting. The contract was acknowledged by both parties and well understood. The contract contained all relevant information such as payment method, work requirements, force majeure, contract period, cancellation of contract, etc.</p> <p>- Currently the company carried out replanting activity in cooperated with contractor. Based on document review and interview with sample contractor, agreement between company and local contractors confirmed that contract is made fairly, legal and transparent, e.g. Contract no.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		01/SPJ/LEG-RSK/VII/16, with PT Bahtera Mulia Lestari, for Replanting work.	
6.10.4	<p>Agreed payments shall be made in a timely manner.</p> <p>- Minor compliance -</p>	<p>Evidence of payment is reviewed and it was seen paid timely manner, the total payment to the contractor on 24th January 2018, payment by transfer on Bank Mandiri.</p> <p>Sample seen:</p> <ul style="list-style-type: none"> <li>- Rekapitulasi Pembayaran, supplier Wan Juma Sari Dewi (WJD) period February 2018, quantity 164,589 kg, amount IDR 267,073,104. G/L account 1300401901, transfer to Bank Mandiri branch Martinus Lubis Rantau Prapat, 107-000-7524-558.</li> </ul>	Comply
<p><b>Criterion 6.11</b></p> <p>Growers and millers contribute to local sustainable development where appropriate.</p>			
6.11.1	<p>Records of contributions to local development based on the results of consultation with local communities shall be available.</p> <p>- Minor compliance -</p>	<p>The company has CSR program updated annually, the local contribution in CSR report. In 2017-2018, eg:</p> <ol style="list-style-type: none"> <li>1. Social program: <ul style="list-style-type: none"> <li>- Funding to the "dhuafa": Rp 9,750,000, -</li> <li>- Religious activities: Ramadan safari: Rp 6,000,000,</li> </ul> </li> <li>2. Health Program: <ul style="list-style-type: none"> <li>- General treatment by medical personnel (mobile clinic), public health check: Rp. 20,000,000</li> <li>- Social Activity Health of mass circumcision in Talen District worth Rp. 8,648,143</li> </ul> </li> <li>3. Infrastructure Program <ul style="list-style-type: none"> <li>- Construction of drill wells and water tanks at Desa Pangkatan: Rp 20,000,000, -</li> <li>- Village production road construction in Desa Senah: Rp 20,000,000, -</li> </ul> </li> </ol>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Providing assistance Renovation of places of worship (mosque and church): Rp 20,000,000</li> </ul> <p>Realisasi CSR periode 2017:</p> <ul style="list-style-type: none"> <li>- June and December 2017; assistance of the poor in Kampung Padang for Rp 27,462,800, - Tanjung Selamat Estate</li> <li>- July and August 2017; Rp 25,000,000 Tanjung Selamat Estate for SDK Setiawan MCK development assistance</li> <li>- On July and September 2017; construction of concrete ditch in Kampung Padang for Rp 54,000,000</li> <li>- On August 2017; Technical Counseling of Oil Palm Cultivation to Self-Helpers in Kampung Padang for Rp 15,800,000, -</li> <li>- On May 2017; General medical assistance by health workers in Desa Suka Ramai and Desa Setia amounting to Rp 15,000,000, - Pangkatan Estate</li> <li>- On July-August 2017; drilling and drilling wells in Setia village for Rp 20,000,000, - Pangkatan Estate</li> <li>- On August 2017; the construction of Suka Damai village production road of Rp 20,000,000, -</li> </ul>	
6.11.2	<p>Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve scheme smallholder productivity.</p> <p>- Minor compliance -</p>	<p>The company has "Plasma Program" for local communities surrounding company's area. The company also has established "Schema Smallholders Department" to manage smallholder plantation area.</p> <p>Based on documents review, the company has developed oil palm plantation for smallholders as follows:</p> <p>Started in 2017 The new company entered into cooperation with the surrounding communities under the "Kemitraan" scheme based on:</p> <ol style="list-style-type: none"> <li>1. Cooperation agreement between PT Indo Sepadan Jaya and Koperasi Anugerah Jaya Mandiri</li> </ol>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>Sejahtera, no. 03/CSV-KTS/III/2017 dated 2/03/2017; farmer group "swadaya" with an area of 157,1365 Ha (79KK)</p> <p>2. Cooperation Agreement with Koperasi Mandiri Tani Sejahtera no. 01/CSV-KTS/VIII/2017, dated 24/08/2017 covering an area of 965 Ha; cooperate in the guidance of "Petani Swadaya" including in the receipt and purchase of Fresh Fruit Bunches (FFB).</p> <p>Sample taken: Agreement letter No.001/KOP-PP/IX/2013 on partnership agreement smallholders and the company in cooperation for infrastructure facilities and operational facilities (Koperasi Prima Pantun). Report of training documentation on awareness RSPO Training for smallholders, conducted on 17<sup>th</sup> November 2016, was attended by 40 farmers. Empowerment of independent smallholders through the acceptance or purchase of FFB;</p>	
<p><b>Criterion 6.12</b> No forms of forced or trafficked labor are used.</p>			
6.12.1	<p>There shall be evidence that no forms of forced or trafficked labor are used.</p> <p>- Major compliance -</p>	<p>Mill and all estates: Base on interview on public consultation (to Union Labor and Bipartit) There is no form of trafficked labour was noted during assessment.</p>	Comply
6.12.2	<p>It shall be demonstrated that no contract substitution has occurred.</p> <p>- Minor compliance -</p>	<p>Mill and all estates: Based on document review with workers and labour union, confirmed that no contract substitution was noted.</p>	Comply
6.12.3	<p>Where migrant/foreign/honorary workers are employed, a special worker policy and procedures and the evidence of implementation</p>	<p>Mill and all estates: The agreement for temporary workers is available and signed by them, there is no migrant worker is hired by the company.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
	shall be available. - Major compliance -		
<b>Criterion 6.13</b>			
Growers and millers respect human rights.			
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations.  - Major compliance -	<p>Company has a Company Policy, acknowledged by Managing Director on 01/12/2014 stating that company respects human rights by: "treat all employees in fair manner, in terms of recruitment, appraisal and representation without discrimination against tribe, caste, nationality, religion, disability, gender, sexual orientation, worker union, political affiliation and/or age".</p> <p>The company has conducted a socialization and communication these policy to all employees, e.g: On 22 August 2017, attended by 28 workers; On 12 September 2017, was attended by 41 workers; On 21 September 2017, was attended by 11 workers; On 27 September 2017, was attended by 186 workers; Attendance list and documentation are available.</p> <p>Based on interview with worker, Labour union and gender committee stating that there was no indication of human right violation.</p>	Comply
<b>Principle 7: Responsible development of new plantings</b>			
<b>Criterion 7.1</b>			
A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.			
7.1.1	An independent social and environmental impact assessment (SEIA), undertaken through a	The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is	Comply

Criterion / Indicator		Assessment Findings	Compliance
	<p>participatory methodology including the relevant affected stakeholders, shall be documented.</p> <p>- Major compliance -</p>	Not Applicable.	
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>	The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.	Comply
7.1.3	<p>Where the development includes an outgrower scheme (<i>skema kemitraan</i>), the impacts of the scheme and the implications of the way it is managed shall be given particular attention.</p> <p>- Minor compliance -</p>	The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.	Comply
<p><b>Criterion 7.2</b></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-</p>	The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is	Comply

Criterion / Indicator		Assessment Findings	Compliance
	<p>term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations.</p> <p>- Major compliance –</p>	Not Applicable.	
7.2.2	<p>Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available.</p> <p>- Minor compliance -</p>	The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.	Comply
<p><b>Criterion 7.3</b></p> <p>New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</p>			
7.3.1	<p>There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).</p>	The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.	Comply

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance –		
7.3.2	<p>Reports of comprehensive HCV assessment, which involves stakeholder consultation and includes record of land-use change since November 2005, shall be available. This HCV assessment shall be conducted prior to any conversion or new planting.</p> <p>- Major compliance –</p>	The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.	Comply
7.3.3	<p>Records of land preparation and clearing dates shall be available.</p> <p>- Minor compliance –</p>	The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.	Comply
7.3.4	<p>An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower’s relevant operational procedures. (see Criterion 5.2)</p> <p>- Major compliance –</p>	The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.	Comply
7.3.5	Evidence of consultation with the affected community shall be	The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is	N/A



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

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

Criterion / Indicator		Assessment Findings	Compliance
	and user rights shall be available. - Major compliance –	Not Applicable.	
7.6.2	A procedure for identifying people entitled to compensation shall be available. - Major compliance –	The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.	Comply
7.6.3	Records of calculation system and distribution of fair compensation shall be available. - Major compliance –	The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.	Comply
7.6.4	Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development. - Minor compliance –	The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.	Comply
7.6.5	The process and outcome of any compensation claims shall be documented and made available to the affected communities and their representatives. - Minor compliance –	The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.	Comply

Criterion / Indicator		Assessment Findings	Compliance
7.6.6	<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>The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.</p>	Comply
<p><b>Criterion 7.7</b> No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN Guidelines or other regional best practice.</p>			
7.7.1	<p>Records of zero burning implementation on land clearing, referring to the ASEAN Policy on zero burning (2003) and recognised techniques based on the existing regulations shall be available.</p> <p>- Major compliance –</p>	<p>The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.</p>	Comply
7.7.2	<p>In exceptional cases where fire has to be used for preparing land for planting, there shall be evidence of prior approval of the</p>	<p>The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.</p>	N/A

Criterion / Indicator		Assessment Findings	Compliance
	<p>controlled burning as specified in 'Guidelines for the Implementation of the ASEAN on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Minor compliance -</p>		
<p><b>Criterion 7.8</b> New plantation developments are designed to minimize net greenhouse gas emissions.</p>			
7.8.1	<p>The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated.</p> <p>- Major compliance -</p>	<p>The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.</p>	Comply
7.8.2	<p>Records of a plan to minimize net GHG emissions shall be available.</p> <p>- Minor compliance -</p>	<p>The company has started planting in 1984, no any new planting area/developing area since November 2005. Replanting has been performed since 2012 and planed until 2020. This indicator is Not Applicable.</p>	Comply
<p><b>Principle 8: Commitment to continuous improvement in key areas of activity</b></p>			
<p><b>Criterion 8.1</b> Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key</p>			

Criterion / Indicator	Assessment Findings	Compliance
operations.		
8.1.1	<p>The action plan for monitoring shall be available, based on a consideration of the social and environmental impacts and routine evaluation of the plantation and mill operations. As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of certain chemicals (Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);</li> <li>• Optimising the yield of FFB production (Criterion 4.2)</li> </ul> <p>- Major compliance –</p> <p>A continuous improvement plan has been prepared and internal audit conducted to identify compliance to the RSPO P&amp;C. Internal audit has been conducted to monitor implementation of RSPO P&amp;C, based on consideration of social and environment impact, good agriculture practice for estate, best manufacturing practice for mill, OHS aspect, etc. The last Sustainability Internal audit conducted on 13 – 23 November 2017.</p> <p>Evidence of several improvements was shown, e.g.</p> <p>A. Best Agriculture Practices:</p> <ol style="list-style-type: none"> <li>1. Increase productivity of <i>Oryctes</i> spraying (Chemical) from 5 Ha/manday to be 6 Ha/manday.</li> <li>2. Water Management</li> <li>3. Reduce use of paraquat</li> </ol> <p>B. Environment</p> <ul style="list-style-type: none"> <li>• Continuing dispose hazardous waste to the approval collector.</li> <li>• Improvement in monitoring of fuel consumption by calibrating fuel injection pumps and check fuel nozzle pipe.</li> <li>• Improvement in monitoring of domestic water consumption by installing flow meter to monitor water consumption in housing</li> <li>• Recycle the water cooler turbine discharge water basin;</li> <li>• Recycle the condensate water discharge water dilution;</li> <li>• Minimize duration of mill cleaning to be every two weeks.</li> </ul> <p>C. Pollution and emissions:</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> <li>• Reduction of potential particulate release to the atmosphere by increase boiler ash capture by the chimney</li> </ul> <p>D. Biodiversity conservation</p> <ul style="list-style-type: none"> <li>• Sign board installation for HCV protection and awareness to conserve biodiversity and HCV area</li> </ul> <p>E. Social impacts</p> <ul style="list-style-type: none"> <li>• Economic empowerment of the surrounding community, e.g. goods procurement using local supplier.</li> <li>• Implementing CSR program.</li> </ul>	

### Appendix B: Approved Time Bound Plan

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



Ukui (Plasma)	Ukui & Lubuk Batu Jaya District, Pelalawan & Inhu Regency, Riau	Brought forward from 2012 to 2011	Certified on 11 <sup>th</sup> June 2012
Tungkal Ulu	Pulau Pauh/Penyabungan/Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2011	Certified on 15 <sup>th</sup> August 2012
Muara Bulian	Singoan/Bukit Sari/ Bulian Jaya Village, Muara Bulian/Pemayung District, Batang Hari Regency, Jambi	2011	Certified on 28 August 2012
Buatan (KKPA)	Kerinci Kanan, Pangkalan Kerinci, Dayun District, Siak & Pelalawan Regency, Riau	2012	Certified on 17 <sup>th</sup> January 2013
Tungkal Ulu (Plasma)	Renah Mendalo, Merlung, Muara Papalik District, Tanjung Jabung Barat Regency, Jambi	2012	Certified on 11 <sup>th</sup> July 2013
Muara Bulian (Plasma)	Maro Sebo Ilir District, Batanghari Regency, Jambi	2012	Certified on 12 <sup>th</sup> July 2013
Muara Bulian (KKPA)	Maro Sebo Ilir District, Batanghari Regency, Jambi	2012	Certified on 12 <sup>th</sup> July 2013
Topaz & Seed Garden	Petapahan Village, Tapung District, Kampar Regency, Riau	2013	Certified on 30 March 2015
Taman Raja & Badang	Lubuk Bernai / Kampung Baru / Pelabuhan Dagang / Pematang Pauh Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2013	Certified on 20 <sup>th</sup> February 2015
Segati	Langkan / Penarikan / Tambak / Sotol Village, Langgam District, Pelalawan Regency, Riau	2014	Main Audit in December 2014 Re-Audit in 2017
Penarikan & Gondai	Pangkalan Sarik / Baru Village, Langgam / Siak Hulu District, Pelalawan / Kampar Regency, Riau	2014	Main Audit in December 2014 Re-Audit in 2017
Penarikan (KKPA)	Pangkalan Sarik / Baru Village, Langgam / Siak Hulu District, Pelalawan / Kampar Regency, Riau	2018	Moved to 2019
Gunung Sahilan (KKPA)	Gunung Sahilan Village, Lipat Kain District, Pelalawan Regency, Riau	2018	Moved to 2019
Bahilang	Bahilang Village, Tebing Tinggi District, Serdang Bedagai Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified 18 <sup>th</sup> May 2015
Tanah Datar	Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified 18 <sup>th</sup> 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 <sup>th</sup> March 2015
Teluk Panjie	Teluk Panjie Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified on 21 <sup>st</sup> April 2015
Peranap	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	Brought Forward from 2016 to 2013	Certified on 7 <sup>th</sup> 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 <sup>rd</sup> December 2015
Peranap (Plasma)	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	2016	Certified 19 <sup>th</sup> August 2016
Bungo Tebo (Plasma)	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	2016	Certified 7 <sup>th</sup> February 2017
Tanjung Selamat	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 26 <sup>th</sup> May 2015 HGU of Tanjung Selamat Estate has not been

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

			issued by BPN and still on process, maximum 12 July 2021 the HGU must be obtained.
Pangkalan	Sennah Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 26 <sup>th</sup> May 2015
Sentral & Batu Anam	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 8 <sup>th</sup> July 2015
Pulau Maria	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 7 <sup>th</sup> September 2015
Nagri Lama	Nagri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2018 to 2013	Certified on 6 <sup>th</sup> April 2015
Aek Kuo	Aek Korsik Village, Aek Natas District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2016 to 2013	Certified on 6 <sup>th</sup> April 2015

**Appendix C: GHG Reporting Executive Summary**

The GHG emissions that were produced in **2017** for **Tanjung Selamat Palm Oil Mill** and supply base was calculated using the PalmGHG Calculator version 3.0.1. The assessment team had verified the data input in the PalmGHG Calculator against operations records. PalmGHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

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

The summary of the Net GHG emitted in **2017** for **Tanjung Selamat Palm Oil Mill** and supply base are as following:

Emission per product	tCO <sub>2</sub> e/tProduct
CPO	19.24
PK	19.24
PKO	-

Extraction	%
OER	18.81
KER	5.34

Production	t/yr
FFB Process	196,620
CPO Produced	36,984
PKO Produced	10,505

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

**Summary of Field Emission and Sink**

	Own Crop*		Group		3 <sup>rd</sup> Party		Total	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB
<b>Emission</b>								
Land Conversion	0	0	0	0	0	0		
CO <sub>2</sub> Emission from fertilizer	1,508.81	0.03	299.92	0.01	0	0		
NO <sub>2</sub> Emmision	31,003.75	0.6	27,520.25	0.66	0	0		
Fuel Consumption	764.96	0.01	563.09	0.01	0	0		
Peat Oxidation	210,646.8	4.1	198,744	4.78	0	0		
<b>Sink</b>								
Crop Sequestration	0	0	0	0	0	0		

**RSPO Public Summary Report  
Revision 6 (December /2017)**

Conservation Sequestration	0	0	0	0	0	0		
<b>Total</b>	<b>243,924.32</b>	<b>4.75</b>	<b>227,127.26</b>	<b>5.47</b>	<b>440,771.75</b>	<b>0</b>		

\*Note: Includes both estates and smallholders

**Summary of Mill Emission and Credit**

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emission</b>		
POME	15,324.17	0.08
Fuel Consumption	110.48	0
Grid Electricity Utilisation	27.06	0
<b>Credit</b>		
Export of Grid Electricity	-19.38	0
Sales of PKS	-13,437.6	-0.07
Sales of EFB	0	0
<b>Total</b>	<b>2,004.72</b>	<b>0.01</b>

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

Emissions	tCO <sub>2</sub> e
PK from own mill	NA
PK from other source	NA
Fuel Consumptions	NA
<b>Total Crusher emissions</b>	NA

\*This mill has no kernel crusher operation.

Palm Oil Mill Effluent (POME) Treatment:	
Divert to Compost (%)	0
Divert to anaerobic diversion (%)	0

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

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

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

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

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

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

	implementation of this standard.		
5.3.2	The site shall have a written procedure to conduct annual internal audit to determine whether the organization; i) conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.	As per Procedure of Traceability (AA-MPM-OP-1400.17-R6) chapter 6.7, Sustainability Internal Audit Manager conducted internal audit 2 times in a year, to ensure all operational and documentation activities are comply to the requirement in RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.	Yes
	ii) effectively implements and maintains the standard requirements within its organization	The site has effectively implements and maintains the standard requirement by performing internal audit. Latest Internal audit carried out on 24 November 2017 by Anisa Handayani, against RSPO SCCS 2017 – RSPO General Chain of Custody requirements and Module E - CPO Mills: Mass Balance.	Yes
<b>5.4. Purchasing and goods in</b>			
5.4.1	The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier in document form: <ul style="list-style-type: none"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment/delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply Chain certificate number of the seller;</li> </ul>	PT ISJ-Tanjung Selamat POM has demonstrated SOP of Traceability (AA-MPM-OP-1400.7.R6), chapter 5.1 indicates the Weighbridge Clerk has responsibility to input data and print weighbridge card based on “Surat Pengantar TBS”, covering information e.g. estate name and block number, mill name, date of delivery, product description and quantity, RSPO certificate number, transporter identity and unique identification number.  PT ISJ – Tanjung Selamat POM receive FFB from certified and non-certified source. Certified source consist of own estate, Tanjung Selamat Estate and sister company estate, Pangkatan Estate (PT Rantau Sinar Karsa). Non-certified FFB sourced from third party supplier, e.g.: Roma, Wan Juma Sari Dewi (WJD), UD Ula Tersia, UD Sahabat, CV Vhirly Jaya (VJ), William Tanizar, Tan Ing Sing (TSG), Soo Boon Pin , Wan Juma Sari Dewi-KS (WJD-KS), Kopkun Anug Jaya Mandiri SJH and Kop Mandiri Tani Sejahtera (MTS).  Document “Surat Pengantar TBS” (FFB Delivery Note) and Kartu Timbangan (Weighbridge Card) described identity and location of FFB source and other item	Yes



**RSPO Public Summary Report  
Revision 6 (December /2017)**

	<ul style="list-style-type: none"> <li>A unique identification number</li> </ul>	<p>required e.g.</p> <p>Certified:</p> <ul style="list-style-type: none"> <li>Surat Pengantar TBS #10810 dated 26 February 2018 from PT ISJ – Tanjung Selamat Estate, Afdeling III, Block C12d, total 662 bunch, transporter BK 8040 CB, delivered to Tanjung Selamat Mill.</li> <li>Weighbridge Card #PTSA118101269 dated 26/02/2018, commodity: certified FFB; source: Tanjung Selamat Estate; to Tanjung Selamat Palm Oil Mill; net weight: 6,950 kg; Afdeling: 3; amount: 662 bunch; Block: C12d; RSPO Cert: RSPO620704; Transporter: Internal; Vehicle: BK 8040 CB; Driver: Jefriadi; Batch number: 13-DE100-16462017-24008798.</li> <li>Surat Pengantar TBS #0244697 dated 26/02/2018 from PT RSK – Pangkatan Estate, Afdeling II, Block F92f, total 287 bunch, transporter BK 9833 YL, delivered to Tanjung Selamat Mill.</li> <li>Weighbridge Card #PTSA418100820 dated 26/02/2018, commodity: certified FFB; source: Pangkatan Estate; to Tanjung Selamat Palm Oil Mill; net weight: 6,180 kg; Afdeling: 2; amount: 287 bunch; Block: F92f; RSPO Cert: RSPO620704; Transporter: Internal; Vehicle: BK 9833 YL; Driver: Amat; Batch number: 13-DE100-16462017-24008803.</li> </ul> <p>Non-certified:</p> <ul style="list-style-type: none"> <li>Surat Pengantar dated 26/02/2018 from Wan Juma Sari Dewi (WJD) to PT ISJ-Tanjung Selamat Mill; amount: 550 bunch.</li> <li>Weighbridge Card #PTSA518101583 dated 26/02/2017, commodity: outside FFB; source: Wan Juma Sari Dewi; ID: ST00026; to PT ISJ-Tanjung Selamat Palm Oil Mill; net weight: 8,486 kg; amount: 550 bunch; Transporter: general; Vehicle: BK 9410 YJ; Driver: Bram.</li> </ul>	
	<ul style="list-style-type: none"> <li>Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes,</li> </ul>	<p>Information is complete and presented in couple document, e.g. Surat Pengantar TBS and Weighbridge Card. Report of FFB receiving are documented in Laporan Harian Pabrik (Mill Daily Report), Laporan Unit Kebun (Monthly Mill Report) and</p>	<p>Yes</p>

	shipping documents and specification documentation).	Mill Summary Report.	
	<ul style="list-style-type: none"> <li>The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group shipments. Refer to section 5.7.1 of this document for further guidance.</li> </ul>	PT ISJ-Tanjung Selamat Mill has ensured that FFB received are RSPO certified based on the source of FFB. The Mill only received certified FFB from own estate (Tanjung Selamat Estate) and sister company (PT RSK-Pangkalan Estate) which have been certified as supply bases of Tanjung Selamat POM. Other than that are non-certified FFB.	Yes
	<ul style="list-style-type: none"> <li>A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (<a href="http://www.rspo.org">www.rspo.org</a>) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements.</li> </ul>	The site does not need to check the certificate validity of the FFB source, because it is fall under PT ISJ-Tanjung Selamat POM.	N/A
	<ul style="list-style-type: none"> <li>The validity of licence for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements / announcements.</li> </ul>	The site has never purchased any certified FFB from traders or distributors.	N/A
5.4.2	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.	<p>In the case on non-conforming raw material entering the process, PT ISJ-Tanjung Selamat POM has the mechanism to handle non-conforming material and/or document. PT ISJ-Tanjung Selamat POM demonstrated the simulation on recall of non-conforming material.</p> <p>Until this 3<sup>rd</sup> annual surveillance assessment, there has been no case of non-conforming material entering the process.</p>	Yes

5.5. Outsourcing activities			
5.5.1	<p>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.</p> <p>This requirement is not applicable to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the certified organization (not the tank farm manager).</p>	<p>The transport for RSPO certified sustainable CPO delivery was carried out by CV Sejahtera Abadi Medan and PK delivery was carried out by CV Sekawan Jaya. This contractor was appointed, contracted and instructed by the buyer. The contract is between buyer and transporters. PT ISJ-Tanjung Selamat POM does not have control for shipping/transport instruction.</p> <p>Audit team concluded that there is no outsourced activities operated in PT ISJ-Tanjung Selamat POM.</p>	Yes
5.5.2	<p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <p>a. The site has legal ownership of all input material to be included in outsourced processes;</p>	Refer to 5.5.1	Yes
	<p>b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</p>	Refer to 5.5.1	Yes
	<p>c. The site has a documented control system with</p>	Refer to 5.5.1	Yes

	explicit procedures for the outsourced process which is communicated to the relevant contractor.		
	d. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance.	Refer to 5.5.1	N/A
5.5.3	The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	Refer to 5.5.1	Yes
5.5.4	The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products.	Refer to 5.5.1	N/A
<b>5.6. Sales and goods out</b>			
5.6.1	<p>The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form.</p> <ul style="list-style-type: none"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment/ delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> </ul>	<p>PT ISJ-Tanjung Selamat POM has demonstrated SOP of Traceability (AA-MPM-OP-1400.7.R6), chapter 5.2 indicates the Marketing Manager issued Delivery Order (DO) with information: name and address of production unit, name and address of buyer, contract number, type of product transportation (land/sea), distance, type of product (CPO or PK, certified or non-certified), quantity of product, delivery date, product qualification specification (CPO or PK: FFA, water content, dirt, etc), Supply chain model (Mass Balance).</p> <p>At the Mill, weighbridge operator printed out CPO or PK weighbridge card, based on DO from marketing which indicates: type of commodity, CPO or PK certified or not-certified; source and destination address; Supply Chain model: (Mass Balance); Certificate number of the Mill; date of delivery, Product quality</p>	Yes

**RSPO Public Summary Report  
Revision 6 (December /2017)**

<ul style="list-style-type: none"> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply chain certificate number of the seller;</li> <li>• A unique identification number</li> </ul>	<p>specification (moisture, FFA, dirt); Contract number/DO number; Quantity, Transport detail (driver name, vehicle number); Buyer address.</p> <p>Sampled Delivery Order/DO:</p> <ul style="list-style-type: none"> <li>- Delivery Order #09002/DC24/02/17 dated 13/09/2017; Seller is PT Indo Sepadan Jaya – Tanjung Selamat POM; Buyer is PT Sari Dumai Sejati; Commodity is RSPO certified CPO; Supply Chain Model is Mass Balance; Quantity is 300,000 kg; Supply Chain Certificate is RSPO 620704.</li> <li>- Delivery Order #02004/DC24/13/18; dated 13/02/2018; Seller is PT Indo Sepadan Jaya – Tanjung Selamat POM; Buyer is PT Hari Sawit Jaya – Negri Lama II Kernel Crushing Plant; Commodity is RSPO certified Palm Kernel; Supply Chain Model is Mass Balance; Quantity is 50,000 kg; Supply Chain Certificate is RSPO 620704.</li> </ul> <p>Sampled of certified CPO Delivery:</p> <ul style="list-style-type: none"> <li>- Weighbridge Card #PTSC117100918 dated 13/09/2017; Seller is PT Indo Sepadan Jaya – Tanjung Selamat POM; Buyer is PT Sari Dumai Sejati, Lubuk Gaung Refinery; Delivery date is 13/09/2017; Commodity is CPO Certified RSPO; Supply Chain Model is Mass Balance; Quantity is 28,230 kg; based on DO #09002/DC24/02/17; Transporter is CV Sejahtera Abadi Medan, BK 8559 CS; Supply Chain Certificate number RSPO 620704; FFA: 2.79%; water: 0.129%; dirt: 0.016%; Seal number 3925469 - 3925475.</li> <li>- Weighbridge Card #PTSC117100925 dated 15/09/2017; Seller is PT Indo Sepadan Jaya – Tanjung Selamat POM; Buyer is PT Sari Dumai Sejati, Lubuk Gaung Refinery; Delivery date is 15/09/2017; Commodity is CPO Certified RSPO; Supply Chain Model is Mass Balance; Quantity is 27,600 kg; based on DO #09002/DC24/02/17; Transporter is CV Sejahtera Abadi Medan, BK 8266 BU; Supply Chain Certificate number RSPO 620704; FFA: 2.910%; water: 0.129%; dirt: 0.015%; Seal number 3925619 - 3925625.</li> </ul> <p>Sampled of certified PK Delivery:</p> <ul style="list-style-type: none"> <li>- Weighbridge Card #PTSC218100052 dated 17/02/2018; Seller is PT Indo</li> </ul>	
---	---	--

**RSPO Public Summary Report  
Revision 6 (December /2017)**

		<p>Sepadan Jaya – Tanjung Selamat POM; Buyer is PT Hari Sawit Jaya – Negri Lama II Kernel Crushing Plant; Delivery date is 17/02/2018; Commodity is PK Certified RSPO; Supply Chain Model is Mass Balance; Quantity is 25,900 kg; based on DO #02004/DC24/13/18; Transporter is CV Sekawan Jaya, BK 8651 BA; Supply Chain Certificate number RSPO 620704; broken: 14.8%; water: 7.3%; dirt: 7.5%; Seal number 0344589 - 0344606.</p> <ul style="list-style-type: none"> <li>- Weighbridge Card #PTSC218100060 dated 23/02/2018; Seller is PT Indo Sepadan Jaya – Tanjung Selamat POM; Buyer is PT Hari Sawit Jaya – Negri Lama II Kernel Crushing Plant; Delivery date is 23/02/2018; Commodity is PK Certified RSPO; Supply Chain Model is Mass Balance; Quantity is 25,800 kg (based on DO #02004/DC24/13/18: 20,680 kg and based on DO #02006/DC24/13/18: 5,120); Transporter is CV Sekawan Jaya, BK 8197 VN; Supply Chain Certificate number RSPO 620704; broken: 15.72%; water: 6.92%; dirt: 7.51%; Seal number 0344898 - 0344915.</li> </ul>	
	<ul style="list-style-type: none"> <li>Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation).</li> </ul>	<p>Informations are complete and presented in couple document, e.g. Delivery Order and Weighbridge Card. Report of CPO and PK deliveries are documented in Laporan Harian Pabrik (Mill Daily Report), Mill Operation Report and Book Keeping Mass Balance Report.</p>	<p>Yes</p>
	<ul style="list-style-type: none"> <li>For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.</li> </ul>	<p>PT ISJ – Tanjung Selamat POM has made Shipping Announcement in RSPO IT Platform to announce sales of RSPO certified CPO or PK per group of shipments (DO).</p> <p>For example:</p> <ul style="list-style-type: none"> <li>- Shipping Announcement, with transaction ID No. TR-94bce64d-dc48 for 525.88 MT CSPO Mass Balance; from PT Indo Sepadan Jaya – Tanjung Selamat Mill as Seller to Buyer PT Sari Dumai Sejati (RSPO_PO1000006430). B/L number LBG/JPN-001 (Ship: MT Everich 2 V.12). Confirmation has been made by Buyer on 12/11/2017.</li> <li>- Shipping Announcement, with transaction ID No. TR-4c9620f1-8d71 for</li> </ul>	

		<p>1,333.33 MT CSPK Mass Balance; from PT Indo Sepadan Jaya – Tanjung Selamat Mill as Seller to Buyer PT Hari Sawit Jaya – Negri Lama II KCP (RSPO_PO1000003005). B/L number LBG/ROTD-01-04 (Ship: MT. Stenaweco Venture). Confirmation has been made by Buyer on 19/05/2017.</p> <ul style="list-style-type: none"> <li>- Shipping Announcement, with transaction ID No. TR-278d8bd4-2312 for 108.13 MT CSPK Mass Balance; from PT Indo Sepadan Jaya – Tanjung Selamat Mill as Seller to Buyer PT Sari Dumai Sejati (RSPO_PO1000000400). B/L number LBG/PKL-002 (Ship. Confirmation has been made by Buyer on 30/09/2017.</li> </ul>	
<b>5.7. Registration of transactions</b>			
5.7.1	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> <li>• are mills, traders, crushers and refineries and;</li> <li>• take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, Refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable.</li> </ul>	<p>PT ISJ – Tanjung Selamat POM is a palm oil mill which takes legal ownership and physically handled RSPO certified sustainable oil palm product, therefore the site has been registered in RSPO IT Platform with ID number RSPO_PO1000002607.</p>	Yes
5.7.2	<p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none"> <li>• Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.</li> </ul>	<p>PT ISJ – Tanjung Selamat POM has made Shipping Announcement for certified CPO and PK sold.</p> <p>For example:</p> <ul style="list-style-type: none"> <li>- Shipping Announcement, with transaction ID No. TR-94bce64d-dc48 for 525.88 MT CSPO Mass Balance; from PT Indo Sepadan Jaya – Tanjung Selamat Mill as Seller to Buyer PT Sari Dumai Sejati (RSPO_PO1000006430). B/L number LBG/JPN-001. Confirmation has been made by Buyer on 12/11/2017.</li> <li>- Shipping Announcement, with transaction ID No. TR-4c9620f1-8d71 for 1,333.33 MT CSPK Mass Balance; from PT Indo Sepadan Jaya – Tanjung Selamat Mill as Seller to Buyer PT Hari Sawit Jaya – Negri Lama II KCP. B/L number LBG/ROTD-01-04. Confirmation has been made by Buyer on</li> </ul>	<p>NC #1600992-201802-M7 CLOSED on 6 April 2018</p> <p>Yes</p>

**RSPO Public Summary Report  
Revision 6 (December /2017)**

		19/05/2017. Shipping Announcement, with transaction ID No. TR-278d8bd4-2312 for 108.13 MT CSPK Mass Balance; from PT Indo Sepadan Jaya – Tanjung Selamat Mill as Seller to Buyer PT Sari Dumai Sejati (RSPO_PO1000006430). B/L number LBG/PKL-002 (. Confirmation has been made by Buyer on 30/09/2017.	
	<ul style="list-style-type: none"> <li>Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.</li> </ul>	Until this 3 <sup>rd</sup> annual surveillance audit, PT ISJ – Tanjung Selamat POM has not sold any CPO or PK to supply chain actor beyond the refinery.	Yes
	<ul style="list-style-type: none"> <li>Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> </ul>	<p><u>Non conformity:</u></p> <p>There is no evidence that PT ISJ – Tanjung Selamat POM has done “Remove” in the RSPO IT Platform, this is not in line with the General Chain of Custody Requirements for the Supply Chain Clause 5.7.2. Based on document review (Book Keeping – Mass Balance Report) and interview with mill personnel, PT ISJ – Tanjung Selamat POM has done sales of certified CPO as other certified scheme in January 2018, however there is no evidence that the company has done “Remove” in the RSPO IT Platform.</p> <p>Company has made corrective action plan to address the issue and found effectively implemented as described in section 3.4 Detail of finding.</p>	<p>NC # 1600992-201802-M7 CLOSED on 6 April 2018</p> <p>Yes</p>
	<ul style="list-style-type: none"> <li>Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li> </ul>	PT ISJ – Tanjung Selamat POM is a palm oil mill which does not need to confirm any purchase of FFB.	N/A
<b>5.8. Training</b>			
5.8.1	The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is	PT ISJ – Tanjung Selamat POM has prepared a training program to staff, who is involved in RSPO Supply Chain Certification Standard implementation. As per	Yes



**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

	subject to on-going review and is supported by records of the training provided to staff.	training program, "Program Pelatihan Environmental & Sustainability Tahun 2018 PT ISJ – Tanjung Selamat POM" the RSPO supply chain and traceability refreshment training was planned on 20 August 2018. Competency and training records of all staff involved in RSPO Supply Chain were able to be demonstrated.	
5.8.2	Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed.	Latest training on "Supply Chain, Mass Balance and Traceability" performed on 13 January 2017 attended by Mill Manager, production supervisor, weighbridge operators, dispatch operators and administrative controller. Training module attendance list were sighted.	Yes
<b>5.9. Record Keeping</b>			
5.9.1	The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements.	Based on review of PT ISJ – Tanjung Selamat POM document and record, the Mill is able to demonstrate complete, up-to-date and accessible records and reports covering all aspects of RSPO Supply Chain Certification Standard requirements.  Records and report verified are as follows: <ul style="list-style-type: none"> <li>• Laporan Harian Pabrik (Mill Daily Report); dated 31/12/2017 and 27/02/2018.</li> <li>• Book Keeping – Mass Balance – CPO and PK period of January – March 2017, April – June 2017, July – September 2017, October – December 2017, January – February 2018;</li> <li>• Kartu Timbangan (Weighbridge Card) FFB;</li> <li>• Kartu Timbangan (Weighbridge Card) CPO;</li> <li>• Kartu Timbangan (Weighbridge Card) PK;</li> </ul>	Yes
5.9.2	Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.	The procedure of Traceability (AA-MPM-OP-1400.7.R6), requires that all records and reports related to traceability and book keeping are retained for a period of 10 years.	Yes
5.9.3	The organization shall be able to provide the estimate volume of palm oil/palm kernel oil content (separate	PT ISJ – Tanjung Selamat POM is able to provide estimate volume of CPO and PK in a year period as in "Distribusi Produksi Bulanan Anggaran Tahun 2018" consists	Yes

**RSPO Public Summary Report  
Revision 6 (December /2017)**

	<p>categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.</p>	<p>estimate of FFB receiving from Tanjung Selamat Estate, Pangkatan estate and Third Party supplier, Extraction rates, Processing capacity, working hour, utilisation, etc.</p> <p>The Mill also keep an up to date record of the FFB volume received, CPO and PK produced over a period of twelve (12) month, as in "Book Keeping Mass Balance Report".</p>	
<b>5.10. Conversion factors</b>			
5.10.1	<p>Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (<a href="http://www.rspo.org">www.rspo.org</a>); RSPO Rules for Physical Transition of Oleochemicals and its Derivaties. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries.</p>	<p>Conversion rate is applied to provide reliable estimation of CPO and PK produced.</p> <p>For year 2018, the budget for conversion from FFB into CPO are:</p> <ul style="list-style-type: none"> <li>a. For FFB from Tanjung Selamat Estate: 18.00%</li> <li>b. For FFB from Pangkatan Estate: 20.40%</li> <li>c. For FFB from third-party: 17.50%</li> </ul> <p>For year 2018, the budget for conversion from FFB into PK are:</p> <ul style="list-style-type: none"> <li>a. For FFB from Tanjung Selamat Estate: 5.60%</li> <li>b. For FFB from Pangkatan Estate: 5.60%</li> <li>c. For FFB from Third-party: 5.60%</li> </ul> <p>For actual 2017, actual conversion ratios from FFB into CPO are:</p> <ul style="list-style-type: none"> <li>a. For FFB from Tanjung Selamat Estate: 17.81%</li> <li>b. For FFB from Pangkatan Estate: 21.03%</li> <li>c. For FFB from third-party: 18.80%</li> </ul> <p>For actual 2017, actual conversion ratios from FFB into PK are:</p> <ul style="list-style-type: none"> <li>a. For FFB from Tanjung Selamat Estate: 5.22%</li> <li>b. For FFB from Pangkatan Estate: 5.30%</li> <li>c. For FFB from third-party: 5.24%</li> </ul>	Yes
5.10.2	<p>Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.</p>	<p>The actual conversion ratio is monitored on daily basis through sounding result and documented in daily report. Tanjung Selamat POM is able to demonstrate the work instruction for analysis of oil content.</p> <p>Based on Laporan Harian Produksi dated 27/02/2018, the sounding result and production report shows that actual conversion ratios from FFB into CPO are:</p> <ul style="list-style-type: none"> <li>a. For FFB from Tanjung Selamat Estate: 18.14%</li> </ul>	Yes

		<p>b. For FFB from Pangkatan Estate: 21.50%</p> <p>c. For FFB from third-party: 18.10%</p> <p>And actual conversion ratios from FFB into PK are:</p> <p>a. For FFB from Tanjung Selamat Estate: 5.17%</p> <p>b. For FFB from Pangkatan Estate: 5.17%</p> <p>For FFB from third-party: 5.18%</p>	
<b>5.11. Claims</b>			
5.11.1	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	PT ISJ – Tanjung Selamat POM has made claims regarding the support of RSPO certified oil palm products in compliance with the RSPO Rules on Market Communications and Claims. However the RSPO trademark was not being used on products.	
<b>5.12. Complaints</b>			
5.12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	Based on document review, there has been no complaint from stakeholder related with certified CPO or PK from PT ISJ – Tanjung Selamat POM. In the case of any complaint, the mill provided procedure AA-GL-5.08-R1 related to information request from any stakeholders to resolving stakeholder complaints.	Yes
<b>5.13. Management Review</b>			
5.13.1	The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken.	<p>PT ISJ – Tanjung Selamat POM has Standard Operating Procedures for Internal Audit and Management Review (AA-SOP-ES-6001-R1). The management review planned once a year at minimum, considering the critical area.</p> <p>The Standard Operating Procedures of Traceability (AA-MPM-OP-1400.17.R6) dated 1 Sept 2017 has also regulates the internal audit by Sustainability Internal Audit Manager, that planned 2 times in a year at minimum.</p>	Yes
5.13.2	<p>The input to management review shall include information on:</p> <ul style="list-style-type: none"> <li>Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>Customer feedback.</li> </ul>	<p>The latest Internal audit carried out on 24 November 2017 by Anisa Handayani, against RSPO SCCS 2017 – RSPO General Chain of Custody requirements and Module E: Mass Balance.</p> <p>The organization shows issues discussed during management review and attendance list, dated 19 August 2017. The management review inputs include</p>	

	<ul style="list-style-type: none"> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul>	<p>information on:</p> <ul style="list-style-type: none"> <li>- The result of audits: based on result from external audit on May 2017 by BSI;</li> <li>- customer feedback – no customer complaint;</li> <li>- process performance and product conformity – no issue on FFB received, no issue on CPO and PK delivery, no RSPO certified CPO and PK delivery exceeds the quota;</li> <li>- status of corrective and preventive action – followed up through consistent management review;</li> <li>- changes that could affect the management system – no changes;</li> <li>- and recommendation for improvement – no changes.</li> </ul> <p>Management review was attended by key personnel involved in implementation of RSPO Supply Chain certification Standard. Minute of management review meeting and attendance register were available.</p>	
5.13.3	<p>The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes.</li> <li>• Resource needs.</li> </ul>	<p>PT ISJ – Tanjung Selamat POM has conducted management review dated 19 August 2017.</p> <p>The management review output indicates decision and actions related to:</p> <ul style="list-style-type: none"> <li>- Improvement of the effectiveness of the management system and its processes: Conduct dissemination related new SOP of Traceability</li> <li>- Resource needs: manpower, machine, method and material to be prepared.</li> </ul> <p>The organization will optimize the existing resources to achieve all indicators of performance defined. According to the minutes of management review meeting, it was noted that output of review has not required additional resources.</p>	Yes

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

Requirements	Compliance
<b>E.1 Definition</b>	
<p>E.1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p>	<p>PT ISJ – Tanjung Selamat POM holds current RSPO P&amp;C Certificate No. RSPO 620704. In the current certificate, PT ISJ – Tanjung Selamat POM uses Mass Balance supply chain system. The mill only claimed the FFB proportion from certified supply bases which comprise of company-own estate and sister company estate. The other supply base, were come from third party suppliers as non-certified FFB source.</p>
<b>E.2 Explanation</b>	
<p>E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p>	<p>The projection for certified FFB and production of certified CPO and PK in Tanjung Selamat POM has been recorded in BSI's public summary report and registered in RSPO IT Platform.</p>
<p>E.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>PT ISJ – Tanjung Selamat POM has met registration and reporting requirement as it has been registered in RSPO IT Platform (PalmTrace) with ID number RSPO_PO1000002607.</p>
<b>E.3 Documented procedures</b>	
<p>E.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all</p>	<p>PT Indo Sepadan Jaya – Tanjung Selamat POM can demonstrates: 1. Standard Operating Procedures – Traceability (AA-MPM-OP-1400.17.R6) dated 1 Sept 2017. The</p>

<p>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>procedures cover traceability of CPO and PK, since FFB receiving from Tanjung Selamat and Pangkatan Estate, processing up to shipping of CPO and PK as well as daily production report. The procedure also regulates the internal audit by Sustainability Internal Audit Manager. Traceability records are to be kept for 10 years.</p> <p>2. Standard Operating Procedure – Book Keeping (AA-MPM-OP-1400.18-R4). The procedure explains method to check only certified product received. The book keeping mass balance stated every 3 months: January-March, April-June, July-September, and October-December each year. Head of Environment and Sustainability will inform to Certification Body in the case of projected overproduction.</p> <p>3. SOP of Palm Oil Mill operation:</p> <ul style="list-style-type: none"> <li>a. SOP AA-MPM-OP-1400.02.R2, dated 1 September 2011, Stasiun Penerimaan (FFB Receiving Station)</li> <li>b. SOP AA-MPM-OP-1400.03.R1, dated 1 February 2009, Stasiun Rebusan (Sterilizer)</li> <li>c. SOP AA-MPM-OP-1400.04.R1, dated 1 February 2009, Stasiun Pemisahan Berondolan (Loose Fruit Separation)</li> <li>d. SOP AA-MPM-OP-1400.05-R1, dated 1 February 2009, Stasiun Pengadukan dan Pengempaan (Pressing Station)</li> <li>e. SOP AA-MPM-OP-1400.06-R1, dated 1 February 2009, Stasiun Pemurnian (Clarification)</li> <li>f. SOP AA-MPM-OP-1400.07-R1, dated 1 February 2009, Stasiun Pemisahan Nut dan Fiber (Nut and Fiber separation)</li> <li>g. SOP AA-MPM-OP-1400.08-R1, dated 1 February 2009, Stasiun Kernel (Kernel Station)</li> <li>h. SOP AA-MPM-OP-1400.09-R1, dated 1 February 2009, Stasiun Boiler</li> <li>i. SOP AA-MPM-OP-1400.10-R1, dated 1 February 2009, Stasiun Engine Room</li> <li>j. SOP AA-MPM-OP-1400.11-R1, dated 1 February 2009, Stasiun Water Treatment</li> <li>k. SOP AA-MPM-OP-1400.12-R1, dated 1 February 2009, Laboratorium</li> <li>l. SOP AA-MPM-OP-1400.13-R1, dated 1 February 2009, Stasiun Pengelolaan Limbah (Palm Oil Mill Effluent Treatment)</li> <li>m. SOP AA-MPM-OP-1400.14-R2, dated 1 September 2011, Stasiun Penimbunan dan Pengiriman CPO dan Kernel (CPO and PK Storage and Despatch)</li> <li>n. SOP AA-MPM-OP-1400.15-R1, dated 1 February 2009, Perawatan (Preventive Maintenance and Repair).</li> </ul>
<p>b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable</p>	<p>As per Procedure of Traceability (AA-MPM-OP-1400.17-R6), the responsible person in charge to the supply chain system is Mill Manager. During audit, the mill manager, Mr. Marthin Luther Limbeng, was able to demonstrate sufficient knowledge and understanding on RSPO supply chain implementation for palm oil mill.</p>

<p>requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</p>	
<p>E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBS.</p>	<p>The Mill has had documented procedures for receiving and processing of Certified and Non-certified FFBS in form of SOP AA-MPM-OP-1400.17-R6 "Traceability" and SOP for FFB Receiving Station (AA-MPM-OP-1400.02-R2). The Mill uses RSPO Supply Chain model Mass Balance, therefore does not required to separated receiving and processing of certified and non-certified FFB.</p>
<p><b>E.4 Purchasing and goods in</b></p>	
<p>E.4.1 The site shall verify and document the volumes of certified and non-certified FFBS received.</p>	<p>Responsible Person is able to demonstrate mechanism to verify and documented the volumes of Certified and Non-certified FFBS received, which contains:</p> <ul style="list-style-type: none"> <li>• Name of Estate, Division and Block (Sources of certified FFB)</li> <li>• Date of harvesting</li> <li>• Certificate Number</li> </ul> <p>Document verified, i.e.:</p> <p>Certified:</p> <ul style="list-style-type: none"> <li>- Surat Pengantar TBS #10810 dated 26 February 2018 from PT ISJ – Tanjung Selamat Estate, Afdeling III, Block C12d, total 662 bunch, transporter BK 8040 CB, delivered to Tanjung Selamat Mill.</li> <li>- Weighbridge Card #PTSA118101269 dated 26/02/2017, commodity: certified FFB; source: Tanjung Selamat Estate; to Tanjung Selamat Palm Oil Mill; net weight: 6,950 kg; Afdeling: 3; amount: 662 bunch; Block: C12d; RSPO Cert: RSPO620704; Transporter: Internal; Vehicle: BK 8040 CB; Driver: Jefriadi; Batch number: 13-DE100-16462017-24008798.</li> <li>- Surat Pengantar TBS #0244697 dated 26/02/2018 from PT RSK – Pangkatan Estate, Afdeling II, Block F92f, total 287 bunch, transporter BK 9833 YL, delivered to Tanjung Selamat Mill.</li> <li>- Weighbridge Card #PTSA418100820 dated 26/02/2017, commodity: certified FFB; source: Pangkatan Estate; to Tanjung Selamat Palm Oil Mill; net weight: 6,180 kg; Afdeling: 2; amount: 287 bunch; Block: F92f; RSPO Cert: RSPO620704; Transporter: Internal; Vehicle: BK 9833 YL; Driver: Amat; Batch number: 13-DE100-16462017-24008803.</li> </ul>

	<p>Non-certified:</p> <ul style="list-style-type: none"> <li>- Surat Pengantar dated 26/02/2018 from Wan Juma Sari Dewi (WJD) to PT ISJ-Tanjung Selamat Mill; amount: 550 bunch.</li> <li>• Weighbridge Card #PTSA518101583 dated 26/02/2017, commodity: outside FFB; source: Wan Juma Sari Dewi; ID: ST00026; to PT ISJ-Tanjung Selamat Palm Oil Mill; net weight: 8,486 kg; amount: 550 bunch; Transporter: general; Vehicle: BK 9410 YJ; Driver: Bram.</li> </ul>
<p>E.4.2 The site shall inform the CB immediately if there is a projected overproduction.</p>	<p>Standard Operating Procedure – Book Keeping (AA-MPM-OP-1400.18-R4). The procedure explains method to check only certified product received. The book keeping mass balance stated every 3 months: January-March, April-June, July-September, and October-December each year. Head of Environment and Sustainability will inform to Certification Body in the case of projected overproduction. Until this 3<sup>rd</sup> annual surveillance audit, there is no overproduction happened.</p>
<p><b>E.5 Record keeping</b></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>PT ISJ – Tanjung Selamat POM has record and balances all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on three-monthly basis, as shown in Book Keeping Mass Balance Report. Three monthly report was generated from weighbridge card, summarized daily in mill daily report, summarized monthly in Mill Operation Summary, then summarized in Book Keeping Mass Balance Report.</p> <p>Records and report verified are as follows:</p> <ul style="list-style-type: none"> <li>• Laporan Harian Pabrik (Mill Daily Report); dated 31/12/2017 and 27/02/2018.</li> <li>• Book Keeping – Mass Balance – CPO and PK period of January – March 2017, April – June 2017, July – September 2017, October – December 2017, January – February 2018;</li> <li>• Kartu Timbangan (Weighbridge Card) FFB;</li> <li>• Kartu Timbangan (Weighbridge Card) CPO;</li> <li>• Kartu Timbangan (Weighbridge Card) PK;</li> </ul> <p>Conversion rate is only applied to provide reliable estimation of CPO and PK produced for annual budget. PT ISJ – Tanjung Selamat POM does not use material accounting system.</p> <p>PT ISJ – Tanjung Selamat POM only deliver certified CPO and PK sales from a positive stock. The volume of</p>



	certified CPO and PK are deducted on three-monthly basis. Audit team verified there was no short-selling and/or negative stock at the end of three-monthly period.
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	PT Indo Sepadan Jaya – Tanjung Selamat POM does not outsourced palm kernel crush activity, the mill sold the palm kernel.  N/A

**Supply Chain Declaration**

<b>A. Monthly Records of Certified and Uncertified FFB Received since the last audit</b>				
<b>No.</b>	<b>Month - Year</b>	<b>Volume of FFB from certified supply bases (MT)</b>	<b>Volume of FFB from uncertified supply bases (MT)</b>	<b>Total FFB/Month (MT)</b>
1	January 2017	7,467	8,453	15,920
2	February 2017	7,301	4,729	12,030
3	March 2017	8,580	6,286	14,867
4	April 2017	8,121	4,693	12,814
5	May 2017	8,398	6,525	14,923
6	June 2017	7,878	8,351	16,229
7	July 2017	8,964	10,374	19,338
8	August 2017	8,790	12,847	21,637
9	September 2017	7,325	12,187	19,511
10	October 2017	6,767	12,475	19,242
11	November 2017	6,879	10,728	17,608
12	December 2017	6,438	9,641	16,079
<b>Total</b>		<b>92,909</b>	<b>107,289</b>	<b>200,198</b>
<b>Note:</b> <i>The figures used are from the previous 12 months of the Last audit.</i>				

<b>B. Monthly Records of Certified CPO &amp; PK since the last audit</b>			
No.	Month - Year	Certified CPO (MT)	Certified PK (MT)
1	January 2017	1,424	386
2	February 2017	1,366	421
3	March 2017	1,602	507
4	April 2017	1,524	459
5	May 2017	1,629	468
6	June 2017	1,528	416
7	July 2017	1,732	453
8	August 2017	1,688	439
9	September 2017	1,440	376
10	October 2017	1,325	336
11	November 2017	1,342	336
12	December 2017	1,285	327
<b>Total</b>		<b>17,885</b>	<b>4,924</b>
<b>Note:</b> <i>The figures used are from the previous 12 months of the Last audit.</i>			

<b>C. Records of Certified CPO &amp; PK Sold under PalmTrace to Buyers since the License Period</b>				
No.	Buyers Name	Palmtrace Trading No	Certified CPO Sold(MT)	Certified PK Sold (MT)
1	PT Hari Sawit Jaya – Negeri Lama II KCP	TR-4c9620f1-8d71	-	1,333.33
2	PT Hari Sawit Jaya – Negeri	TRa3084766-d405	-	177.39

**RSPO Public Summary Report  
Revision 6 (December /2017)**

	Lama II KCP			
3	PT Hari Sawit Jaya – Negeri Lama II KCP	TR-278d8bd4-2312	-	108.13
4	PT Hari Sawit Jaya – Negeri Lama II KCP	TR-59667266-e226	-	30.92
5	PT Sari Dumai Sejati	TR-b737fe70-85cd	300	
6	PT Sari Dumai Sejati	TR-94bce64ddc48	522.88	
7	PT Hari Sawit Jaya – Negeri Lama II KCP	TR-34bea7c9-175e	-	125.1
8	PT Hari Sawit Jaya – Negeri Lama II KCP	TR-9b1e7e5c-9590	-	1,921.89
9	PT Hari Sawit Jaya – Negeri Lama II KCP	TR-9b9ea986-65dc	-	138.15
10	PT Sari Dumai Sejati	TR-1eb8f52cbee7	127.43	
11	PT Sari Dumai Sejati	TR-9d3e8cdeca0f	10.53	
12	PT Hari Sawit Jaya – Negeri Lama II KCP	TR-9712a4a7-76dc	-	327.49
13	PT Hari Sawit Jaya – Negeri Lama II KCP	TR-ffc2aed1-83d2	-	401.38
14	PT Hari Sawit Jaya – Negeri Lama II KCP	TR-3decd30f-2c3e	-	107.94
15	PT Hari Sawit Jaya – Negeri Lama II KCP	TR-20087f54-5b60	-	63.76
16	PT Sari Dumai Sejati	TRa69132c4-bd3d	55.41	-
<b>TOTAL</b>			<b>1,019.25</b>	<b>4,790.89</b>
<b>Note:</b> <i>The figures used are from the previous months of the License period</i>				

D. Records of CPO & PK Sold under other schemes to Buyers since the last audit Period (Jun 2017 – March 2018)				
No.	Buyers Name	Scheme Name	CPO Sold (MT)	PK Sold (MT)
1	Classified	ISCC	16,490	0
<b>Note:</b> <i>The figures used are from the previous months of the License period</i>				

E. Records of CPO & PK Sold as conventional to Buyers since the last audit (if any) (May 2017 – April 2018)			
No.	Buyers Name	CPO Sold (MT)	PK Sold (MT)
Nil	Nil	Nil	Nil
<b>Note:</b> <i>The figures used are from the previous months of the License period</i>			

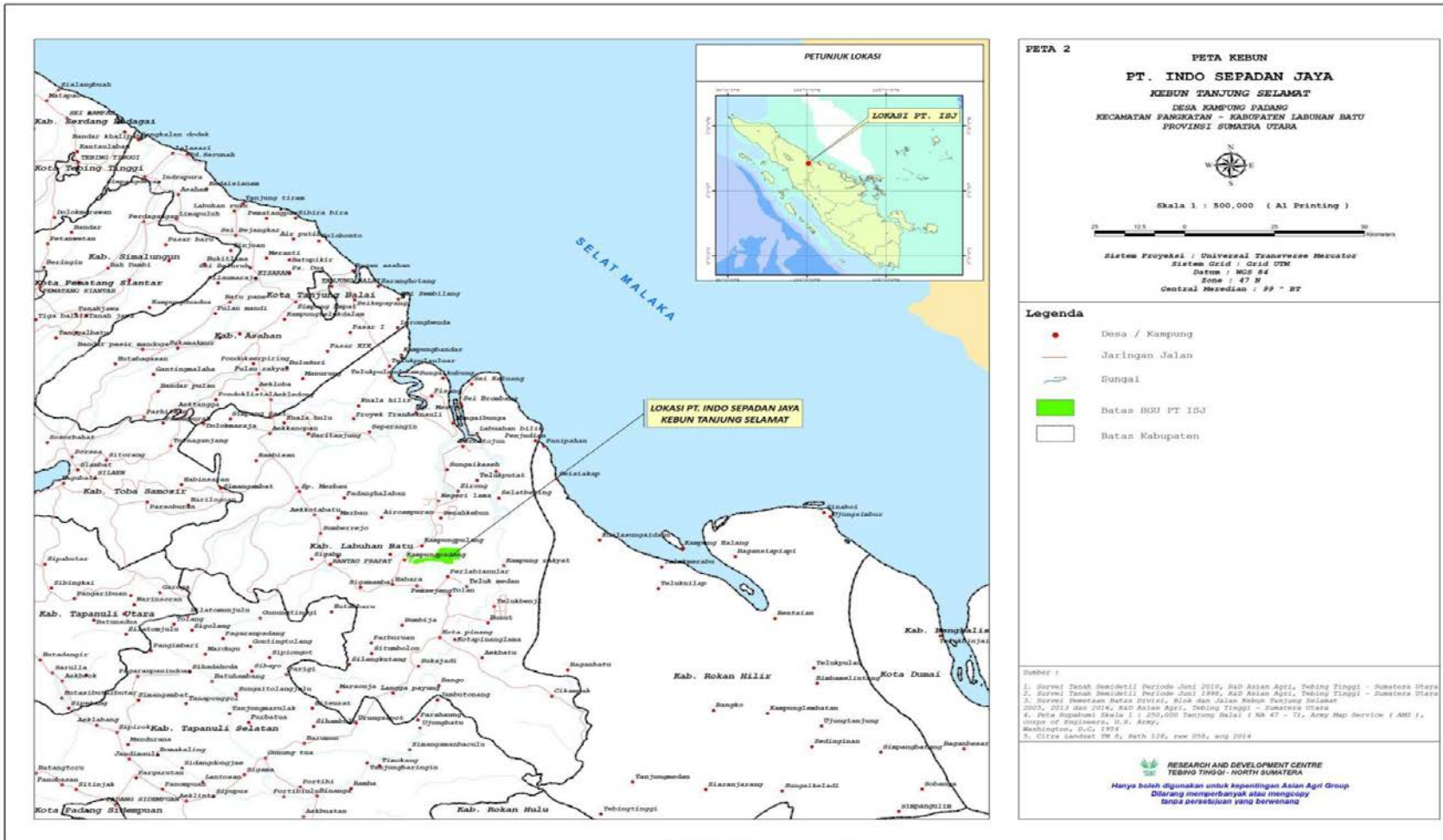
F. Records of CPO & PK Sold under RSPO Credits to Buyers since the last audit (if any) (May 2017 – April 2018) – Not Applicable			
No.	Buyers Name	PalmTrace Trading No	RSPO Credits of Certified CPO Sold(MT)
Nil	Nil	Nil	Nil
<b>TOTAL</b>			
<b>Note:</b> <i>The figures used are from the previous months of the License period</i>			

Appendix F: Location Map of Certification Unit and Supply bases

Figure 1 . Location of PT. Indo Sepadan Jaya & PT Rantau Sinar Karsa in Indonesia.

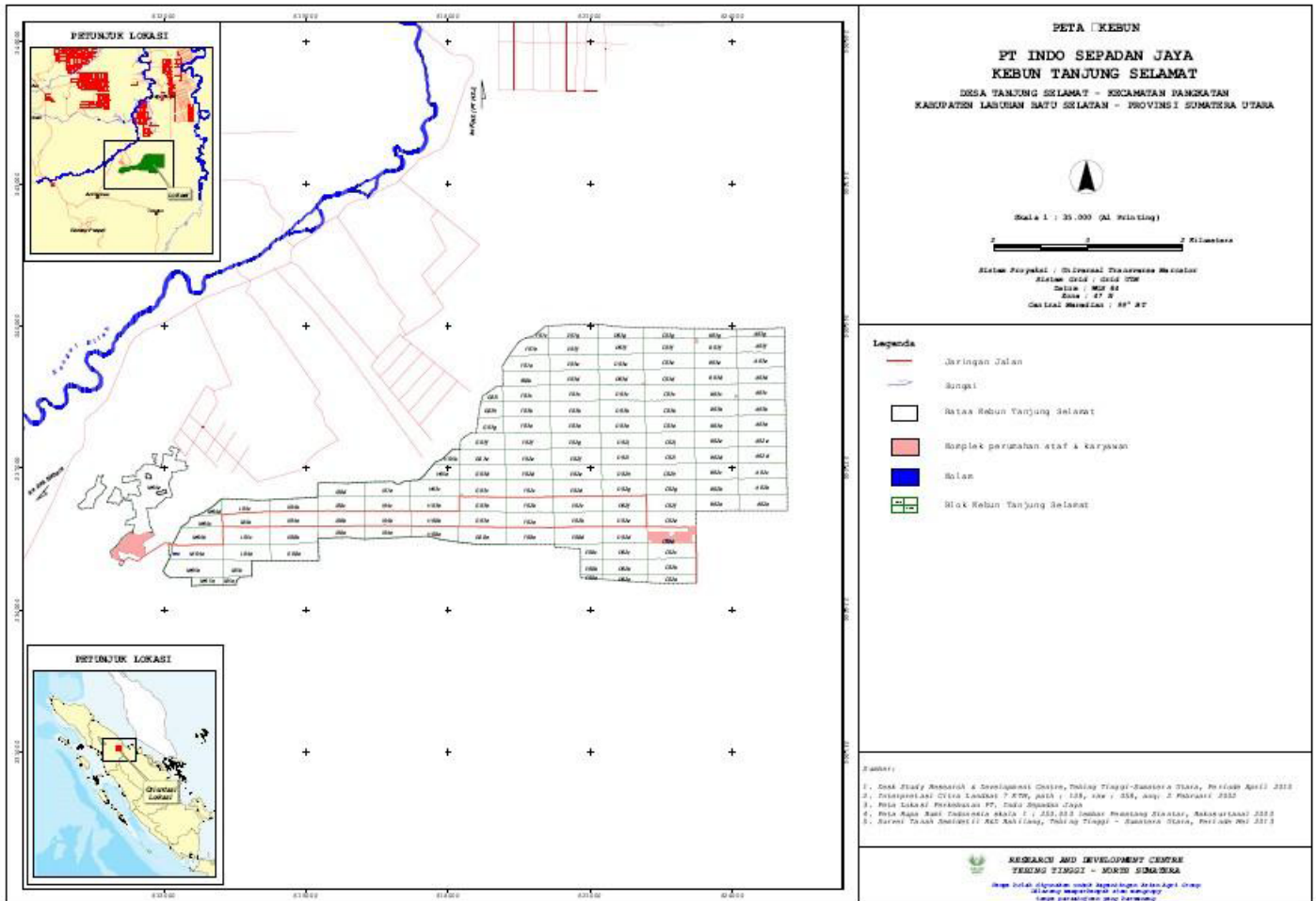


Figure 2. Location of PT. Indo Sepadan Jaya & PT Rantau Sinar Karsa in North Sumatera Province, Indonesia.



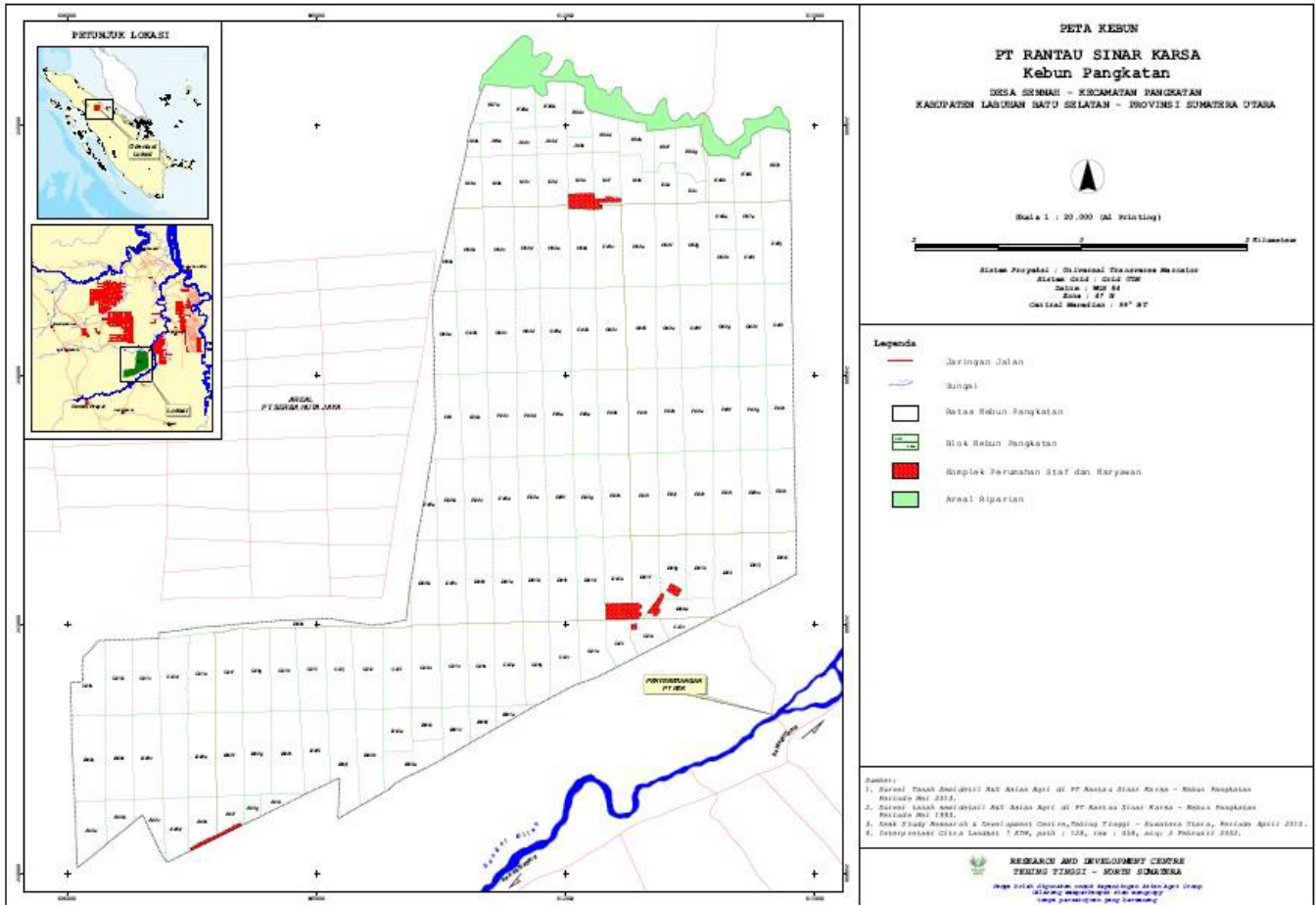
**Appendix G: Estate Field Map**

**Figure 3a. Location of PT. Indo Sepadan Jaya and neighbouring entities**





**Figure 3b.** Location of PT. Rantau Sinar Karsa (Pangkatan Estate) and neighbouring entities



**Appendix H: List of Smallholder Sampled**

(Not applicable – scheme Smallholder has not certified yet)

**Appendix I: List of Abbreviations Used**

AMDAL	Analisis Mengenai Dampak Lingkungan (Social and Environmental Impact Assessment)
BOD	Biological Oxygen Demand
BPN	Badan Pertahanan Nasional (National Land Authority)
BSI	British Standard Institution
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
EFB	Empty Fruit Bunch
FFB	Fresh Fruit Bunch
GPS	Global Positioning System
HCV	High Conservation Value
HGU	Hak Guna Usaha (Land) title for commercial use
IPM	Integrated Pest Management
ISO	International Standards Organisation
ISPO	Indonesia Sustainable Palm Oil
ISCC	International Carbon Certification System
IUP	Izin Usaha Perkebunan (Plantation Licence)
KER	Kernel Extract Ratio
MB	Mass Balance
OER	Oil Extract Ratio
OHS	Occupational Health and Safety
P2K3	Panitia Pembina Kesehatan dan Keselamatan Kerja (Safety and Health Committee)
PK	Palm Kernel
PKO	Palm Kernel Oil
PKB	Perjanjian Kerja Bersama (Worker Collective Agreement)
POM	Palm Oil Mill
PPE	Personal Protective Equipment
PT	Perseroan Terbatas (Limited Company)
RKL	Rencana Pengelolaan Lingkungan (Environmental Management Plan)
RPL	Rencana Pemantauan Lingkungan (Environmental Monitoring Plan)
RSPO	Rountable Sustainable Palm Oil
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SCCS	Supply Chain Certification System
SOP	Standard Operation Procedure