

**RSPO PRINCIPLE AND CRITERIA –
– ANNUAL SURVEILLANCE ASSESSMENT 3 (ASA1_3)–
Public Summary Report**

PT. Inti Indosawit Subur:
Client company Address: Jl. MH. Thamrin No.31 Jakarta 10330 Indonesia
Certification Unit: PT. Inti Indosawit Subur – Buatan I Palm Oil Mill and Supply Bases Location of Certification Unit: Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau Province, Indonesia

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Section 1: Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	1-0022-06-000-00	Membership Approval Date	6 th February 2006
Parent Company Name	PT. Inti Indosawit Subur		
Address	Jl. MH. Thamrin No.31 Jakarta 10330 Indonesia		
Subsidiary (Certification Unit Name)	PT. Inti Indosawit Subur – Buatan I POM		
Address	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau Province, Indonesia		
Contact Name	Mr. Ivan Novrizaldie		
Website	www.asianagri.co.id	E-mail	Ivan_Novrizaldie@asianagri.com
Telephone	+62 21 230 1119	Facsimile	+62 21 2301120

2. Certification Information			
Certificate Number	RSPO 638918	Date of First Certification	16/09/2010
		Certificate Start Date	16/09/2015
		Certificate Expiry Date	15/09/2020
Scope of Certification	Production of CPO and PK at Buatan I POM with 1 estates as supply base, namely Buatan Estate (Division I, I and III) and Smallholder Scheme 4 KUD (KUD Bhakti Mandiri, KUD Jaya Makmur, KUD Sumber Rejeki, KUD Sejahtera) Mill capacity of Buatan I POM is 90 tonnes FFB/hour.		
Applicable Standards	RSPO P&C Indonesia National Interpretation, September 2016; RSPO Supply Chain Certification Standard 2017 (CPO Mill – Module E)		

3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
ID05/65250	ISO 14001:2015	SGS	10 June 2020
EU-ISCC-Cert-DE100-20412018	ISCC	SGS	1 Feb 2019

4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS Coordinates	
		Latitude	Longitude
Buatan I Palm Oil Mill	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	00° 26' 04.0" N	101° 49' 30.0" E
Buatan Estate	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	00° 30' 37.0" N	101° 49' 06.0" E
KUD Bhakti Mandiri	Bukit Harapan Village, Kerinci kanan subdistrict, Siak District, Riau	00° 29' 16.0" N	101° 47' 47.2" E
KUD Jaya Makmur	Kumbara Utama Village, Kerinci kanan subdistrict, Siak District, Riau	00° 29' 56.8" N	101° 47' 31.4" E
KUD Sumber Rejeki	Bukit Agung Village, Kerinci kanan subdistrict, Siak District, Riau	00° 25' 50.3" N	101° 48' 49.6" E
KUD Sejahtera	Makmur Village, Kerinci kanan subdistrict, Siak District, Riau	00° 25' 28.9" N	101° 50' 07.5" E

5. Description of Supply Base					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Buatan Estate (Division I, II, III)	*2,379	27.78	*131.22	*2,538	93.74
KUD Bhakti Mandiri	980	0	0	980	100
KUD Jaya Makmur	920	0	0	920	100
KUD Sumber Rejeki	820	0	0	820	100
KUD Sejahtera	*878	0	0	*878	100
Total	5,977	27.78	131.22	6,136	97.41

***Note:** *There was a reducing of planted area (mature crop) in KUD Sejahtera compare to previous audit (886 ha to become 878 ha), because of conversion to become residence development and other purpose (facility for village community).*

Planted area in Buatan Estate (Division I, II and III) was increasing 372 ha and infrastructure was increasing 25 ha from previous audit because of the removal plantation area including infrastructure from Buatan Estate Division IV, V and VI (supply bases Buatan II POM) to become additional area of Division III as supply base of Buatan I POM.

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6. Plantings & Cycle							
Estate	Age (Years)					Mature	Immature
	0 – 3*	4 – 10*	11 - 20	21 - 25	26 - 30		
Buatan Estate (Division I, II, III)	967	32	0	0	1,380	1,412	967
KUD Bhakti Mandiri	0	0	0	58	922	980	0
KUD Jaya Makmur	0	0	0	164	756	920	0
KUD Sumber Rejeki	0	0	0	50	770	820	0
KUD Sejahtera	0	0	0	146	732	878	0
Total (ha)	967	32	0	418	4,560	5,010	967

**Note: Planting age 0-3 and 4-10 is from replanting.*

7. Certified Tonnage of FFB (Own Certified Scope)			
Estate	Tonnage / year		
	Estimated (Sept 2017 – Aug 2018)	Actual (Aug 2017 – July 2018)	Forecast (Sept 2018 – Aug 2019)
Buatan Estate (Division I, II, III)	41,811	24,133	36,959
KUD Bhakti Mandiri	19,905	22,356	19,438
KUD Jaya Makmur	16,246	21,462	21,031
KUD Sumber Rejeki	18,017	17,805	19,114
KUD Sejahtera	19,486	18,817	20,468
Total	115,465	104,574	117,010

Note:
Estimated are the previous 12 month from the original license period.
Actual are the previous 12 months from the audit period.
Forecast is the next 12 months from the original license period.

8. Certified Tonnage of FFB (from other certified unit(s)) if applicable *			
Estate	Tonnage / year		
	Estimated (Sept 2017 – Aug 2018)	Actual (Aug 2017 – July 2018)	Forecast (Sept 2018 – Aug 2019)
Nil	N/A	N/A	N/A
Total			

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Note: *There is no FFB received from another certified unit.*

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

Independent FFB Supplier	Tonnage / year		
	Estimated (Sept 2017 – Aug 2018)	Actual (Aug 2017 – July 2018)	Forecast (Sept 2018 – Aug 2019)
Third Party supplier	160,000	224,512	249,036
Independent Smallholder	0	0	0
	160,000	224,512	249,036

10. Certified Tonnage

Mill Capacity: 90 MT/hr	Estimated (Sept 2017 – Aug 2018)	Actual (Aug 2017 – July 2018)	Forecast (Sept 2018 – Aug 2019)
	SCC Model: MB	FFB	FFB
115,465		104,574	117,010
CPO (OER: 20.71%)		CPO (OER: 18.95%)	CPO (OER: 19.66%)
23,908		19,815	23,008
	PK (KER: 4.66%)	PK (KER: 5.11%)	PK (KER: 5.15%)
	5,831	5,344	6,024

Note:

Estimated are the previous 12 month from the original license period

Actual are the previous 12 months from the audit period.

Forecast is the next 12 months from the original license period.

11. Actual Sold Volume (CPO) (Sept 2017 – Aug 2018)

	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
CPO (MT)	524.76	19,043	0	0	19,567.76

12. Actual Sold Volume (PK) (Sept 2017 – Aug 2018)

	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
PK (MT)	3,397.27	0	0	0	3,397.27

13. Actual Group certification Claims		
	Credit	Physical Volume (MT)
IS-CSP0	N/A	N/A
IS-CSPKO	N/A	N/A
IS-CSPKE	N/A	N/A

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: ASI-ACC-67)
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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (ASI-ACC-67) 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 3rd annual surveillance assessment (ASA1_3) was conducted on 6th – 13th August 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 Major NC close out on-site assessment was conducted on 3 October 2018. The audit programmes are included in Section 2.3.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO Principles & Criteria Indonesia National Interpretation, September 2016 and RSPO Supply Chain Certification Standard 2017 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 (or smallholders) of its supply base.

- The minimum sample size is four estates. Sample size for certification unit with more than four (4) estates were determined based on formula $N = (0.8\sqrt{y}) \times (z)$ where y is the number of estates and where z is the multiplier defined by risk assessment
- As for the smallholders, the sample were determined following the RSPO Management System Requirements and Guidance for Group Certification of FFB Production (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. The sampled smallholder listed in Appendix I.

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

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

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

Tentative Date of Next Visit: August 5, 2019 – August 10, 2019

Total No. of Mandays: 24 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 HCV management and monitoring.
Imam Fachrurozi	Assessor Team member	Imam holds degree in Agriculture Technology and graduated from Gadjah Mada University, Yogyakarta in 2011. He had 2 (two) years working experienced related to oil palm industries i.e. as a sustainability and HSE in oil palm Plantation Company in Indonesia. Several relevant Training he has completed include ISO 9001 and 14001 Lead Auditor, Lead Auditor of SMK3, RSPO P&C Lead auditor endorsed courses. Currently he works for BSI Group based in Jakarta office. He is one of the BSI qualified RSPO auditor. He had been involved in RSPO auditing since 2016. During this assessment, he assessed on the aspects of Environmental and OHS management and monitoring for mill and estate.
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.

Accompanying Persons: Nil

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2.3 Assessment Plan

RSPO Annual Surveillance 3 Assessment Plan PT Inti Indosawit Subur – Buatan I POM & Its Supply Bases

Date	Time	Subjects	MJ	EW	IF
Sunday 05/08/2018	06.00 – 08.00	Flight Jakarta – Pekanbaru	√	√	√
	08.00 – 11.00	Travel from Pekanbaru to PT IIS – Buatan I	√	√	√
	11.00.	Check in at Hotel Unigraha (near to site)	√	√	√
Monday 06/08/2018	08.00 – 09.00	Opening Meeting Presentation by PT. IIS – Buatan I POM, Estate and Smallholder Presentation by BSI Indonesia			
	09.00 – 12.00	Buatan I POM: Field Visit and Document Review: 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	Audit continue for Buatan I POM Interview with Committee Gender, Labor Union, Workers	√	√	√
Tuesday 07/08/2018	08.00 – 12.00	Buatan Estate Field Visit: Herbicide application programmes, harvesting, fertilizing operations, water management, road maintenance, terracing, etc. HCV management and monitoring. Agrochemical stores, Fertilizer store, Workshops, housing, landfill, clinic, Hazardous Waste Boundaries inspection, worker interviews, social amenities, etc.	√		
	12.00 – 14.00	Break	√	√	√
	14.00 – 17.00	Buatan Estate: Document Review Best management practices Estate, OHS implementation, EMS implementation, HCV MM, Social and Labour, Continual improvement, etc. Interview with workers	√	√	√
		Interview with BLH, Disnaker, BPN and Disbun Pelalawan Regency		√	
Wednesday 08/08/2018	08.00 – 12.00	Audit Supply Chain for CPO Mills (RSPO SCCS)	√		
		Interview with Local community, Local contractor, Public figure, Village head		√	

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	08.00 – 12.00	Scheme Smallholder Field visit KUD Bhakti Mandiri : Field visit to Kavling/Block member of Smallholder to verify conformity with RSPO INA NI 2016 Standard, BMP, OHS-EMS Implementation, HCV, Social and Labor, Continual improvement, etc. (4 sample)			√
	12.00 – 14.00	Break	√	√	√
	14.00 – 17.00	Scheme Smallholder Field visit KUD Bhakti Mandiri : Field visit to Kavling/Block member of Smallholder to verify conformity with RSPO INA NI 2016 Standard, BMP, OHS-EMS Implementation, HCV, Social and Labor, Continual improvement, etc. (8 sample)		√	√
		Audit continue Supply Chain for CPO Mills (RSPO SCCS)	√		
Thursday, 09/08/2018	08.00 – 12.00	Scheme Smallholder Field Visit KUD Jaya Makmur: Field visit to Kavling/Block member of Smallholder to verify conformity with RSPO INA NI 2016 Standard, BMP, OHS-EMS Implementation, HCV, Social and Labor, Continual improvement, etc. (12 sample)	√	√	√
	12.00 – 14.00	Break	√	√	√
	14.00 – 17.00	Cooperative (KUD) document review at KUD Jaya Makmur & Interview with smallholder and local community	√	√	√
Friday, 10/08/2018	08.00 – 12.00	Scheme Smallholder Field Visit KUD Sejahtera: Field visit to Kavling/Block member of Smallholder to verify conformity with RSPO INA NI 2016 Standard, BMP, OHS-EMS Implementation, HCV, Social and Labor, Continual improvement, etc. (13 sample)	√	√	√
	12.00 – 14.00	Break	√	√	√
	14.00 – 17.00	Cooperative (KUD) document review at KUD Sejahtera & Interview with smallholder and local community	√	√	√
Saturday, 11/08/2018	08.00 – 12.00	Cooperative (KUD) document review at KUD Bhakti Mandiri & Interview with smallholder and local community	√	√	√
	12.00 – 14.00	Break	√	√	√
	14.00 – 17.00	Continue audit document review for KUD Bhakti Mandiri, KUD Sejahtera & KUD Kaya Makmur	√	√	√
Sunday	08.00 – 12.00	Audit for Group Manager Plasma Buatan I	√	√	√
	12.00 – 14.00	Break	√	√	√
	14.00 – 17.00	Audit Continue for Group Manager Plasma Buatan I	√	√	√

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Monday	08.00 – 12.00	Audit for Group Manager Plasma Buatan I	√	√	√
	12.00 – 14.00	Break	√	√	√
	14.00 – 15.00	Audit Continue for Group Manager Plasma Buatan I	√	√	√
	15.00 – 16.00	Report Preparation for Closing Meeting	√	√	√
	16.00 – 17.00	Closing Meeting	√	√	√

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	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).
2	Edy Widodo	Team member	Social aspect-impact, interview with workers, land tenure, internal and external stakeholder consultation; (Fluent in English and local language)
3	Imam Fachrurozi	Team member	Environmental aspect-impacts, occupational health and safety, interview with workers; (Fluent in English and local language).

Section 3: Assessment Findings

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

- PT Inti Indosawit Subur/Asian Agri Group Time Bound Plan
- RSPO Supply Chain Certification Checklist June 2017
- RSPO P&C INA-NIWG 2016 Checklist

3.2 Progress against Time Bound Plan

Time Bound Plan		
Requirement	Remarks	Compliance
Summary of the Time Bound Plan		
Does the plan include all subsidiaries, estates and mills?	PT. Inti indosawit Subur – Buatan I POM as a subsidiary of PT Inti Indosawit/Asian Agri Group has explained the certification plan for all of its subsidiaries; indicating all palm oil mills and company-owned estates, including smallholder as the supply base.	Comply
Is the time bound plan challenging? <ul style="list-style-type: none"> Age of plantations. Location. POM development Infrastructure. Compliance with applicable law. 	The time bound plan is challenging. PT. Inti indosawit Subur – Asian Agri Group demonstrate progress overtime. The age of plantation was generally mature. All of plantation has been incorporated with palm oil mill to process the FFB produced. The location of plantations were covering three provinces in Sumatera Utara Province, Riau Province and Jambi Province – Indonesia.	Comply
Have there been any changes since the last audit? Are they justified?	No changes.	Comply
If there have been changes, what circumstances have occurred?	No changes.	Comply
Have there been any stakeholder comments?	Yes, there was a report related to company's supply chain. Company has released official response. BSI was notified and provided response to this matter. BSI has also provided response to this matter.	Comply
Have there been any newly acquired subsidiaries?	There are no newly acquired subsidiaries.	Comply
Have there been any isolated lapses in implementation of the plan?	No isolated lapses. Company managed to demonstrate commitment to certify all of palm oil mill and supply base.	Comply
Un-Certified Units or Holdings		

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Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Yes. PT. Mitra Unggul Pusaka – Segati POM as an uncertified unit and subsidiary of PT Inti Indosawit Subur – Asian Agri Group has conducted internal audit annually.	Comply
No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	In area where BSI conducted audit, there are no replacement/conversion of primary forest after November 2005.	Comply
Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	There is new planting after January 1 st , 2010 in PT Mitra Unggul Pusaka. 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.	in progress
Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	No more land compensation.	Comply
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	No labor dispute noted. This was based on stakeholder interview with worker union in each company. In addition, audit team found the same based on stakeholder interview with “Dinas Tenaga Kerja” on each regency audited.	Comply
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Yes. PT. Mitra Unggul Pusaka – Segati POM conducted internal audit annually. Last audit performed in April 2018.	Comply
Any Legal non- compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	PT. PT. Mitra Unggul Pusaka – Segati POM has comply with all legal compliance	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?	<p>Smallholder as a supply base of PT Inti Indosawit Subur (Asian Agri Group) as a parent company of PT Gunung melayu has been certified comply with the standard within three years of the mill's initial certification as bellow:</p> <ul style="list-style-type: none"> - Buatan Plasma Certified on 13th March 2012 as supply base of Buatan I & II Mill which Certified on 16th September 2010. - Buatan KKPA Certified on 17th January 2013 as supply base of Buatan I & II Mill which Certified on 16th September 2010. - Ukui Plasma Certified on 11th June 2012 as supply base of Ukui I & II Mill which Certified on 1st March 2011. - Tungkal Ulu Plasma Certified on 11th July 2013 as supply base of Tungkal Ulu Mill which Certified on 15th August 2012. - Muara Bulian Plasma & KKPA Certified on 12th July 2013 as supply base of Muara Bulian Mill which Certified on 28th August 2012. - Bungo Tebo Plasma Certified on 7th February 2017 as supply base of Bungo Tebo Mill which Certified on 3rd December 2015. 	Comply

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 3 there are 2 Major and 1 Minor nonconformities raised. PT Inti indosawit Subur – Buatan I 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 the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Major Nonconformity(ies) has been verified for it effectiveness and closed accordingly on 3 October 2018.

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Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1670895-201808-M1	Clause	RSPO P&C INA NI 2016 Indicator 5.3.2 General Chain of Custody Requirements for the Supply Chain
		Category (Major / Minor)	Major
Date Issued	13 August 2018	Due Date	10 November 2018
Closed (Yes / No)	Yes	Date of nonconformity Closure	3 October 2018
Statement of Nonconformity:	Company has performed internal audit RSPO SCC, however the standard of audit still use the RSPO SCCS 2014 – RSPO Module E: Mass Balance, while the newest standard of RSPO SCCS 2017 has been issued by RSPO since June 2017.		
Requirement Reference:	<p>The site shall have a written procedure to conduct annual internal audit to determine whether the organization;</p> <p>i) conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p> <p>ii) effectively implements and maintains the standard requirements within its organization</p>		
Objective Evidence:	<p>PT IIS Buatan I POM has conducted RSPO SCC Internal audit on 3 – 4 July 2018 by Irwan Indra Saputra and Hendrik Simanjuntak, against RSPO SCCS 2014 – RSPO Module E: Mass Balance.</p> <p>While the newest standard of RSPO SCCS 2017 has been issued by RSPO since June 2017.</p>		
Root Cause Analysis:	Lack of understanding of the internal auditor regarding the latest standards, because training has not been carried out regarding the SCCS checklist version 2017 to the internal auditor.		
Corrections:	<ul style="list-style-type: none"> - The company has taken action by conducting SCCS internal auditor training, delivered by instructors from Jakarta (Mr. Welly Joel). The training was held on September 22, 2018. The training was attended by 6 internal auditors from Pekanbaru Regional Office. Evidence of training can be shown in the form of minutes of training regarding the RSPO SCC internal audit version June 2017, the training attendance list can also be shown. - The company has conducted an internal RSPO SCC re-audit using the version June 2017. Re-audit was held on September 24-25, 2018 performed by internal auditor Hendry K. Simanjuntak. Audit checklists and audit results used RSPO SCC version June 2017 can be shown. During interview with internal auditor can be demonstrated that they have sufficient understanding on RSPO SCC internal audit used RSPO SCC version June 2017. 		
Corrective Actions:	<ul style="list-style-type: none"> - Refresh training and socialization of RSPO SCC internal audit checklists in accordance with the latest standards. Buatan I POM has made a schedule of refresh training plan for 2019 period as outlined in the “Rencana Refresh Sosialisasi Checklist Internal Audit RSPO dan SCCS RSPO”. Refresh training will be held in January, March, April and November 2019 to 12 internal auditors at 		

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	<p>the Pekanbaru Regional office with instructors from Jakarta Office.</p> <ul style="list-style-type: none"> - Review and monitor the results of RSPO SCC internal audit implementation by Sustainability team Jakarta Office. The results of internal audit and report of RSPO SCC Buatan I POM has been reviewed by the Sustainability team Jakarta Office on October 2nd, 2018. Review result can be demonstrated.
Assessment Conclusion:	Auditor conclude that company has effectively addressed the issue of Major non conformity and the NC has been CLOSED on 3 October 2018.

Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1670895-201808-M2	Clause	RSPO P&C INA NI 2016 Indicator 8.1
		Category (Major / Minor)	Major
Date Issued	13 August 2018	Due Date	10 November 2018
Closed (Yes / No)	Yes	Date of nonconformity Closure	3 October 2018
Statement of Nonconformity:	There were found inconsistency the report of Internal Audit (formulir pemeriksaan) and report of non-conformity. In addition the report of internal audit were not sufficient and not representing the actual condition of RSPO P & C compliance.		
Requirement Reference:	<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"> • Reduction in use of certain chemicals (Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Optimising the yield of FFB production (Criterion 4.2) 		
Objective Evidence:	PT Inti Indosawit Subur – Buatan I POM has carried out an internal audit (annually) to review and monitor of implement action plans in key operations both in POM and estate-scheme smallholders. Latest internal on 5-6 June 2018 for scheme smallholder, however there were found inconsistency the report of Internal Audit (formulir pemeriksaan) and report of non-conformity, e.g: for indicator 1.1. RSPO PnC INANI the report mentioned "Tersedia data stakeholder di manager ICS namun belum di update tahun 2018", and do not stated as non-conformities. In addition, there was only raised a non-conformity finding related to harvesting issue.		
Root Cause Analysis:	Internal Audit for RSPO P&C in Plasma Buatan I has not yet been achieved because the RSPO Plasma audit method is still less effective.		
Corrections:	<p>Conduct the training to internal auditor related to internal audit methods in Plasma Buatan I to be more effective.</p> <ul style="list-style-type: none"> - The company has taken action by conducting an RSPO P&C internal auditor training, delivered by instructors from Jakarta (Mr. Welly Joel). The training 		

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	<p>was held on September 22, 2018. The training was attended by 6 internal auditors from Pekanbaru Regional Office. Evidence of training can be shown in the form of minutes of training regarding the RSPO P & C internal audit, the attendance list of training can also be shown.</p> <ul style="list-style-type: none"> - The company has conducted an internal re-audit of the RSPO P&C using the RSPO P&C Generic INA NIWG 2016 standard. Internal audits are conducted on September 24-26 2018 by internal auditors from the Regional Office Pekanbaru: Hendryk Simanjuntak, Ian Septian and Ridho Ilahi. Internal audits scope are include Buatan Estate, Buatan I POM and Buatan I Plasma. Especially for Buatan I Plasma, the company also conducts internal audits for the plasma ICS on September 27-29, 2018 as outlined in the "ICS Group Manager Internal Inspection Form". Internal audit results can be shown and are in accordance with the standards referred to. Internal audit results are also in accordance with the actual current conditions in the field.
Corrective Actions:	<ul style="list-style-type: none"> - Refresh training and socialization of the RSPO P&C internal audit checklist in accordance with the latest/relevant standards. Buatan I POM has made a schedule for refresh training plan for 2019 period as outlined in the "Refreshing Plan for RSPO P&C Internal Audit Checklist". Refresh training will be held in January, March, April and November 2019 to 12 internal auditors at the Pekanbaru Regional office with instructors from Jakarta Office. - Review and monitor the results of RSPO P&C internal audit by the Sustainability team Jakarta Office. The internal audit report of the RSPO P&C Buatan I POM, Buatan Estate and Buatan I Plasma has conducted on September 24-26, 2018 and the Internal audit ICS Plasma Buatan I on September 27-29, 2018. The audit result has reviewed by the Sustainability team Jakarta Office on October 3, 2018. The results of the review on the report can be showed.
Assessment Conclusion:	Auditor conclude that company has effectively addressed the issue of Major non conformity and the NC has been CLOSED on 3 October 2018.

Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1670895-201808-N1	Clause	RSPO P&C INA NI 2016 Indicator 4.4.4
		Category (Major / Minor)	Minor
Date Issued	13 August 2018	Due Date	Will be verified in the next assessment
Closed (Yes / No)	Yes	Date of nonconformity Closure	3 October 2018
Statement of Nonconformity:	Lack of evidence that the company has effectively review, evaluate and implementing the action plan upon the report on monitoring of mill water use per ton of FFB		
Requirement Reference:	Monitoring of mill water use per ton of FFB shall be recorded.		
Objective Evidence:	Buatan I POM has kept the record of monitoring of mill water use per ton of FFB process. Budget of water usage in 2018 was 0.88 M3/Ton FFB, while the average water		

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	<p>usage since January - June was 1.20 m³/ton FFB. Below are the record of mill water usage since January – June 2018 :</p> <p>January: 1.16 M³/ton FFB February: 1.23 M³/ton FFB March: 1.18 M³/ton FFB April: 1.26 M³/ton FFB May: 1.19 M³/ton FFB June: 1.21 M³/ton FFB July: 1.18 M³/ton FFB</p> <p>Based on information above, shown the actual consumption of water use per ton of FFB year 2018 are over of budget (actual YTD over ~136% of budget YTD), however there were no evidence that the company has effectively review, evaluate and implementing the action plan upon the report on monitoring of mill water use per ton of FFB.</p>
<p>Root Cause Analysis:</p>	<ul style="list-style-type: none"> - Determination of the water usage budget for mill processing is too low - There are additional of new tools that cause increased use of water, namely: Wet Scrubber (to capture dust particles in the boiler chimney for lower particulate emissions). The addition of this tool uses 6 m³ of water per hour (20 hours operate per day or 120 m³ water usage/day). The addition of this tool is not taken into account in the previous water use budget.
<p>Corrections:</p>	<ul style="list-style-type: none"> - Submit a new budget plan in 2019 by taking into account the use of water in the wet scrubber. Assuming a budget of 1.4 m³/ton of FFB (for total domestic water use and process). - The company has also made efforts to use water efficiency programs in Butan I POM by: <ul style="list-style-type: none"> ✓ Recycling of water from a vacuum drier with a tub installation, float valve and pump are used to spray wet scrubber water in the boiler. Completed on September 1, 2018 ✓ Recycling of water from turbine oil coolers to the water basin with tub and pump installations used for the factory process. Has completed on January 2018 ✓ Recycling of air condensate ex steam silo kernels with automatic installation of tanks and pumps to hot water then pumped again to the water basin used for the factory process. ✓ Minimizing the use of water in the hydrosiclone tub with the installation of adding a tub as a float valve. - Based on the results of monitoring the use of water from July 2018 to September 2018 after efforts to use water efficiency, the trend of water use has decreased as following figure: July 1.18 m³/ton FFB, August: 1.11 m³/ton FFB, and September 1.09 m³/ton FFB.
<p>Corrective Actions:</p>	<ul style="list-style-type: none"> - Plan the budget of water usage according to the previous year evaluation and current year condition. Company has made the planning of budgeting for water usage 2019 by evaluate the 2018 year water usage and the current condition of Butan I POM. - Conduct the water efficiency program by recycling the water and optimizing

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	<p>the water usage. Water efficiency program such as:</p> <ul style="list-style-type: none"> ✓ Recycling of water from a vacuum drier with a tub installation, float valve and pump are used to spray wet scrubber water in the boiler. ✓ Recycling of water from turbine oil coolers to the water basin with tub and pump installations used for the factory process. ✓ Recycling of air condensate ex steam silo kernels with automatic installation of tanks and pumps to hot water then pumped again to the water basin used for the factory process. - Minimizing the use of water in the hydrosiclone tub with the installation of adding a tub as a float valve.
Assessment Conclusion:	Auditor conclude that company has effectively addressed the issue of Minor non conformity, however the NC status is remain OPEN and will be verified next surveillance assessment.

Opportunity for Improvements	
OFI #	Description
OFI 1	Nil

Positive Findings	
PF #	Description
PF 1	Company has made the continual improvement of best management practise both in Mill and Estate.

3.4.1 Status of Nonconformities Previously Identified and Observations

During the Annual Surveillance Assessment 2 there are 13 Major Nonconformities and 3 Minor Nonconformity raised. PT Inti Indosawit Subur – Buatan I POM Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted. The implementation of the corrective action plans to address the minor nonconformity has been followed up during the Annual surveillance assessment 3.

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1514963-201708-M1	<p>Requirements: RSPO P & C INA NI 2016 Indicator 2.1.1 Evidence of compliance with relevant legal requirements shall be available.</p>	Major
	<p>Evidence of Nonconformity: Based on document review in Buatan I Mill, it was found the non-compliance against Ministry of Manpower Regulation “Permenaker No. 100 tahun 2004” article 4-5 regarding “Ketentuan Pelaksanaan Perjanjian Kerja Waktu Tertentu”</p>	

	<p>Statement of Nonconformity: Based on document review in Buatan I Mill, it was found the non-compliance against Permenaker No. 100 tahun 2004 article 4-5 regarding "Ketentuan Pelaksanaan Perjanjian Kerja Waktu Tertentu"</p> <p>Root Cause Analysis: Buatan I POM has proposed PHL/temporary workers promotion to become permanent workers however there is no approval from HRD head office.</p> <p>Corrective Action: Company has made the programme for 3 years to promote the temporary workers to become permanent workers. Total temporary workers 42, company divided into 3 phase to promote as a permanent workers as below: - Year 2017 : 10 workers - Year 2018 : 10 workers - Year 2019 : 9 workers 13 temporary workers were not eligible to promote as a permanent workers due to the age has over than 35 years old. Company has a policy and regulation that temporary workers whose the age more than 35 years can't promote as permanent workers. Buatan I has issued the Memorandum No. 173/MI-PBS/Memo/VI/2017 dated 21 August 2017 regarding "Pengusulan Kenaikan Golongan Tenaga Kerja dari PHL ke SKU unit PBS". In Memorandum there are 10 temporary workers has been propose to HRD to promote as Permanen Workers, for example: 1. Haryanto Sinaga (Helper operator boiler) 2. Budi Darmawan (Helper operator Tippler) 3. Hendra Siswandi (Mechanic) 4. Safta Rifai Ginting (Helper operator Boiler) 5. Monang Butar-butur (mechanic) Company also has ensure that temporary workers are not work continuously more than 21 days a month in 3 month period. While the temporary workers (PHL) propose to promote as permanent workers/SKU, company has renewed the contract of temporary workers (PHL) in Buatan I POM to become contract workers (PKWT – Pekerja Waktu Tertentu) with contract of 1 year. This contract has comply to regulation "UU No. 13 Tahun 2003 tentang ketenagakerjaan".</p> <p>Assessment Conclusion: The NC Major has been CLOSED on 9 October 2017 and remain CLOSED during ASA3 assessment.</p>	
<p>1514963-201708-M2</p>	<p>Requirements: RSPO P & C INA NI 2016 Indicator 4.1.2 Checking or monitoring of operations procedures is conducted at least once a year.</p> <p>Evidence of Nonconformity: Audit team noted the frond condition, frond staking, deficiency, overgrown weed and blanket spraying which was not consistent with procedure/guideline for smallholder oil palm plantation management. Site visit to smallholder blocks: - No.1732, 1741, 1742, 782, 783: frond stacking was not implemented, weed control was not consistent throughout the block; - No.2614: frond stacking in area with slope need improvement, weed have overgrown covering the palm circle and path; - No.2620: frond staking in area with slope was not in line with contour, blanket spraying was noted. - No. 2095: Palm tree deficiency which several trees are yellowing leaves, thin trees and lacking of fruit/ absent;</p>	<p>Major</p>

	<ul style="list-style-type: none"> - No.1510: weed have overgrown covering the palm circle and path; There has been no checking and monitoring as well as corrective action for the said condition by ICS; <p>Based on interview with head of KUD Sejahtera and KUD Sumber Rezeki confirmed that spraying activity in the field was not uniform according to the best management practices and guideline which defined by ICS, some of individual member was not applied the upkeep as per recommendation and programme.</p> <p>Statement of Nonconformity: The field condition/implementation of best management practice was not consistent with procedure/guideline for smallholder oil palm plantation management, in addition it has not been checked and monitored by ICS.</p> <p>Root Cause Analysis: Monitoring from smallholder management related to best agriculture practice is still lacking, such as:</p> <ul style="list-style-type: none"> - There is no regular monitoring from ICS Plasma Buatan to check the implementation of best agriculture practises in Smallholder Kavling. - There is no effective coaching as well as reward and punishment for smallholder member to ensure the consistency of best agriculture practise implementation in their kavling. <p>Corrective Action:</p> <ul style="list-style-type: none"> - PT Inti Indosawit Subur – Smallholder has conducted monitoring / checking related to kavling condition regularly. The monitoring was documented in “Monitoring Pemeriksaan Kondisi Kapling” that contain: KUD name, date of checking, kavling number, farmer name, condition of circle, weed, pruning and midrib placement. - “Monitoring Pemeriksaan Kondisi Kapling 2017” mentioned that on 13 September 2017 has been conducted checking of KUD Sumber Rezeki to kavling number 2227 (Arpen Simbolon), 2268 (Sutejo), 2270 (Misla) and 2271 (Buyamin), condition of circle, weed, pruning and midrib placement were good. - PT Inti Indosawit Subur – Smallholder has documented “Monitoring Teguran Lisan” to record if there was kavling which not comply with the SOP of Agronomy or best agriculture practices. On 14 September 2017 it was recorded that verbal warning has been given to farmer of kavling 682 (Jasiran) and 709 (Supono) because the weed condition is bush. - PT Inti Indosawit Subur – Smallholder has determined decree no.009/DOK/SOP/PT.IIS-ICS KLB/2016 dated 2 January 2017 which defined that Group Manager will give verbal warning if there was farmer which not comply with the SOP of Agronomy. If verbal warning is still violated, then it will be given warning letter #1, #2, #3. If until 3rd warning letter is still violated, the manager have the right to remove the farmer from the certification group. <p>Assessment Conclusion: The NC Major has been CLOSED on 9 October 2017 and remain CLOSED during ASA3 assessment.</p>	
<p>1514963-201708-M3</p>	<p>Requirements: RSPO P & C INA NI 2016 Indicator 4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place</p> <p>Evidence of Nonconformity: Based on the semi-detailed soil analysis, there were 85 ha peat soil in Buatan Estate and during field visit in Division I Block confirmed that there were peat soil, however there is no documented water and ground cover management programme.</p>	<p>Major</p>

	<p>Statement of Nonconformity: A documented water and ground cover management programme was not in place</p> <p>Root Cause Analysis: PT Inti Indosawit Subur – Buatn Estate management perception is that peat area in the estate is only a small part, 85 Ha and the location is scattered.</p> <p>Corrective Action:</p> <ul style="list-style-type: none"> - Company has performed monitoring of water level management based on the existing SOP. PT Inti Indosawit Subur – Buatn Estate has developed SOP for Water Management (AA-SOP-OP-1100.17-R1) dated 23 October 2014. SOP has described mechanism to managed water level at peat area, which is by monitoring water level, minimizing subsidence and preventing of fire. - PT Inti Indosawit Subur – Buatn Estate has developed subsidence and water level measurement stick and piezometer at Block B91d Afd II Buatn Estate on 20 August 2017. - PT Inti Indosawit Subur – Buatn Estate has conducted water level monitoring in August and September 2017, the result is that water level monitored at 50 to 60 cm. - PT Inti Indosawit Subur – Buatn Estate conducted coordination with R&D department to performed re-analysis of soil in Buatn Estate area to determine whether peat soil is still existed. <p>Assessment Conclusion: The NC Major has been CLOSED on 9 October 2017 and remain CLOSED during ASA3 assessment.</p>	
<p>1514963-201708-M4</p>	<p>Requirements: RSPO P & C INA NI 2016 Indicator 4.6.10 Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated.</p> <p>Evidence of Nonconformity: Based on interview with head of KUDs (Sejahtera and Sumber Rezeki) and smallholders and harvesters, some of individual members are still conduct spraying by themselves. As per information received through interview, the empty chemical containers that produced by the smallholders conducting spraying are buried in the field. As per procedure “Pengendalian Gulma” (No 033/DOK/SOP/PT IIS-ICS.KLB/2017), the empty chemical containers shall be disposed following the Tempat Penyimpanan Semetara Limbah Bahan Berbahaya dan Beraacun (TPS LB3).</p> <p>Statement of Nonconformity: The disposal of empty chemical containers by the smallholders are not according to the procedure set by PT Inti Indosawit Subur.</p> <p>Root Cause Analysis: Still lack of knowledge of farmers about handling hazardous material including pesticides and its container, so they conduct pesticides spraying activity by themselves. There is no effective dissemination and awareness from ICS Plasma Buatn to smallholder member to ensure that they understand to handling hazardous material including pesticides and its container.</p> <p>Corrective Action:</p> <ul style="list-style-type: none"> • PT Inti Indosawit Subur – Smallholder has conducted dissemination to farmers regarding ex pesticides handling on 2 September 2017 at Makmur Village building, attended by KUD, chief of KT, farmers and elder of smallholder. Dissemination material was based on PP 74 year 2001. • Based on interview with farmers, they all understood that chemical spraying was only done by TUS, and cannot be done by farmers. 	<p>Major</p>

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	<ul style="list-style-type: none"> Based on interview with farmers, they all understood mechanism for handling hazardous waste. PT Inti Indosawit Subur – Smallholder management has installed signboard regarding prohibition of conducting spraying activity by smallholder member. PT Inti Indosawit Subur – Smallholder has determined decree no.009/DOK/SOP/PT.IIS-ICS KLB/2016 dated 2 January 2017 which defined that Group Manager will give verbal warning if there was farmer which not comply with the SOP of Agronomy. If verbal warning is still violated, then it will be given warning letter #1, #2, #3. If until 3rd warning letter is still violated, the manager have the right to remove the farmer from the certification group. <p>Assessment Conclusion: The NC Major has been CLOSED on 9 October 2017 and remain CLOSED during ASA3 assessment.</p>	
<p>1514963-201708-M5</p>	<p>Requirements: RSPO P & C INA NI 2016 Indicator 4.7.2 A documented risk assessment shall be available and its implementation shall be recorded.</p> <p>Evidence of Nonconformity:</p> <ul style="list-style-type: none"> - During field visit in Buatan I Mill It was found operator clarifier station, sterilizer, driver and unloading operator use rubber boot. It was not comply with the risk assessment document at Buatan I Mill. - During field visit in Buatan Estate Division I Block A91C, it was found harvester use short Toyo shoes, however based on the risk assessment they supposed to use rubber boots. <p>Statement of Nonconformity: Implementation of risk mitigation according to risk assessment document has not been consistently implemented.</p> <p>Root Cause Analysis:</p> <ul style="list-style-type: none"> - Workers is not discipline to obey the OHS policy and regulation according to HIRADC and lack of control and monitoring of HIRADC implementation. - Hazard and Risk analysis related to PPE for truck driver were not evaluated yet based on actual condition of hazard and risk, frequent and probability of hazard and risk of driver activity. - Hazard and Risk analysis related to PPE for harvester were not evaluated yet based on actual condition of hazard and risk, frequent and probability of hazard and risk from harvesting activity in the field. <p>Corrective Action: Company has socialize and give awareness to the Mill workers regarding OHS regulation in Buatan I POM, such as:</p> <ul style="list-style-type: none"> - Operator shall be use appropriate PPE according to HIRADC - If operator found not wearing the appropriate PPE, company will give the violation ticket - If the workers violate the regulation and have 3 times of violation ticket, company will give the sanction in the form of letter of warning <p>The OHS regulation has been socialize through safety briefing on 30 September 2017. Company also has implementing the PPE usage inspection each month. Evidence of PPE inspection can be demonstrated for period August and September 2017.</p> <p>Company also has issued the "Ticket Pelanggaran" form and apply to the workers who not wearing the appropriate PPE. For example, there was a violation of OHS regulation regarding PPE usage on behalf Budi Darmawan, operator Tipler and he don't wear the safety helmet on 28 September 2017, "Ticket Pelanggaran" was give to the workers and record in "Rekap Pelanggaran".</p>	<p>Major</p>

	<p>Company has made a mechanism for unloading workers who work in loading ramp station to comply with the safety regulation and shall be use the standard PPE such as safety helmet and safety shoes. Company has assigned OHS inspector to ensure all the workers are obey to the safety regulation. OHS inspector checked the each FFB truck enter to the mill and ensure the unloading workers and driver are using the standard PPE and obey the safety regulation, if they didn't, OHS inspector will prohibit the truck enter the mill/loading ramp. The mechanism has been socialized and communicated on 10th August 2017 to all unloading workers and driver FFB truck. During field visit in mill, the OHS inspector has done the job accordingly, all the unloading workers and driver has follow the safety regulation and wear the appropriate PPE.</p> <p>Company has also evaluated the HIRADC for harvester and revised the HIRADC on August 2017. Based on hazard and risk analysis of harvesting activity the PPE for harvester is safety helmet, glases and short ruber shoes/Toyo shoes.</p> <p>Assessment Conclusion: The NC Major has been CLOSED on 9 October 2017 and remain CLOSED during ASA3 assessment.</p>	
<p>1514963-201708-M6</p>	<p>Requirements: RSPO P & C INA NI 2016 Indicator 4.7.6 All workers shall be provided with medical care, and covered by accident insurance.</p> <p>Evidence of Nonconformity: According to PT Inti Indosawit, the smallholder and/or its' Workers/harvester in KUD go to local PUSKESMAS to get health care and medication. However, the PUSKESMAS is not an accident insurance panel.</p> <p>Statement of Nonconformity: The smallholders and/or its workers are not covered by accident insurance.</p> <p>Root Cause Analysis: The harvester who work in Plasma Buatan are not permanent workers and always changed so that the accident insurance (Jamsostek) are not applicable and can't be applied to the harvester.</p> <p>Corrective Action: Plasma management (KUD) has made mechanism and policy to guarantee all workers working in area of Plasma Buatan I in case of accident of work hence all medical expense and compensation/accident insurance will be borne by each KUD. The accident insurance has been agreed by each KUD and all the member. KUD has made an Agreement of Accident Compensation Letter for workers/farmers "Surat Kesepakatan Santunan Akibat Kecelakaan Kerja kepada pekerja/petani". For Example: <ul style="list-style-type: none"> - "Surat kesepakatan" issued by KUD Sejahtera, Badan Hukum No. 1733/BH/XIII Desa Makmur Kec. Pangkalan kerinci Kab. Pelalawan, tanggal 9 September 2017; Agreement letter signed by head of KUD, Official KUD and all head of KT (19 farmer group) in KUD Sejahtera. - "Surat kesepakatan" issued by KUD Sumber Rezeki, Badan Hukum No. 1734/BH/XIII/1993 Desa Bukit Agung Kec. Kerinci Kanan Kab. Siak, tanggal 11 September 2017; Agreement letter signed by head of KUD, Official KUD and all head of KT (17 farmers group) in KUD Sejahtera The agreement states that "in relation to the risk of accidents due to work in Plasma Buatan/KUD plantation areas, all farmer groups are obliged to provide compensation to workers who have work accidents in KUD plantation area. As for who is entitled to these benefits: <ul style="list-style-type: none"> - Assistance of medical expenses due to work accident (hospitalization>3 days) </p>	<p>Major</p>

	<ul style="list-style-type: none"> - Accidental benefit due to accident - Death benefit due to accident. <p>If there are workers/farmers who have work accidents then the farmer group members immediately report to the KUD board.</p> <p>KUD has allocated funds for compensation and accident insurance every month that is deducted from the sales of FFB production of Plasma. For example in KUD Sejahtera KT 115 deducted IDR 5,000 for social funds and employment injury/misfortune benefits; evidence can be shown in "FFB Invoice Payment KT Kasuwari KUD Sejahtera" dated September 28, 2017. KT Cendrawasih is deducted IDR 6,000 per month per each farmers, documented in "Daftar Penjualan TBS" dated October 2, 2017.</p> <p>For health insurance, harvester and workers working in Plasma Buatan I have been secured by Jamkesda provided by the local government of Kabupaten Siak. Health insurance provided for all residents of Siak district in accordance with "Pedoman Pelaksanaan Jaminan Kesehatan Daerah (Jamkesda) Pemerintah Kabupaten Siak Tahun 2014".</p> <p>ICS Plasma Buatan I cooperated with KUD has been identified with all the workers as the participants of Jamkesda (Jaminan Kesehatan Daerah). During audit, KUD can be demonstrated "Inventarisasi Jaminan Kesehatan Pemanen KUD". For example:</p> <ul style="list-style-type: none"> - In KUD Bhakti Mandiri, there were 43 harvesters and 40 harvesters has been registered as Jamkesda member who get health insurance and 3 workers are still in the process of registration. - In KUD Jaya Makmur there were 46 harvesters and 42 harvesters has been registered as Jamkesda member who get health insurance and 4 workers are still in the process of registration. - In KUD Sumber Rezeki there were 42 harvesters and 40 harvesters has been registered as Jamkesda member who get health insurance and 2 workers are still in the process of registration. - In KUD Kebun Sawit Harapan there were 40 harvesters and 36 harvesters has been registered as Jamkesda member who get health insurance and 2 workers are still in the process of registration. <p>For workers who are not guaranteed by Jamkesda then KUD will cover medical expenses in case of work illness.</p> <p>Assessment Conclusion: The NC Major has been CLOSED on 9 October 2017 and remain CLOSED during ASA3 assessment.</p>	
<p>1514963-201708-M7</p>	<p>Requirements: RSPO P & C INA NI 2016 Indicator 4.8.1 All staff, workers, smallholders and contract workers are appropriately trained.</p> <p>Evidence of Nonconformity:</p> <ul style="list-style-type: none"> - During the field assessment at the smallholder blocks, it was observed that there are smallholders blocks are blanket sprayed. - As per the Rencana dan Realisasi Semprot tahun 2017 – TUS, spraying activities are supposed to be conducted by the PT Inti Indosawit Spray team. However, based on interview with head of KUD Sejahtera and KUD Sumber Rezeki, some of the individual members are conducting spraying by themselves. - Based on interview with head of KUD Sejahtera and KUD Sumber Rezeki and field observation, it was confirmed that spraying activity in the smallholder blocks was not uniform according to the best management practices and guideline set by PT Inti Indosawit. - Based on interview with head of KUD Sejahtera and KUD Sumber Rezeki, it was confirmed that some of individual member did not applied the up-keeping of the 	<p>Major</p>

	<p>oil palm as per PT Inti Indosawit recommendation.</p> <ul style="list-style-type: none"> - It was observed during the smallholder blocks field assessment, inappropriate size boots were used by the smallholders. <p>Statement of Nonconformity: The training on the health and environmental risks of pesticide exposure; productivity and best management practice; international and national instruments that protect workers' health for the smallholders and/or its' workers was not conducted effectively.</p> <p>Root Cause Analysis: Still lack of knowledge of farmers regarding:</p> <ul style="list-style-type: none"> • Best agriculture practice of oil palm plantation. • Handling hazardous material including pesticides and its container, so they conduct pesticides spraying activity by themselves. • Occupational health and safety. <p>There is no regular monitoring from ICS Plasma Buatan to check the implementation of best agriculture practises in Smallholder Kavling. There is no effective coaching as well as reward and punishment for smallholder member to ensure the consistency of best agriculture practise implementation in their kavling. There is no effective dissemination and awareness from ICS Plasma Buatan to smallholder member to ensure that they understand to handling hazardous material including pesticides and its container as well as occupational health and safety.</p> <p>Corrective Action:</p> <ul style="list-style-type: none"> • PT Inti Indosawit Subur – Smallholder has conducted monitoring / checking related to kavling condition regularly. The monitoring was documented in “Monitoring Pemeriksaan Kondisi Kapling” that contain: KUD name, date of checking, kavling number, farmer name, condition of circle, weed, pruning and midrib placement. • “Monitoring Pemeriksaan Kondisi Kapling 2017” mentioned that on 13 September 2017 has been conducted checking of KUD Sumber Rezeki to kavling number 2227 (Arpen Simbolon), 2268 (Sutejo), 2270 (Misla) and 2271 (Buyamin), condition of circle, weed, pruning and midrib placement were good. • PT Inti Indosawit Subur – Smallholder has documented “Monitoring Teguran Lisan” to record if there was kavling which not comply with the SOP of Agronomy or best agriculture practices. On 14 September 2017 it was recorded that has been given verbal warning to farmer of kavling 682 (Jasiran) and 709 (Supono) because of the weed condition is bush. • PT Inti Indosawit Subur – Smallholder has determined decree no.009/DOK/SOP/PT.IIS-ICS KLB/2016 dated 2 January 2017 which defined that Group Manager will give oral warning if there was farmer which not comply with the SOP of Agronomy. If verbal warning is still violated, then it will be given warning letter #1, #2, #3. If until 3rd warning letter is still violated, the manager have the right to remove the farmer from the certification group. • PT Inti Indosawit Subur – Smallholder has conducted dissemination to farmers regarding ex pesticides handling on 2 September 2017 at Makmur Village building, attended by KUD, chief of KT, farmers and elder of smallholder. Dissemination subject was based on PP 74 year 2001. • Based on interview with farmers, they all understood that chemical spraying was only done by TUS, and cannot be performed by themselves and they all understood that up keeping activity must be performed following the recommendation. • Farmers in the field have demonstrated that they have uses appropriate personal 	
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	<p>protective equipment. ICS Plasma Buatan has give the coaching and awareness regarding occupational health and safety to all workers.</p>	
	<p>Assessment Conclusion: The NC Major has been CLOSED on 9 October 2017 and remain CLOSED during ASA3 assessment.</p>	
<p>1514963-201708-M8</p>	<p>Requirements: RSPO P & C INA NI 2016 Indicator 5.3.2 All chemicals and their containers shall be disposed of responsibly.</p>	<p>Major</p>
	<p>Evidence of Nonconformity:</p> <ul style="list-style-type: none"> - Based on a visit to Clinic of "Asian Agri Sehat" in Buatan Estate and interview with Paramedic, the auditor was informed and confirmed that the medical waste management was done by buried. However, the Asian Agri Clinic has not been able to show the approval of B3 Waste burial issued by the Head of the Regency/City Environmental Agency as required in article 27 paragraph 1 of PermenLHK no. 56 tahun 2015 on Tata Cara dan Persyaratan Teknis LB3 dari FASKES (technical procedures and requirements of hazardous waste and FASKES). - Based on the visit in emplacement EKO2, the auditor team found ex-knapsack and used oil bottle have not controlled properly as required in SOP of waste pesticide management which is SOP of hazardous waste management No.AA-KL-06-EFP. 	
	<p>Statement of Nonconformity:</p> <ul style="list-style-type: none"> - Clinic "Asian Agri Sehat" has not been able to show the approval from Head of the Regency/City Environmental Agency related to medical waste management that conducted by buried. - Implementation of SOP of waste pesticide management which is SOP of hazardous waste management No.AA-KL-06-EFP is not consistent. 	
	<p>Root Cause Anaysis:</p> <ul style="list-style-type: none"> - Lack of understanding that the handling of medical waste must obtain a permit or recommendation letter from the relevant agencies, as it has already been visited by the relevant agencies and provide a verbal recommendation for the handling of medical waste by making a particular disposal place. There is no apparently attempt from PT Inti Indosawit to push and propose to related agencies to obtain the approval letter of medical waste management that conducted by buried. - Knapsack encountered in a dump housing does not belong to the Buatan Estate company and employee awareness about hazardous waste handling is still lacking because there is no effective dissemination and training regarding hazardous waste handling in housing area. 	
	<p>Corrective Action:</p> <ul style="list-style-type: none"> • The Company has made a proposal and application to obtain the permit and recommendations letter of hazardous waste (medical waste) burial in plantation area, Letter number: 670/GM-IIS/EXT/VIII/2017. Currently the recommendation letter is still in the process of the relevant agencies, temporarily while waiting for permission and recommendations from the government issued, the company has made some steps in managing medical waste such as: <ul style="list-style-type: none"> ✓ Issued a memorandum Number: 808/EST-KBN/MEMO/09/17 dated September 21st, 2017 stating that the clinic is required to manage the medical waste to store at licensed temporary hazardous waste storage (TPS LB3). This memorandum has been submitted and understood by clinic workers including paramedics, doctors and midwives. Clinic has remove the medical waste to TPS LB3 and made a handover record of medical waste dated 10 October 2017. The clinic has sent its medical waste as much as 2 small drum to TPS LB3. Medical waste may be stored for 180 days at TPS 	

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	<p>LB3 and then sent to licensed hazardous waste collectors.</p> <ul style="list-style-type: none"> The company has taken the knapsack garbage from the dumpster and removal to the temporary hazardous waste storage (TPS LB3), record of the knapsack handover to TPS LB3 in Central Workshop/Traksi can be demonstrated on dated August 19th, 2017. Socialization and awareness to employees of EKO1 housing residents related to waste management has been done dated 15 September 2017, evidence of socialization can be shown. Interviews with residential employees on behalf Bakri, Sumarmi and Riski Tambunan they already understand the mechanism of waste handling and should not dispose waste categorized as hazardous waste into domestic waste. <p>Assessment Conclusion: The NC Major has been CLOSED on 9 October 2017 and remain CLOSED during ASA3 assessment.</p>	
<p>1514963-201708-M9</p>	<p>Requirements: RSPO P & C INA NI 2016 Indicator 5.6.3</p> <p>Evidence of Nonconformity: Audit team was found that the calculation for Buatan I POM, using PalmGHG ver.3.0 was not accurate – compared against the estate and mill operational database. Example of database seen:</p> <ul style="list-style-type: none"> The figure for FFB supplied from Buatan Estate stated 88,508 tons – whereby the planted hectareage of 2,007 Ha resulting in yield 44.1 ton FFB/Ha/year. The database shown the FFB figure from Buatan Estate (supplying o Buatan I POM) was 32,228 tons. The figure for FFB supplied from Buatan Smallholder stated 165,169 tons – whereby the planted hectareage of 3,690 Ha resulting in yield 44.1 ton FFB/Ha/year. The data provided shown the FFB figure from Buatan Smallholders (supplying to Buatan I POM) was 65,616 tons; <p>Statement of Nonconformity: This nonconformity was escalated from previously minor nonconformity, identified from RSPO P&C ASA1-1. Previous assessment finding: The company cannot demonstrate monitoring of GHG based on reporting using appropriate tools (Palm GHG). Company has monitored the emission and pollutants from estate and mill operation using PalmGHG ver.3.0. However, it was found that information used for GHG calculation in Buatan I POM using PalmGHG ver.3.0 was not accurate – compared against the estate and mill operational database.</p> <p>Root Cause Anaysis: There is an error in the input data, the hectare of Buatan group statement in the input has not been divided based on the supply of FFB to the factory.</p>	<p>Major</p>

	<p>Corrective Action: Company has revising the input of GHG calculation data and recalculated the GHG emission generated by PT Inti Indosawit Subur – Buatan I palm Oil Mill and its supply base. FFB figure has been revised accordingly based on the database of Buatan Estate supplying to Buatan I POM was 32,228 tons. The data revised and provided shown that the FFB figure from Buatan Smallholders supplying to Buatan I POM was 65,616 tons. Total summary emission from GHG calculation was:</p> <table border="1" data-bbox="303 616 877 862"> <thead> <tr> <th>Product</th> <th>tCO2e/t Product</th> </tr> </thead> <tbody> <tr> <td>CPO</td> <td>0.42</td> </tr> <tr> <td>PK</td> <td>0.42</td> </tr> <tr> <td>PKO</td> <td>0.17</td> </tr> <tr> <td>PKE</td> <td>0.17</td> </tr> </tbody> </table> <p>Company has appointed the person in charge (Welly Joel) to performed GHG calculation each year. The PIC also has responsibility to ensure the validity of input data of GHG calculation. Sustainability team also has to ensure and monitor the correct input data such as hectare statement, production, chemical usage, diesel fuel usage, etc which is necessary and also monitor the GHG calculation report.</p>	Product	tCO2e/t Product	CPO	0.42	PK	0.42	PKO	0.17	PKE	0.17	
Product	tCO2e/t Product											
CPO	0.42											
PK	0.42											
PKO	0.17											
PKE	0.17											
<p>1514963-201708-M10</p>	<p>Assessment Conclusion: The NC Major has been CLOSED on 9 October 2017 and remain CLOSED during ASA3 assessment.</p> <p>Requirements: RSPO P & C INA NI 2016 Indicator 6.1.3 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>Evidence of Nonconformity:</p> <ul style="list-style-type: none"> - Based on document verification company has done SIA monitoring in 2011, 2012, 2013 and 2015, however the result of monitoring is not relevant with the identification that has been done in 2009. - Monitoring of SIA only covered the economics of the surrounding community. - SIA monitoring cannot be demonstrate that it has been consulted with affected parties. <p>Statement of Nonconformity: Company has made the SIA and Plans for management and monitoring of social impacts, however it was found inconsistency in the implementation.</p> <p>Root Cause Anaysis: Company has not included the recommendation and suggestion from SIA report in the SIA review and monitoring report, company just focusing on economic condition for SIA monitoring. Company was use the AMDAL document (SEIA) as a reference to implementing the SIA, while the AMDAL (SEIA) document only covering the economics aspect monitoring and management of the surrounding community and social perception.</p> <p>Corrective Action: The Company has made revisions and updates related to SIA review and monitoring reports. Finalization of the SIA review revision is made on August 18th, 2017. Evidence of improvement can be demonstrated and integrated in the environmental permit report document for the period of January - June 2017. Document verification</p>	<p>Major</p>										

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	<p>results shown that the SIA review report 2017 is appropriate and in line with the SIA document which performed on 2009. The review results are presented in "Tabel isu dan permasalahan, upaya pengelolaan yang telah dilakukan terhadap aspek sosial terkait hubungan dengan hubungan antara kebun buatan PT IIS dengan plasma PIR Tahun 2017".</p> <p>SIA monitoring already covers environmental, social and environmental aspects. Evidence of community involvement in the review of the SIA can be demonstrated in the " Kuisisioner Pendapat masyarakat Sekitar kegiatan Usaha." The questionnaire and community involvement are also documented in the " Daftar Hadir Konsultasi dengan Masyarakat Adat".</p> <p>Questionnaires include the identity of the respondent, the questions related to the community's economic condition, social group of the community, the needs of the community, the communication, the communication characteristics of the surrounding community, the availability of surrounding communities to the public company communication, the impact of the company's activities on the community and public perceptions of the impact of company existence.</p> <p>The consultation was conducted on 11 community respondents and leaders of Mekar Jaya Village and Desa Bukit Agung, Dusun kualo - Kerinci, Melayu Riau Traditional Institution, Lalang Saw Village. Evidence of consultation and quistionare result were available.</p> <p>Assessment Conclusion: The NC Major has been CLOSED on 9 October 2017 and remain CLOSED during ASA3 assessment.</p>	
<p>1514963-201708-M11</p>	<p>Requirements: RSPO P & C INA NI 2016 Indicator 6.5.2 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>Evidence of Nonconformity:</p> <ul style="list-style-type: none"> - Based on the interviews of some PHL workers that the workers have not understood related to the contract of work (interview to SKU: ST (fertilizer), BHL: MVA (TUS), RST (G. Committee) and SKU: SP (Nurse) PHL who has not signed a 3-year contract of work (a/n MVA), Nursery workers during interview did not understand and care with the contract. - There is no appropriate explanation on the basis of BHL's working contract in Mill for 3 months. <p>Statement of Nonconformity: Based on document verification and interviews with some laborers, it was found that the Labor did not understood the collective labor agreement and contract</p> <p>Root Cause Analysis:</p> <ul style="list-style-type: none"> - Lack of understanding from workers interviewed about employment contracts because of less given awareness. - KTU of Buatan I Mill was following the previous PKB so that contract is renewed every 3 month. <p>Corrective Action:</p> <ul style="list-style-type: none"> • PT Inti Indosawit Subur has conducted dissemination regarding working contract during morning briefing on 2 September 2017 to remind worker related to their contract. Interview with several workers during audit both in Estate and Mill indictaed that they have understood regarding their contract. • Contract of some worker in Buatan I Mill mentioned that period was started on 1 July 2017 and ended on 30 June 2018, e.g. Santoso Hospital Samosir, Muhammad Wawan Rachmadi and Pasko Ignatius Matondang. • PT Inti Indosawit Subur will evaluate work contract of workers regularly in 	<p>Major</p>

	<p>annual basis to control that all contract are comply with the regulation and PKB.</p> <ul style="list-style-type: none"> PT Inti Indosawit has revising the contract of workers from 3 monthly basis to become yearly basis as contract workers (PKWT – pekerja Waktu Tertentu). Evidence of contract can be demonstrated during audit. 	
<p>1514963-201708-M12</p>	<p>Assessment Conclusion: The NC Major has been CLOSED on 9 October 2017 and remain CLOSED during ASA3 assessment.</p> <p>Requirements: RSPO P & C INA NI 2016 Indicator 6.9.1 A policy to prevent sexual and all other forms of harassment and violence, shall be documented, implemented and communicated to all levels of the workforce.</p> <p>Evidence of Nonconformity:</p> <ul style="list-style-type: none"> The leader of “Komite Gender” doesn’t understand regarding the work programme, term and reference and Procedure / mechanism related to matters, eg: procedure in case of sexual harassment, related to menstruation leave (H1) which has been described in PKB. During the interview with the workers at the child care, it was found that the women did not understand on gender committee’s role and grievance mechanism when reporting (any) case related to sexual harassment. <p>Statement of Nonconformity: The gender committee does not understand the term of reference/procedures set by the company.</p> <p>Root Cause Analysis:</p> <ul style="list-style-type: none"> The new gender committee chairperson is appointed as the chairman and has not mastered the programs and procedures of sexual harassment and menstruation leave. The TPA guard worker has not understood the gender committee because it is always absent in the socialization and meeting of the gender committee. <p>Corrective Action: The Company has restructured the Gender Committee organization "Struktur organisasi Komite Gender PT Inti Indosawit Subur – kebun Buatan Periode 2017 - 2018. Training and awareness related to the programs and procedures of the gender committee have been conducted by the company to the gender committee organization on 7th October 2017. During audit and interview with the new chairman of Gender Committee can be shown that the committee chairperson has understood the sexual harassment program and complaints procedure SOP AA-HR-309.01-RO SOP. The gender committee has also established programs related to employee education regarding women's reproductive rights, prevention of sexual harassment and reporting mechanisms in case of sexual harassment.</p> <p>Assessment Conclusion: The NC Major has been CLOSED on 9 October 2017 and remain CLOSED during ASA3 assessment.</p>	<p>Major</p>
<p>1514963-201708-M13</p>	<p>Requirements: RSPO SCCS Module E – CPO Mills: Mass Balance E.4.1 E.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received.</p> <p>Evidence of Nonconformity: Audit team noted that a number of FFB delivery ticket was stamped with false certification ID, however it was not identified and went through the entire FFB receiving process. The correct certification ID for Buatan 1 POM was RSPO 638918, the certification ID stamped was RSPO 638947. Example seen: Surat Pengantar TBS dated 29th May 2017, marked with certified RSPO 638947, 192</p>	<p>Major</p>

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	<p>bunches, from Buatan Estate Division III, block C89a, planting year 1989, transporting truck BM9117TH. Weighbridge ticket No.PBSA117202682, source from Buatan Estate, Division III, block C89a, planting year 1989, harvest date 29th May 2017, weigh 5,430 kg, certificate ID RSPO 638918, transporting truck BM9117TH, country of origin Indonesia, receiving mill Buatan I POM. Surat Pengantar TBS dated 29th May 2017, marked with certified RSPO 638947, 146 bunches, from Buatan Estate Division III, block C90c, C90d, C90e, planting year 1990, transporting truck BM9117TH. Weighbridge ticket No.PBSA117202698, source from Buatan Estate, Division III, block C90c, C90d, C90e, planting year 1990, harvest date 29th May 2017, weigh 5,290 kg, certificate ID RSPO 638918, transporting truck BM9117TH, country of origin Indonesia, receiving mill Buatan I POM.</p> <p>Statement of Nonconformity: Buatan I Palm Oil Mill was unable to demonstrate consistent verification of certified and non-certified FFBs received; this condition was not in line with company procedure "Traceability" No.AA-MPM-OP-1400.17-R4 dated 25th February 2015.</p> <p>Root Cause Analysis: There was misunderstanding from FFB clerk in stamping RSPO certificate number because FFB administration is still manual.</p> <p>Corrective Action:</p> <ul style="list-style-type: none"> • PT Inti Indosawit Subur has implemented computerized system to handle FFB administration, called Asian Agri Connected Plantation (AACP), since 25 August 2017. The certificate number automatically printed on the weighbridge card if the scanner reads the barcode on the tablet of FFB truck operator. • Sustainability officer conduct monitoring of RSPO certificate number in the AACP to ensure that certificate number were correct and up to date. • In AACP, FFB trip information, e.g. location (Block and Afdeling), FFB amount, average bunch weight, transporter, driver and RSPO certificate number were recorded in computer tablet. The tablet creates barcode that will be read by scanner in weighbridge. The weighbridge clerk then scan the barcode and print the weighbridge ticket with correct RSPO certificate number. Based on review of weighbridge ticket number PBSA117205390 from Afdeling I Buatan Estate, PBSA117205387 from Afdeling II Buatan Estate, PBSA117205388 from Afdeling I Buatan Estate dated 5 October 2017, the RSPO certificate number were correct, RSPO 638918. <p>Assessment Conclusion: The NC Major has been CLOSED on 9 October 2017 and remain CLOSED during ASA3 assessment.</p>	
<p>1514963-201708-N1</p>	<p>Requirements: RSPO P & C INA NI 2016 Indicator 4.3.5 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>Evidence of Nonconformity: Based on the semi-detailed soil analysis, there were 85 ha peat soil in Buatan Estate, however there is no drainability assessment conducted and based on replanting programme the company will be performed replanting on 2018.</p> <p>Statement of Nonconformity: Company has not conducted drainability assessments prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.</p> <p>Root Cause Analysis: The management of Buatan Estate assumed that nowadays there is no peat soil exists in Buatan Estate.</p>	<p>Minor</p>

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	<p>Corrective Action: PT Inti Indosawit Subur – Buatan Estate conducted coordination with R & D department to performed re-analysis of soil in Buatan Estate area to determine whether peat soil is still existed. Soil Analysis carried out by R & D on October 2017 in Buatan Estate. Reported under “Laporan Survey Tanah Semidetil Area Perkebunan Kelapa Sawit PT Inti Indosawit Subur Kebun Buatan”. Based on the report, the physiographic location in plain with hilly tuffaceous sedimentary rocks. Lithology parent material is clay and sand. Topographic of the area is rolling to hilly. Natural fertility is low to medium. There is no peat soil identified in Buatan Estate according to the latest soil analysis by R & D Asian Agri. Soil map scale 1:20,000 available, from semi- detailed soil survey 2017 by R&D Asian Agri. The predominant soil type identified in Buatan Estate composed of: Typic Distrudepts 4,040 ha Typic Endoaquents 140 ha Typic Endoaquepts 515 ha Typic Endoaquults 290 ha Typic Kandiudults 621 ha Typic Udipsaments 25 a Total 5,361 ha Topographic map scale 1:20,000 available, from semi-detailed soil survey the slope between 0-8%, 8-15%, 15-30% and >30%. The data and field information from semi-detailed soil survey 2017 by R&D Asian Agri. Soil suitability: S2 2,656 Ha (47.2%) with limiting factor of low natural fertility; S3 2,050 Ha (36.4%) with limiting factor of topographic condition; N1 (not suitable) 925 Ha (16.4%) with limiting factor of slope more than 30% and sandy soil with rapid drainage. Therefore, the drainability assessment was not applicable for Buatan Estate. Company has maintain and manage soil fertility and water management in Buatan Estate</p> <p>Assessment Conclusion: Auditor conclude that company has effectively addressed the issue of minor non conformity and the NC has been CLOSED on 13 August 2018.</p>	
<p>1514963-201708-N2</p>	<p>Requirements: RSP0 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</p> <p>Evidence of Nonconformity: Company has conducted the SIA review in 2016 however the result is not covered the main issue according to Mitigation and management plan of SIA, the reviews only covered the economic condition monitoring of the surrounding community.</p> <p>Statement of Nonconformity: Company has conducted SIA on 2009, however there is no proper review has been done according to SIA document in particular Mitigation and management plan review</p> <p>Root Cause Analysis: Company has not included the recommendation and suggestion from SIA report in the SIA review and monitoring report, company just focusing on economic condition for SIA monitoring.</p>	<p>Minor</p>

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	<p>Corrective Action: The Company has made revisions and updates related to SIA review and monitoring reports. Finalization of the SIA review revision is made on August 18th, 2017. Evidence of improvement can be demonstrated and integrated in the environmental permit report document for the period of January - June 2017. Document verification results shown that the SIA review report 2017 is appropriate and in line with the SIA document which performed on 2009. The review results are presented in "Tabel isu dan permasalahan, upaya pengelolaan yang telah dilakukan terhadap aspek sosial terkait hubungan dengan hubungan antara kebun buatan PT IIS dengan plasma PIR Tahun 2017".</p> <p>Assessment Conclusion: Auditor conclude that company has effectively addressed the issue of minor non conformity and the NC has been CLOSED on 13 August 2018.</p>	
<p>1514963-201708-N3</p>	<p>Requirements: RSPO P & C INA NI 2016 Indicator 6.5.3 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>Evidence of Nonconformity: The company has prepared a budget for housing maintenance. (in 2016 : Rp 26,000,000 and in 2017 : Rp 124,000,000). Based on interviews with homeowners in Buatan I POM (Mrs S, Mr. M) and Buatan Esate (Mr A) obtained information that the process for housing maintenance is done by filing a complaint to the company as in SOP AA-HR-308.5.R0, and the company will be followed up. However based on visits in housing area, auditor found, such as:</p> <ol style="list-style-type: none"> 1. Several houses with damaged conditions (damaged ceiling), drainage system that did not work properly, insufficient emergency response facilities (APAR in KBN / 02/14) 2. Lack of evidence that the addition of house building has obtained permission from the company, as required in PKB article XIV paragraph 3.e <p>Statement of Nonconformity: The company has provided adequate housing (140 units in Buatan POM and about 300 units in Emplacement Eko 2), however based on visits in housing area, auditor found, such as:</p> <ol style="list-style-type: none"> 1. Several houses with damaged conditions (damaged ceiling), drainage system that did not work properly, insufficient emergency response facilities (APAR in KBN/0214) 2. Lack of evidence that the addition of house building has obtained permission from the company, as required in PKB article XIV paragraph 3.e <p>Root Cause Analysis:</p> <ul style="list-style-type: none"> - Every housing facility has a certain time schedule for maintenance. - The company has distributed memorandum related rules in housing repair and maintenance. - APAR (fire extinguisher) is in repair. <p>Corrective Action: The Company has already budgeting the housing improvements and maintenance every year, based on the annual 2018 housing improvement/maintenance budget. The budget has been distributed based on cash flow/detailing every month for a year. Below are the example of budget realisation in 2018:</p> <ul style="list-style-type: none"> - Realization of roof repair (plafon) for Security SKU housing, repaired on April 2, 2018 material usage were evident in SPB no. SIV/18/02/0036. - Realization of bathroom repairs in the employee housing at block EKO4, repaired on April 22, 2018 with a patch of cement as much as 1 bag, based on SPB 	<p>Minor</p>

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No.SIV/18/04/04 0440. Below are the total budget and realization of housing maintenance and repair in 2018 and forecast 2019 – 2020:				
Type Housing	2018 (Rupiah)		2019 (Rupiah)	2020 (Rupiah)
	Budget	Realization	Budget	Budget
House type 5 door barracks, house type C, permanent house type E, Wooden House Type E 64 units	496.000.000	293.007.817	Rp 662.430.450	713.068.500
Based on realization budget 2018, it can be demonstrated that Buatan I Estate & POM has distribute the budget and realise the budget of housing maintenance and monitor the progress each month. The company has also set a plan to renovate a wooden housing (stilt house) in 2018 with a value of Rp 404,160,900, located in EKO2 housing. Until July 2018 company has has built 1 couple of housing in EKO2.				
Assessment Conclusion: Auditor conclude that company has effectively addressed the issue of minor non conformity and the NC has been CLOSED on 13 August 2018.				

Opportunity for Improvement	
OFI #	Description
Nil	

3.4.2 Summary of the Nonconformities and Status

CAR Ref.	CATEGORY (MAJOR/ MINOR)	ISSUED	STATUS & DATE (Closure)
1222271M1 – 4.7.3	Major	08/01/2015	Closed 09/01/2015
1222271N1 – 4.7.5	Minor	08/01/2015	Closed 07/30/2016
1222271N2 – 4.8.2	Minor	08/01/2015	Closed 07/30/2016
1357969M1 – 4.6.5	Major	07/30/2016	Closed 09/06/2016

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1357969M2 – 4.7.1	Major	07/30/2016	Closed 09/06/2016
1357969M3 – 4.7.3	Major	07/30/2016	Closed 09/06/2016
1357969N1 – 4.6.10	Minor	07/30/2016	Open, Escalated to become Major NC 1514963-201708-M4
1357969N2 – 4.7.6	Minor	07/30/2016	Open, Escalated to become Major NC 1514963-201708-M6
1357969N3 – 5.1.3	Minor	07/30/2016	Closed on 12 August 2017
1357969N4 – 5.6.3	Minor	07/30/2016	Open, Escalated to Major NC 1514963-201708-M9
1514963-201708-M1	Major	12/08/2017	Closed 09/10/2017
1514963-201708-M2	Major	12/08/2017	Closed 09/10/2017
1514963-201708-M3	Major	12/08/2017	Closed 10/10/2017
1514963-201708-M4	Major	12/08/2017	Closed 10/10/2017
1514963-201708-M5	Major	12/08/2017	Closed 10/10/2017
1514963-201708-M6	Major	12/08/2017	Closed 10/10/2017
1514963-201708-M7	Major	12/08/2017	Closed 10/10/2017
1514963-201708-M8	Major	12/08/2017	Closed 10/10/2017
1514963-201708-M9	Major	12/08/2017	Closed 10/10/2017
1514963-201708-M10	Major	12/08/2017	Closed 09/10/2017
1514963-201708-M11	Major	12/08/2017	Closed 09/10/2017
1514963-201708-M12	Major	12/08/2017	Closed 09/10/2017
1514963-201708-M13	Major	12/08/2017	Closed 09/10/2017
1514963-201708-N1	Minor	12/08/2017	Closed 13/08/2018
1514963-201708-N2	Minor	12/08/2017	Closed 13/08/2018
1514963-201708-N3	Minor	12/08/2017	Closed 13/08/2018
1670895-201808-M1	Major	13/08/2018	Closed 03/10/2018
1670895-201808-M2	Major	13/08/2018	Closed 03/10/2018
1670895-201808-N1	Minor	12/08/2017	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. Inti Indosawit Subur – Buatan I POM Certification Unit’s environmental and social performance, legal and any known dispute issues.

Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. 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	
Internal Stakeholders: Workers (fertilizing, spraying, mill processing, workshop).	Union/Contractors/Local Communities: 1. Serikat Pekerja/worker union 2. Local Communities - Village Head Mekar Jaya Mr. Kamaruzzaman; and Public figure.
Government Departments: 1. Dinas Tenaga Kerja Kabupaten Asahan - Bpk. Iskandar (Kabid Hubinsyakar) 2. Dinas Pertanian dan Perkebunan Kabupaten Asahan: - Bpk. Mulyadi (Kasie Pembiayaan dan Investasi) 3. Dinas Lingkungan Hidup Kabupaten Asahan: - Bpk. Herizaldi (Plt Kasi Pengurangan Sampah)	NGO: Local NGO LCKI (Lembaga Cegah Kejahatan Indonesia) – Rommel Sirait

IS #	Description
1	<p>Feedback, Comment and Input Dinas Tenaga Kerja dan Transmigrasi Kabupaten Pelalawan (Manpower and Transmigration Office – Pelalawan Regency) Bpk. Iskandar (Kabid Hubinsyakar)</p> <ul style="list-style-type: none"> - Generally, PT Inti Indosawit – Buatan I & II POM has built good communication with Manpower and Transmigration Office – Pelalawan Regency. - PT Inti Indosawit Subur – Buatan I & II POM has complied well with legislation related to employment, i.e; <ul style="list-style-type: none"> • Company has provided all normative rights for employee, such as salary as lined out in minimum wage for province level, leave entitlement, employees registered with social insurance for worker (BPJS), benefit for religious festival, provision of facilities (housing, electricity, clean water, medical clinic, school/school bus, worship house, personal protective equipment, working tools, etc.). • There was no report/complaint logged in related to discriminative action by company. There was no report/complaint logged in related to the use of child worker/under age worker. • Company has submitted health and safety performance report regularly to the manpower agency. • Complaint received from worker union related to medical service provided by “BPJS Kesehatan”, in particular medical treatment service from hospital/clinic where no cooperation with BPJS. • There was still an issue related to the use of informal worker (without direct work agreement) for loose fruit collector • There was once industrial dispute related to employee mutation, which considered as intimidation from company to employee.

- There has been no industrial relationship dispute occurred from the last year.
- Company has prepared infrastructure and facility for worker's welfare such as: housing, clean water, electricity, medical facility, education, etc.
- There are employees who are identified use of drugs/Narcotic in PT Inti Indosawit Subur – Buatan I & II POM.

Suggestions:

- In relation to the freelance worker (PHL), so that the appointment program can be made as a permanent worker if it meets the requirements.
- Registering / reporting to the Manpower Office related to the use of labour, including the Daily Working Officers (PHL)
- PKB is still made by HO Medan, can be considered to make Derivative PKB

Management Responses

For the positive things that have been done will be maintained and improved towards a better by management companies.

Company has already programmed an annually employee promotion on 2018 until 2020, that is: "Program 3 Years of PMKS Buatan 1 & 2 to Appointment of PHL employees to SKU

Buatan I POM:

Number of PHL per July 2018	Number of SKU Appointment Plans (people)			Total
	2018	2019	2020	
33	8	5	5	18

Buatan Estate

Number of PHL	Promotion Programs					Total
	2018	2019	2020	2021	2022	
449	64	64	62	66	65	321

Program realization up to July 2018 on Buatan Estate, as follows:

- January 16, 2018; 3 BHL employees were promoted, but there was no response from the HO management
- Based on Memorandum from the Estate manager Made I on 2 July 2018, the promotion of BHL employees to become permanent employees is 21 employees.

Program realization up to July 2018 on Buatan I & II POM, as follows:

- Based on Memorandum from Regional Head Plantation II dated April 27, 2018, no. 15 #/HR-RO2/MEMO/SK/04/2018 concerning the promotion of BHL employees as permanent employees of 5 employees.
- Based on Memorandum from Regional Head Plantation II dated December 29, 2017 no. 428-9/HR-RO2/MEMO/SK/12/2017, BHL employees have been appointed as permanent employees of 2 employees which are proposals as of January 1, 2018



Worker Agreement (PKB) between company and labour union is referred in working regulation, Worker Agreement was registered by "Dirjen Pembinaan Hubungan Industrial dan Jaminan Sosial Tenaga Kerja" No. Kep.88/PHIJSK-PKKAD/PKB/VI/2015, dated 18th June 2015 (Valid 21st April 2015 - 20th April 2017).

	<p>Based on document review, it was noted that the term and condition, such as: working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice are covered in PKB and contracts which have been signed by labour union.</p> <p>Based on a Letter from the Private Plantation Company Cooperation Agency (BKS-PPS) no. 49/BKS-PPS/2018, dated June 25, 2018, concerning: Follow-up meeting between BKS-PPS and PP.FSP.PP.SPSI discussing the implementation of PKB renewal for 2015-2017, that PKB BKS PPS period 2017-2019 is still in progress in discuses between BKP-PPS and PP.FSP.PP.SPSI.</p> <p>Audit Team Findings</p> <p>The company has taken action in accordance with well-established procedures and persuasive approach, so there is no turmoil / issue.</p> <p>With respect to wages, the use of PPE and SIO, the company has implemented in accordance with relevant law and regulations.</p>
<p>2</p>	<p>Feedback, Comment and Input</p> <p>Badan Lingkungan Hidup Kabupaten Pelalawan – Environmental Body Pelalawan Regency Bpk. Herizaldi (Plt. Kasi. Pengurangan Sampah DLH Pelalawan)</p> <ul style="list-style-type: none"> - Company has revised the AMDAL document. - Company has an environmental document related to development of biogas plant and kernel crushing plant. - Replanting activity has been covered in environmental management and monitoring plan. - Company has consistently reporting the environmental management: Laporan RKL-RPL, Laporan Pengelolaan Limbah B3, Laporan Pemanfaatan Limbah Cair. - PT Inti Indosawit Subur – Buatan I & II POM has performed environmental management in good manner. - Hazardous waste/LB3 monitoring report on Shelter Temporary (TPS) Hazardous waste/LB3 has been done. - Company has managed the hazardous waste, obtained permit for temporary storage – in accordance with relevant regulation. - There was no report from stakeholder on environmental pollution caused by plantation operation of palm oil mill operation. - Inner plastic bag from fertilizer bag shall be treated and managed as hazardous waste. <p>Suggestions:</p> <ul style="list-style-type: none"> - It is recommended that environmental management be provided with special people who have the skills / training. - The company can perform managed of social impact issues caused by environmental issues. <p>Management Responses</p> <p>For the positive things that have been done will be be maintained and improved towards a better by management companies.</p> <p>In the face of replanting activities, of course there are many social issues arising from environmental impacts. In this case, the company has conducted a social impact aspect (SIA) assessment which subsequently made a social impact management plan. Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones presented in “Rencana Kelola Dampak Sosial dan Rencana Pemantauan Dampak Sosial”.</p>

	<p>Audit Team Findings Audit team will continue to monitor PT Inti Indosawit Subur – Buatan I POM related to Environmental management and monitoring performance.</p>
<p>3</p>	<p>Feedback, Comment and Input Dinas Perkebunan Kabupaten Pelalawan – Plantation Agency Pelalawan District Bpk. Mulyadi (Kasie Pembiayaan dan Investasi)</p> <ul style="list-style-type: none"> - PT Inti Indosawit Subur – Buatan I POM has obtained HGU and in line with spatial planning for Pelalawan Regency, as cultivation/plantation area. - Company has reported the plantation operation activities on regular basis to “Dinas Kehutanan dan Perkebunan Kabupaten Pelalawan Semester I 2017”. - There was issue related to request from community for company to release cemetery land and request for company to release land for marketplace development. - The company has obtained Plantation Business Permit (IUP) - There is no report related to land claim and land dispute occurred and submit by community or other company. - FFB price established based on market price, and company was not bound to FFB price regulated by “Keputusan Penyusunan Harga TBS Propinsi Riau”. Based on report, PT Inti Indosawit Subur – Buatan I POM has price structure better than other companies. <p>Management Responses Company acknowledge the comment from Plantation Agency.</p> <p>Audit Team Findings Audit team will continue to monitor PT Inti Indosawit Subur – Buatan I POM related to Plantation management and monitoring performance.</p>
<p>4</p>	<p>Feedback, Comment and Input Serikat Pekerja PT. Inti Indosawit Subur – Buatan Group (Worker Union)</p> <ul style="list-style-type: none"> - Company and employee has agreed to established bi-partite organization to resolve issued related to industrial relationship; the organization has been registered to “Dinas Tenaga Kerja Kabupaten Pelalawan”. Meeting between company and employee conducted whenever issues occurred and requires discussion. - Company has provided health and safety training and provided first aid kit to field supervisor/mandor. - Company has a policy to prohibit the recruitment of employee under 18 years old, including family worker in all operation. - Company has a policy to protect flora and fauna. - Company does not use migrant worker and prohibit force labour. - Worker salary has followed minimum wage as lined out by Riau Province government for year 2017 - There is a collective working agreement between company and employee. - Company has provided all normative rights for employee, such as salary as lined out in minimum wage for province level, leave entitlement, employees registered with social insurane for worker (BPJS), benefit for religious festival, provision of facilities (housing, electricity, clean water, medical clinic, school/school bus, worship house, personal protective equipment, working tools, etc.). <p>Management Responses Management will strive to continue and improve the positive practices in implementing company</p>

	<p>commitment towards health and safety, and upholding the human rights.</p>
	<p>Audit Team Findings Audit team will continue to monitor PT Inti Indosawit Subur – Buatan I POM related to Plantation management and monitoring performance.</p>
<p>5</p>	<p>Feedback, Comment and Input Gender Committee PT. Inti Indosawit Subur – Buatan Group</p> <ul style="list-style-type: none"> - Company has implemented the policy related to protection reproductive right; such as not hiring female for work activity with high risk; monthly pregnancy test for sprayer and fertilizer applicator; 6-monthly check up for sprayer and fertilizer applicator. - All female worker in sprayer team and fertilizer team shall join pregnancy test in company clinic, once a month. - There has been no report logged in to committee related to sexual harassment and/or violence. - There is no indication that company practising sexual harassment, no indication of gender discrimination, no indication of human right violation, and forced labour. - The leader of gender committee has not understood what the work program is and procedure in case of sexual harassment <p>Management Responses Management will strive to continue and improve the positive practices in implementing company commitment towards health and safety, and upholding the human rights. The appointment of the head of the new gender committee was conducted in July 2017, so it is necessary to undertake learning and training and briefing related to the knowledge of gender committees.</p> <p>Audit Team Findings Audit team will continue to monitor PT Inti Indosawit Subur – Buatan I POM related to Plantation management and monitoring performance.</p>
<p>6</p>	<p>Feedback, Comment and Input Head of Village Mekar Jaya, NGO LCKI (Lembaga Cegah Kejahatan Indonesia)</p> <ul style="list-style-type: none"> • Villagers around ethnically, Batak, Javanese, Sundanese and Banjar. • There was no land conflict with surrounding community. • No land conflict was reported since hand-over was done in proper settlement in the beginning. • In general communication and coordination between the village government and the Company has been running well. • The Company always responds to any problems submitted by the village government officials or from the surrounding community. Villagers have confirmed that organisation has done some positive CSR activities on their surroundings. Routinely companies provide assistance through CSR programs in the form of borrowing heavy equipment (excavators, graders and compactors), scholarships, assistance to the poor, religious facilities, etc. • Access roads surrounding villages are always maintained by the company. • Enclave owner has proper access to their own farm inside company's farm without any difficulties. • Employee recruitment from the surrounding villages was not adequate. • There are no reports from the public regarding the operational activities of companies that violate Human Rights such as the Right to Organize and assemble Conduct worship in accordance with beliefs, as well as other practices of violation of Rights such as the use of mercenaries for the intimidation of workers, the sale of human beings etc.

<ul style="list-style-type: none"> • Companies still utilize labor with the status of Daily Workers (PHL) from the surrounding community <p>Suggestions:</p> <ul style="list-style-type: none"> • Companies should be able to provide assistances to plasma farmers more intensively to face replanting activities.
<p>Management Responses</p> <ul style="list-style-type: none"> - Communication is always well established with the surrounding community, so was no land conflict with surrounding community until conduct this audit. - Routinely companies provide assistance through CSR programs in the form of borrowing heavy equipment (excavators, graders and compactors), scholarships, assistance to the poor, religious facilities, etc. - Improving future CSR programs based on the potential of the village concerned and empowering the community by conducting soft skills training. For example with agricultural and livestock farming programs with at the same time provide direct guidance and direction. - Associated with the establishment of plantations through plasma scheme, which is completed 100% of the plan.
<p>Audit Team Findings</p> <ul style="list-style-type: none"> - It is suggested that PT IIS can maintain communication with the community and village apparatus. - CSR programs to be developed in accordance with community empowerment programs and guidance and coaching. - The use of labor to be prioritized to the surrounding community by referring to recruitment procedures. - It is suggestion to be followed up in relation to the proposed electricity subsidy.

Formal Signing-off of Assessment Conclusion and Recommendation	
<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. Inti Indosawit Subur – Buatan I POM has complied with the 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. Inti Indosawit Subur – Buatan I POM is continued.</p>	
Report prepared by	Acceptance of Assessment Conclusion
Name: Mujinius Jalaraya	Name: Welly Pardede
Company Name: On behalf BSI Services Malaysia Sdn Bhd	Company Name: PT. Inti Indosawit Subur
Title: Lead Auditor	Title: Head of Sustainability
Signature: 	Signature:  <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>
Date: 22 October 2018	Date: 7 November 2018

Appendix A: Summary of Findings

Criterion / Indicator	Assessment Findings	Compliance	
Principle 1: Commitment to Transparency			
Criterion 1.1: Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	List of information related to criterion 1.2 that can be accessed by relevant stakeholders shall be available. - Minor compliance -	Buatan Estate and Mill: The company has made a mechanism for request information no.: AA-GL-5008.1-R1 dated on 22 nd August 2011. The company has owned some policies for documents created by the public relations department in the company and acknowledged by plantation manager that can be accessed by public dated 12 th September 2014 that covered: 1. Legal Documents - a copy of SK HGU (Land Title) - a copy of AMDAL (Social and Environmental Impact Assessment) 2. Environment Documents - Waste management plans - Report of waste water - Report of water management - Report of river water quality - Report of air quality. - Report of RKL (Environmental Management Plan) – RPL (Environmental Monitoring Plan). - Report of Hazardous Waste 3. Social Activity Documents	Comply

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Criterion / Indicator		Assessment Findings	Compliance
		<p>4. Employment Documents</p> <ul style="list-style-type: none"> - Jamsostek and also BPJS Kesehatan - HSE management programs <p>Scheme Smallholder: Plasma Buatan I has a list of documents that can be accessed by Stakeholder updates as of January 10, 2017.</p> <p>Base on interview with several smallholders/farmers with kavling No.1719, 1273, 1313, 1890, 1841 and 1861, they have been able to demonstrate knowledge that information request and provision of information to relevant stakeholders going through ICS, KUD and KT.</p>	
1.1.2	<p>Records of requests for information and responses to the information requested shall be available.</p> <ul style="list-style-type: none"> - Major compliance - 	<p>Buatan Estate and Mill:</p> <p>Request Information and response from Stakeholder has been documented into a log book "Permintaan Informasi". There were noted 21 information requests up to July 2018 from Stakeholder, amongs other:</p> <ul style="list-style-type: none"> - On 18 January 2018 informastion request from DLH Pelalawan Regency concerning Hasil Kunjungan DLH Pelalawan Regency on November 2018 and has been responded on 18 January 2018 by sending Corrective action dated 30 May 2018 - On 16 April 2018 information request from Badan Pusat Statistik Kabupaten Pelalawan, concerning pelaksanaan survey di PT IIS – Buatan Estate and has been responded on 16 April 2018. <p>All request information and others has been responded timely manner</p> <p>Scheme Smallholder:</p> <p>Request Information and response from Stakeholder is documented into a log book "Kebun Plasma Buatan", there was 23 information requests in Plasma/smallholder Division, mostly request EFB for fertilizer in scheme smallholder area. Based on</p>	Comply

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Criterion / Indicator		Assessment Findings	Compliance
		<p>procedure stated that responds for information request within 14 days.</p> <p>Sampled verified from the logbook e.g.:</p> <ul style="list-style-type: none"> - Dated 9/3/2018 request information from KUD SP VI (KUD Sejahtera) concerning FFB transportation on KUD Sejahtera has been responded on 22/3/2018 - Dated 16/4/2018 request information from Pengurus Kelompok Tani SP1 concerning replanting program, has been responded on 20/4/2018 by made a “Berita Acara Kesepakatan Bersama Penentuan Tenaga Kerja” for Hamparan baru KUD Mulus Rahayu. <p>Based on document verification and interview with farmers that all information requests have been responded and followed up not more than 2 weeks or 14 days.</p>	
<p>Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p>			
1.2.1	<p>Publicly available documents shall include, but are not necessarily limited to:</p> <ul style="list-style-type: none"> a) Land titles/user rights (Criterion 2.2) b) Occupational health and safety plans (Criterion 4.7) c) Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8) d) HCV documentation (Criteria 5.2 and 7.3) e) Pollution prevention and reduction plans (Criterion 5.6) f) Details of complaints and grievances (Criterion 6.3) 	<p>Buatan Estate and mill:</p> <p>The company has list of documents can be accessed by public, such as:</p> <ol style="list-style-type: none"> 1. Legal Documents e.g: a copy of SK HGU (Land Title) and a copy of AMDAL (Social and Environmental Impact Assessment) 2. Environment Documents, e.g: Waste management plans, report of waste water, report of water management, report of river water quality, report of air quality, report of RKL (Environmental Management Plan) – RPL (Environmental Monitoring Plan) and report of Hazardous Waste 3. Social Activity Documents 4. Employment Documents, e.g: Jamsostek , HSE management programmes 5. All documents refer to the ratified International Regulation, National Regulation and local regulation, e.g. OHS documents refer to the Act 1, year 1970. 	Comply

Criterion / Indicator		Assessment Findings	Compliance
	g) Negotiation procedures (Criterion 6.4) h) Continual improvement plans (Criterion 8.1) i) Public summary of certification assessment report j) Human Rights Policy (Criterion 6.13). - Major compliance –	Scheme smallholders: The KUDs has list of documents can be accessed by public, such as: legal permits (akte pendirian Koperasi, SHM, NPWP, SIUP and SITU), Operasional keuangan, HCV, SOP/GAP/SEIA (Amdal) and Social documents, Rencana Kerja KUD (KUDs budget) consist of projection FFB and operational cost), monitoring of IPM, fertilizing and harvesting), accident record, OHS Manual. Smallholder at KUD Bhakti Mandiri, KUD Sejahtera and KUD Jaya Makmur stated the information available for public that can be provided by smallholders is land title/SHM. The other document available upon request to KUD or KT.	
Criterion 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.			
1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions along with the documentation of socialisation process of the policy to all levels of the workers and operations. - Minor compliance –	Buatan Estate and Mill: The company has Code of ethical conduct and integrity in all operation and transaction, dated 1 st December 2014 which stated: “Berkomitmen berperilaku pada seluruh transaksi dan operasi bisnis, pelarangan seluruh bentuk korupsi, penyuapan dan penipuan dalam penggunaan dana dan sumber daya” – committed to perform ethical conduct in all of transaction and business operation, prohibit all kind of bribery and fraud in financial and natural resources. The company also has erected this policy in public areas in Mill and estate. The company was able to demonstrate that policy has been communicated effectively to all level operation of workforce and based on interview with workers, it was found that they understand and aware the company policy. Latest training and socialization to employee performed on 13 – 15 February 2018 in Buatan Estate and 5 – 6 Janaury in Buatan I POM. The evidence can be demonstrated during audit such as attendant list and photograph. Scheme Smallholder:	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>All KUD has prepared the policy of code of ethical conduct and integrity in all operation and transaction, dated 1st August 2013 which stated: “Berkomitmen berperilaku pada seluruh transaksi dan operasi bisnis, pelarangan seluruh bentuk korupsi, penyuapan dan penipuan dalam penggunaan dana dan sumber daya”. This policy has been communicated to the members, latest training and socialization against the policy to all Smallholder and KUD employees performed on 6 – 9 February 2018. The evidence can be demonstrated during audit such as attendant list and photograph.</p> <p>Based on interview with members that they aware and understand this policy.</p> <p>Smallholder at KUD Sejahtera, KUD Bhakti Mandiri and KUD Jaya Makmur was able to demonstrate knowledge on code of conduct policy. The policy written in their farmer handbook “Buku Panduan Petani”. The implementation of said policy in form of dissemination of anti-corruption policy, transparency in expenditure for road maintenance, fair calculation of worker payment, good quality FFB, etc.</p> <p>Smallholder explained the code of conduct in simple manner such as no corruption, no lies, etc.</p>	
Principle 2: Compliance with applicable laws and regulations			
Criterion 2.1			
There is compliance with all applicable local, national and ratified international laws and regulations.			
2.1.1	<p>Evidence of compliance with relevant legal requirements shall be available.</p> <p>- Major compliance –</p>	<p>PT Inti Indosawit Subur – Buatan I POM has demonstrated the evidence of compliance with relevant legal requirement as in “Evaluasi Kepatuhan Hukum PT Inti Indosawit Subur – Buatan unit Pabrik dan Kebun”. All legal requirements comply with the regulations and laws, including those related to land status, occupational health and safety, environmental, labour, agricultural practice, and mill operation, such as:</p> <p>1. Ijin Prinsip (Principle permit) No.KB.320/859/Mentan/XI/1983 dated 7th November 1983 from Agriculture minister (65,000 Ha).</p>	Comply

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Criterion / Indicator	Assessment Findings	Compliance
	<ol style="list-style-type: none"> 2. Ijin lokasi (Location Permit) No.KPTS.57/II/1987, dated 4th February 1987 for 32,000 Ha. 3. Ijin Pelepasan kawasan from Forestry Ministry (Release forest permit) No.664/Kpts-II/89, dated 31st October 1989. 4. Ijin pembukaan lahan (land clearing permit) No.1536/II/KW-6/1988, dated 2nd November 1988 from Forestry Ministry Region Riau Province. 5. Surat Keterangan Pendaftaran Tanah (Land register) from land authority of Pelalawan District No.15/SKPT/X/2004, dated 30th September 2004. 6. Surat Pendaftaran Usaha perkebunan (SPUP) from Forestry and Plantation Ministry, No.185/Mentanhut/VII/2000, dated 3rd November 2000. 7. SK. HGU (Land Title), approved by "Menteri Negara Agraria/Kepala BPN No.10/HGU/1993, dated 13th May 1993 tentang Pemberian HGU atas nama PT. Inti Indosawit Subur, atas tanah di Kabupaten Kampar seluas 5,781.47 Ha". 8. HGU (Land titles) No.01, 1993, dated June 19th, 1993. for Buatan Estate (5,781 Ha); 9. Renewal land title No.145/HGU/BPN/2004, dated November 3rd, 2004. Expired until 2058 from Head of BPN (5,781 Ha); 10. IMB (Building licenses), there were 6 permits, such as; No.106/2009, 71/2009, 09/2009, 11/1992, 56/2009, 117/1997. 11. AMDAL (Environmental and Social impact assessment), SEIA No.013/ANDAL/BA/V/95, dated 3rd May 1995, by Agriculture of Ministry. 12. Revised AMDAL (Dokumen Pengelolaan dan Pemantauan lingkungan) approved by Governor of Riau No.KPTS 975/X/2009, dated 28th October 2009. 13. Surface water usage permit from "Dinas Pertambangan dan Energi, Kabupaten Pelalawan No.KPTS.540/DPE/GEO-MIGAS/2014/179", dated 2nd April 2014 (valid until 1st April 2016), renewal permit still in progress now, the company has proposed renewal surface water usage No.040/ES-KBN/EXT/03/2016, dated 	

Criterion / Indicator	Assessment Findings	Compliance
	<p>31st March 2016.</p> <p>14. Temporary hazardous waste store permit No.KPTS.503/BPMP2T-PLY/14/2016 from “Badan Penanaman Modal dan Pelayanan Perijinan Terpadu, Kabupaten Pelalawan”, dated 18th March 2016 (valid until 17th March 2021).</p> <p>13. Machinery permit in Mill is available.</p> <p>Mill machineries permit:</p> <ul style="list-style-type: none"> ▪ Permit for Sterilizer reference number: 03/B.0050.A and 03/B.0051.A issued on 19th October 1992 for capacity 3.25 kg/cm²; reference number: 113/BU/PL/2004 and 114/BU/PL/2004 issued on 14th December 2004 for capacity 3.5 kg/cm². ▪ Permit for Back Pressure Vessel reference number: 115/BU/PL/2004 issued on 14th December 2004 for capacity 3.5 kg/cm². ▪ Permit for Boiler reference number: 035/KU/PLLWN/2003 issued on 20th October 2003 for capacity 24 kg/cm²; reference number: 117/KU/PL/2004 issued on October 2004 for capacity 24 kg/cm²; reference number: 112/KU/PL/2004 issued on 30th October 2003 for capacity 24 kg/cm². ▪ Permit for Diesel engine, reference number: 135/M-MD/PL/2004 and 135/M-MD/PL/2004 issued on October 2004 for capacity 420 horse power each. ▪ Permit for Compressor, reference number: B.84/BT-M/W4/VI/1997 and B.86/BT-M/W4/VI/1997 issued on 17th September 1997. ▪ Permit for Turbine, reference number: 003/M— TB/Plwn/2002 issued on July 2002 for capacity 800 KW; and reference number 83/TU/PLLWN/2004 issued on 1st September 2003 for capacity 1.200 KW. <p>The latest review of relevant legal requirement was conducted in July 2018, new added are: “Peraturan Menteri Pertanian RI nomor 05/PERMENTAN/KB.410/2018 tentang Pembukaan Lahan dan atau Pengelolaan Lahan Perkebunan Tanpa Bakar”, PermenLHK Republik Indonesia nomor P.23/MENLHK/SETJEN/KUM.1/7/2018 tentang</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>Kriteria Perubahan Usaha Dan/Atau Kegiatan Tata Cara Perubahan Izin Lingkungan.</p> <p>Scheme Smallholder:</p> <p>Group manager and ICS conducted the evaluation of laws and regulation compliance each year. Latest updated was on 1st January 2018. During audit, Group manager can demonstrated the document of “Evaluasi Kepatuhan Hukum Kebun Plasma Buatan Tahun 2018” which contain the list/‘legal register’ of all applicable laws and regulations; consist of: list of regulation, requirement, evaluation record, compliance status, type of document, no. document, validity, source of document, remark.</p> <p>Some example showing compliance to relevant regulation as follows:</p> <p><u>KUD Bhakti Mandiri:</u></p> <ul style="list-style-type: none"> a) Akte Pendirian Koperasi- Cooperative Establishment Deed: Akta Perubahan Anggaran atas nama Koperasi Unit Desa Bhakti Mandiri and endorsement by Departemen Koperasi dan Pembinaan Pengusaha Kecil SK no. 82/BH/PAD/KWK.4/5.1/II/1996 dated 13 February 1996. b) SHM- land title certificate: hold by each farmer c) NPWP- taxpayer number: 71.514.815.1-222.000 d) TDP (Tanda Daftar Perusahaan Koperasi-Sign of Cooperative Company List): no. 04 12 252 00 0042, dated 2 December 2016 valid until 26 March 2021. e) SITU Surat Izin Usaha Perdagangan (SIUP) Kecil- Business Trading License: no. 0667/04.12/PK/XII/ 2016, Dated 2 December 2016 <p><u>KUD Jaya Makmur:</u></p> <ul style="list-style-type: none"> a) Akte Pendirian Koperasi- Cooperative Establishment Deed: Akta Perubahan Anggaran atas nama Koperasi Unit Desa Jaya Makmur and endorsement by Departemen Koperasi dan Pembinaan Pengusaha Kecil SK no. 1885/BH/XIII dated 8 July 1994. b) SHM- land title certificate: hold by each farmer 	

Criterion / Indicator	Assessment Findings	Compliance
	<p>c) NPWP- taxpayer number: 01.746.748.1-222.000</p> <p>d) TDP (Tanda Daftar Perusahaan Koperasi-Sign of Cooperative Company List): no. 04 12 252 00 0242, dated 2 December 2016 valid until 26 October 2020</p> <p>e) SITU Surat Izin Usaha Perdagangan (SIUP) Kecil-Small Business Trading License: no. 0781/04.12/PK/X/ 2015, dated 26 October 2015.</p> <p>f) Surat Izin Tempat Usaha yang dikeluarkan oleh Camat SIAK, Kabupaten Bengkalis, SITU no. 523.33/SITU/VIII/2015/013 dated 28 August 2015 validation for 5 years (28 August 2020)</p> <p><u>KUD Sejahtera:</u></p> <p>a) Akte Pendirian Koperasi- Cooperative Establishment Deed: Akta Perubahan Anggaran atas nama Koperasi Unit Desa Sejahtera and endorsement by Departemen Koperasi dan Pembinaan Pengusaha Kecil SK no. 1733/BH/XIII dated 7 January 1993.</p> <p>b) SHM- land title certificate: hold by each farmer</p> <p>c) NPWP- taxpayer number: 01.746.748.1-222.000</p> <p>d) TDP (Tanda Daftar Perusahaan Koperasi-Sign of Cooperative Company List): no. 041626400040, dated 18 July 2016 valid until 18 July 2021</p> <p>e) SITU Surat Izin Usaha Perdagangan (SIUP) Kecil-Small Business Trading License: no. 0781/04.12/PK/X/ 2015, dated 26 October 2015.</p> <p>f) Surat Izin Tempat Usaha yang dikeluarkan oleh Camat SIAK, Kabupaten Pelalwan, SK no.137/BPMP2T/SITU/2016/267 Dated 18 July 2016 validation for 5 years.</p>	
<p>2.1.2</p>	<p>A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>- Minor compliance –</p>	<p>Buatan Estate and Mill:</p> <p>There is a documented system registering all relevant legal requirements to which the company must comply, and also there is a document of “Legal Register” latest updated on July 2018, which includes relevant Environmental regulation, Plantation permit, etc. The list would be reviewed once a year by the EHS Department and all</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>relevant department, updated as necessary.</p> <p>Evaluation of compliance for all regulation and other requirement related to environment, health and safety, manpower and land tenure has been performed (presented in "Evaluation of Compliance").</p> <p>The organization has a mechanism to ensure compliance with all applicable laws and regulations compliance through procedure "SOP Pemenuhan Peraturan Perundang-undangan dan Perubahannya" (No. SOP; AA-GL-5001.1-RO) dated 5th December 2009). The list would be reviewed once a year by the EHS Department and all relevant departments, updated as necessary, last update on 23 March 2017.</p> <p>The company has "Update List of regulation/pemenuhan peraturan perundang undangan" in July 2018.</p> <p>Scheme Smallholder:</p> <p>The organization has a mechanism to ensure compliance with all applicable laws and regulations compliance through procedure "SOP Pemenuhan Peraturan Perundang-undangan dan Perubahannya" (No. SOP; AA-GL-5001.1-RO) dated 5th December 2009).</p> <p>Group Manager and ICS has a responsibility to ensure the compliance of all smallholder member and organization against applicable laws and regulations. Group manager and ICS conducted the evaluation of laws and regulation compliance each year. Latest updated on 1st January 2018. During audit, Group manager can demonstrated the document "Evaluasi Kepatuhan Hukum Kebun Plasma Buatan Tahun 2018".</p>	
2.1.3	<p>A mechanism for ensuring compliance shall be implemented.</p> <p>- Minor compliance –</p> <p>Buatan Estate and Mill:</p> <p>There is a rigorous internal audit process which includes a review of laws and their compliance. There is no evidence of critical legal non compliance as a result of internal audit. Each department has to demonstrate evidence of compliance and/or effort in complying with these legal/regulatory requirements. This includes</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>manpower regulation fulfilment, environmental reporting, health and safety reporting and other legal/regulatory requirements. Evidence of documented mechanism on the compliance with relevant regulation was sighted in terms of Legal Requirements and Evaluation Compliance, It was verified that list of legal requirement is updated regularly.</p> <p>Legal department of the company has the responsibility to update the list of applicable laws and regulations using internet access via relevant webmail address and/or consultation with the related institutions. The latest updated report was on July 2018. The mechanism is also include for subcontractor. Company has the mechanism to ensure the contractor/supplier compliance to the relevant regulation before approved the contractor/supplier as a partner of company. Recorded on form "Evaluation of Legal and Other Requirements Compliance".</p> <p>Scheme Smallholder:</p> <p>ICS organisation of Plasma Buatan has a mechanism of "Evaluation of Legal Compliance and Regulation" dated 9 February 2017. Public relation and registration of ICS "Humas dan Pendataan ICS" responsible to update and search the new relevant regulation and evaluating the compliance against the regulation. Latest update of regulation compliance on 1st January 2018.</p> <p>All evaluation record was keep in ICS and disseminated as well as communicated to all KUD, KT and smallholder members including third party.</p> <p>ICS Buatan Smallholder has develop the tools "Buku Pintar Petani Plasma" which contain information on the implementation and guidance of best management practice; guidance on OHS requirement and OHS training record; Environmental requirement, guidance and training record. The book is use to help the smallholder member implement the legal requirements according to relevant regulation which evaluated by "Humas dan Pendataan ICS".</p>	
2.1.4	A system for tracking any changes in the law shall	<p>Buatan Estate and Mill:</p> <p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance
	<p>be available and implemented.</p> <p>- Minor compliance –</p>	<p>Legal requirement-evaluation and fulfillment mechanism regulated under “SOP Pemenuhan Peraturan Perundang-undangan dan Perubahannya” (No. SOP; AA-GL-5001.1-RO) dated 5th December 2009. The procedure explains the stages for evaluation applicable legal requirements, person in charge for evaluation and ensures implementation of such requirement.</p> <p>The company receives information of changes in regulations from a number of sources. This includes company lawyers, Manpower office, Agriculture and Plantation service and Forestry service and others. This is then circulated and cascaded to relevant department within the company, which might affected by these changes.</p> <p>Scheme Smallholder:</p> <p>Scheme manager will inform the scheme smallholders (cooperative) if there is any a change or amendment in laws and regulations. Scheme manager conduct meetings with the cooperative members to ensure compliance. Latest meeting with smallholder scheme conducted on January 2018 attended by KUD management, WKAK (inter-group communication forum), farmers group and farmer board. Evidence of meeting can be demonstrated during audit.</p>	
<p>Criterion 2.2</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>Buatan Estate and Mill:</p> <p>PT. Inti Indosawit Subur – Buatan demonstrate a valid land ownership covering:</p> <ol style="list-style-type: none"> 1. “Surat Keputusan Hak Guna Usaha” (Land Title), approved by “Menteri Negara Agraria/Kepala BPN No.10/HGU/1993 tentang Pemberian HGU atas nama PT. IIS, atas tanah di Kabupaten Kampar seluas 5,781.47 Ha”, dated 13th May 1993. 2. HGU (Land titles) No.01, 1993, dated 19th June 1993. for Buatan Estate (5,781 Ha). 	Comply

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	<p>3. Renewal land title No. 145/HGU/BPN/2004, dated 3rd November 2004. Expired until 2058 from Head of BPN (5,781 Ha).</p> <p>Scheme Smallholders: Each smallholder member was able to demonstrate legal ownership of the land. Sample taken:</p> <table border="1" data-bbox="871 644 1850 1377"> <thead> <tr> <th>Farmers Name</th> <th>Group Farmers (KT)</th> <th>Kavling</th> <th>Areas (Ha)</th> <th>Certificate</th> </tr> </thead> <tbody> <tr> <td colspan="5">KUD Sejahtera</td> </tr> <tr> <td>Ahmad Toha</td> <td>106</td> <td>2330</td> <td>2</td> <td>no. 903/1995</td> </tr> <tr> <td>Kundang/H. Musa</td> <td>106</td> <td>2331</td> <td>2</td> <td>no 908/1995</td> </tr> <tr> <td>Purwanto</td> <td>106</td> <td>2332</td> <td>2</td> <td>no. 907 / 1995</td> </tr> <tr> <td>Wardi / wardi</td> <td>171</td> <td>2646</td> <td>2</td> <td>no. 1404 / 1996</td> </tr> <tr> <td>Khotib / Khotib</td> <td>171</td> <td>2647</td> <td>2</td> <td>no. 1410 / 1996</td> </tr> <tr> <td>Budiyono</td> <td>171</td> <td>2645</td> <td>2</td> <td>no. 1405 / 1996</td> </tr> <tr> <td>Kota Raja / Kota Raja</td> <td>168</td> <td>1841</td> <td>2</td> <td>no. 1353 / 1996</td> </tr> <tr> <td>Dedi Rahman / Ngateni</td> <td>168</td> <td>1861</td> <td>2</td> <td>no. 1344 / 1996</td> </tr> <tr> <td>Langgeng Widodo / Mardi</td> <td>168</td> <td>1790</td> <td>2</td> <td>no. 1356 / 1996</td> </tr> <tr> <td colspan="5">KUD Bhakti Mandiri</td> </tr> <tr> <td>Uyub</td> <td>51</td> <td>1301</td> <td>2</td> <td>no. 501 / 1994</td> </tr> <tr> <td>Yohanes Tulus / Misnatun</td> <td>51</td> <td>1302</td> <td>2</td> <td>no. 518 / 1994</td> </tr> <tr> <td>Ponimin / Moh. Sardjan</td> <td>51</td> <td>1379</td> <td>2</td> <td>no. 906 / 1994</td> </tr> <tr> <td>Safari / Kelik</td> <td>51</td> <td>1380</td> <td>2</td> <td>no. 522 / 1994</td> </tr> <tr> <td>Suwandi / Sodikin</td> <td>32</td> <td>741</td> <td>2</td> <td>no. 419 / 1993</td> </tr> <tr> <td>Sanar Mistar</td> <td>32</td> <td>744</td> <td>2</td> <td>no. 417 / 1993</td> </tr> <tr> <td>Gino</td> <td>32</td> <td>742</td> <td>2</td> <td>no. 434 / 1993</td> </tr> <tr> <td>Baharudin / Turman Sitorus</td> <td>32</td> <td>775</td> <td>2</td> <td>no. 412 / 1993</td> </tr> <tr> <td>Sutikar</td> <td>32</td> <td>729</td> <td>2</td> <td>no. 420 / 1993</td> </tr> <tr> <td>Dewi Setyo Adi</td> <td>161</td> <td>1274</td> <td>2</td> <td>no. 1214 / 1996</td> </tr> </tbody> </table>	Farmers Name	Group Farmers (KT)	Kavling	Areas (Ha)	Certificate	KUD Sejahtera					Ahmad Toha	106	2330	2	no. 903/1995	Kundang/H. Musa	106	2331	2	no 908/1995	Purwanto	106	2332	2	no. 907 / 1995	Wardi / wardi	171	2646	2	no. 1404 / 1996	Khotib / Khotib	171	2647	2	no. 1410 / 1996	Budiyono	171	2645	2	no. 1405 / 1996	Kota Raja / Kota Raja	168	1841	2	no. 1353 / 1996	Dedi Rahman / Ngateni	168	1861	2	no. 1344 / 1996	Langgeng Widodo / Mardi	168	1790	2	no. 1356 / 1996	KUD Bhakti Mandiri					Uyub	51	1301	2	no. 501 / 1994	Yohanes Tulus / Misnatun	51	1302	2	no. 518 / 1994	Ponimin / Moh. Sardjan	51	1379	2	no. 906 / 1994	Safari / Kelik	51	1380	2	no. 522 / 1994	Suwandi / Sodikin	32	741	2	no. 419 / 1993	Sanar Mistar	32	744	2	no. 417 / 1993	Gino	32	742	2	no. 434 / 1993	Baharudin / Turman Sitorus	32	775	2	no. 412 / 1993	Sutikar	32	729	2	no. 420 / 1993	Dewi Setyo Adi	161	1274	2	no. 1214 / 1996	
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		Totok Widarto / Mudianto	161	1272	2	no. 1206 / 1996	
		Arifin Haposan T. /Sulaeman	161	1273	2	no. 1215 / 1996	
		Nurjanah / Ratini	161	1313	2	no. 239 / 1998	
		KUD Jaya Makmur					
		Ngalwan	42	944	2	no. 585 / 1993	
		Sarman	42	975	2	no. 009 / 1993	
		Mishat / joko Jumput	42	976	2	no. 593 / 1993	
		Sari	42	945	2	no. 586 / 1992	
		Darsi	99	1679	2	no. 745 / 1995	
		Poniman Surip / Isharsyah	99	1678	2	no. 235 / 1995	
		Slamet	99	1719	2	no. 749 / 1995	
		Abdul Manaf / Tumin	99	1720	2	no. 747 / 1995	
		Barhidin / Sopia	166	1890	2	no. 1301 / 1996	
		Mitrowiyono S. /Ngadiyo	166	1923	2	no. 1300 / 1996	
		Syakya / Sopia	166	1890	2	no. 1301 / 1996	
		Pondiman / Wiranto	166	1948	2	no. 1305 / 1996	
2.2.2	Legal boundaries are demonstrated clearly and maintained. - Minor compliance -	<p>Buatan Estate and mill:</p> <p>The company carried out monitoring of legal boundaries every six months, maps of boundaries identified the position of legal boundaries is available refer to the HGU's maps. Boundary monitoring is recorded in "Laporan Pemeriksaan dan Perawatan Patok Batas", the last monitoring was conducted on 23 – 24 May 2018. There are 19 legal boundaries along the PT. Inti Indosawit Subur - Buatan.</p> <p>During field visit, it was seen that boundary stones is maintained and visibly demarcated along the company's border, sample taken:</p> <ul style="list-style-type: none"> - Pegs no. BPN 18 in blok B90a afdeling II Buatan Estate, coordinat number: 00 27'35.6" N; 101 49'16.7" E - Pegs no. BPN 15 in blok A90c afdeling I Buatan Estate, coordinat number: 00 25'47.8" N; 101 51'13.4" E - Pegs no. BPN 10 in blok D91f afdeling VI Buatan Estate, coordinat number: 					Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>00 29'18.4" N; 101 53'02.8" E</p> <ul style="list-style-type: none"> - Pegs no. BPN 19 in blok F88a afdeling VI Buatan Estate, coordinat number: 00 30'35.8" N; 101 51'02.0" E <p>Scheme Smallholders:</p> <p>From all sampled smallholder in KUD Bhakti Mandiri, KUD Sejahtera and KUD Jaya Makmur the legal boundaries are clearly demarcated and maintained. Smallholder member understand their boundary between smallholder plantation blocks. Based on field visit, it was found that legal boundaries are available in place, the existing boundaries is concrete and re-install boundary pegs is made from wood. Boundaries between each plot were in form of staking frond along the border.</p> <p>Stake/Pegs maintenance is carried out in the period January - April 2018, such as:</p> <ul style="list-style-type: none"> - KUD Bhakti Mandiri; at KT 32, 51 dan 161 - KUD Jaya Makmur; at KT 42 and 49 - KUD Sejahtera; at KT 106, 171 and 168 <p>Based on field observation to the farmer's kavling, sample taken for several pegs, such as: Farmers Group/Kelompok Tani KT 42 in SP4/KUD Jaya Makmur covering areas 50 Ha:</p> <ul style="list-style-type: none"> - Kav. 978; 00°28.652' N; 101°48.224' E. - Kav. 973; 00°28.673' N; 101°48.515' E - Kav. 946; 00°28.834' N; 101°48.758' E. <p>There was no land conflict or land dispute noted between smallholder members with other parties.</p>	
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</p> <p>Buatan Estate and Scheme smallholders:</p> <p>Based on documents review and interview with local government and local communities surrounding the company, it was noted that no customary land or legal</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
	<p>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>rights within the company and scheme smallholders areas.</p> <p>All company plantation and scheme smallholder area have been issued with valid land title in the form of "Hak Guna Usaha/HGU" for company and "Sertifikat Hak Milik" for smallholder.</p> <p>Based on interview with No.944, 2330, 2331, 2646, 1861, 1274, 744, 1301 and 1679 the boundary markers between smallholder block, as well as boundary markers with neighboring farmer group has been established. There was no land dispute noted.</p>	
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>Buatan Estate and Scheme smallholders:</p> <p>Based on interview with surrounding village societies, local communities, field visit and verification of company documentation; there is no land dispute between company PT Inti Indosawit Subur or Buatan Smallholder and surrounding community.</p> <p>Based on interview with smallholder at KUD Sejahtera, KUD Jaya Makmur and KUD Bhakti Mandiri (smallholder No.944, 2330, 2331, 2646, 1861, 1274, 744, 1301 and 1679), the boundary markers between smallholder block as well as boundary markers with neighboring farmer group has been established. The smallholder block was planted since 1991, whereby the land was allocated by government. There was no land conflict noted.</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 communities and local government where applicable), shall be available.</p> <p>- Minor compliance –</p>	<p>Buatan Estate and Scheme smallholders:</p> <p>Based on interview with surrounding village societies, local communities, field visit and verification of company documentation; there is no land dispute between company PT Inti Indosawit Subur or Buatan Smallholder and surrounding community.</p>	Comply
2.2.6	<p>To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated</p>	<p>Buatan Estate and Scheme smallholders:</p> <p>Based on interview with surrounding village societies, local communities, field visit</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
	<p>violence in maintaining peace and order in their current and/or planned operations.</p> <p>- Major compliance –</p>	<p>and verification of company documentation; there is no land dispute between company PT Inti Indosawit Subur or Buatan Smallholder and surrounding community.</p>	
<p>Criterion 2.3</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>Estate and Scheme Smallholders:</p> <p>The Company and scheme smallholders has “Hak Guna Usaha (HGU)/”Sertifikat Hak Milik (SHM)” Land title for smallholders. There is no customary land or legal rights within the company and scheme smallholdres area as the land originally was allocated as part of transmigration program. Based on documents review and interview with local government and local communities in surrounding of the company, it was noted there was no area/land that is under dispute.</p> <p>Based on interview with smallholder at KUD Sejahtera, KUD Jaya Makmur and KUD Bhakti Mandiri (smallholder No.944, 2330, 2331, 2646, 1861, 1274, 744, 1301 and 1679), the boundary markers between smallholder block, as well as boundary markers with neighbouring farmer group has been established. The smallholder block was planted since 1991, whereby the land was allocated by government. There was no land conflict with customary landowner noted.</p>	Comply
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"> a) Evidence of consultation b) Statement of transfer of rights c) Evidence of compensation 	<p>Buatan Estate and Scheme Smallholder:</p> <p>Based on documents review and interview with local government and local communities surrounding the company, it was noted that no customary land or other legal rights within the company areas and in smallholder plantation.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
	See specific guidance 2.3.2 - Minor compliance -		
2.3.3	Relevant information shall be available in appropriate forms and languages, including analysis of impacts, proposed benefit sharing, and legal arrangements. - Minor compliance -	Buatan Estate and Scheme Smallholder: Based on documents review and interview with local government and local communities surrounding the company, it was noted that no customary land or other legal rights within the company areas and in smallholder plantation.	Comply
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. - Major compliance -	Buatan Estate and Scheme Smallholder: Based on stakeholder consultation with communities surrounding the plantation, there has never been social unrest related to presence of occupied land. Good communication between company, smallholder and community, related to FFB harvesting schedule, as explained in RSPO P&C indicator 2.3.2.	Comply
Principle 3: Commitment to long-term economic and financial viability			
Criterion 3.1			
There is an implemented management plan that aims to achieve long-term economic and financial viability.			
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 is commit to the economic and financial sustainability and has a documented working plan in the Financial Budget Plan. The company has set up a business management plan for the next 5 years and the forecast have been well documented in the document management plan of PT Inti Indosawit Subur – Buatan I Palm Oil Mill and Estate 2018 – 2022. Management plan was set up including independent FFB suppliers. The management plan include: <ol style="list-style-type: none">1. FFB Production actual 2017 and projection 2019 – 20222. CPO, PK, PKO, PKM production actual 2017 and projection 2018 – 20223. CPO, PK, PKO, PKM Revenue actual 2017 and projection 2018 – 20224. Estate Cost Estimation: Upkeep cost, manuring cost, pest and disease	Comply

Criterion / Indicator	Assessment Findings	Compliance				
	<p>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. Nett Profit/Loss</p> <p>The existing figures and projection values are reviewed and evaluated annually by the management to adjust the projection with actual performance. In general, the company still have good expectation on the business sustainability, despite recent drought problem.</p> <p>Scheme Smallholders:</p> <p>Plasma Buatan has also establish Business plan for 2017 – 2020 presented in “Biaya Produktifitas 3 tahun”. Consist of:</p> <ul style="list-style-type: none"> - Year planted, Number KT/Hamparan (Block), hectarage - FFB Production projection - FFB Price estimation - Total Cost including: Harvesting, Transportation, Pruning, TUS (Chemical weeding), Fertilizer, Road maintenance - Nett income <p>A business plan for the year 2018 is available which incorporating the planned activity such as filed operation, management resources & communication, smallholder technical support programme established and etc.</p>					
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>Buatan Estate:</p> <p>PT Inti Indosawit Subur – Buatan I POM has demonstrated the document of an annual replanting program under “Program dan Realisasi Replanting KBN tahun 2014-2022”, last review on 15th January 2018.</p> <table border="1" data-bbox="869 1342 1861 1390"> <thead> <tr> <th data-bbox="869 1342 1048 1390">Replanting</th> <th data-bbox="1048 1342 1861 1390">Year Planted</th> </tr> </thead> <tbody> <tr> <td colspan="2" style="height: 20px;"></td> </tr> </tbody> </table>	Replanting	Year Planted		
Replanting	Year Planted					

Criterion / Indicator		Assessment Findings					Compliance	
		plan	1988	1989	1990	1991	Total	
		2014	-	-	20 ha	12 ha	32 ha	
		2015	-	-	428 ha	-	50 ha	
		2016	-	15 ha	55 ha	-	70 ha	
		2018	126 ha	108 ha	501 ha	-	735 ha	
		2021	57 ha	253 ha	428 ha	145 ha	883 ha	
		2022	-	-	121 ha	413 ha	534 ha	
		<p>Replanting activity in 2014 - 2018 has been implemented by PT IIS Buatan Estate Afdeling I and II. Replanting realization presented in "Program dan Realisasi Bulanan Replanting". In year 2018, replanting activity has been done with area land clearance and planting 810 ha. Total replanting area since 2014 to July 2018 was 999 ha.</p> <p>Replanting has been done mechanically, consist of: falling tree, chipping by excavator, terracing by excavator, digging, road construction, ditch/waterways construction, planting, etc.</p> <p>Company has established "Ketentuan Replanting areal Mineral" tahun 2016. In the mechanism explained that replanting must be conducted mechanically without burning.</p> <p>In addition, there is regulation for burning the land subjected to sanction 15 years in jail and penalty of 100 billion.</p> <p>Scheme Smallholder:</p> <p>The replanting plan was available under "Schedule Pelaksanaan Replanting Kebun Plasma Buatan". For instance KUD Bhakti Mandiri: 2017 for 872 Ha (planting year 1989 and 1990); 2019 for 108 Ha (planting year 1991 and 1992); changed into 562</p>						

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Ha in 2017 for planting year 1989 and 1990 and 418 Ha for 2019 (planting year 1991 and 1992). KUD Bhakti Mandiri demonstrated "Deklarasi Replanting" dated 17th May 2016 by 9 smallholder groups which will start replanting in 2017.</p> <p>In KUD Sejahtera, the replanting will commenced in year 2018 for 434 Ha (oil palm with planting year 1990 and 1991); 2020 for 444 Ha (planting year 1991 and 1992). The replanting plan changed into: 424 Ha in year 2018 and 454 Ha for year 2020.</p> <p>The company has conducted replanting program socialization to the KUDs, e.g. in KUD Sejahtera was conducted on 23rd April 2016, attended 22 members and on 28th May 2016, attended 113 members (attendance list and minutes meeting was available). Perusahaan sudah melakukan pembinaan kpd petani terkait persiapan replanting antara lain:</p> <p>During audit, replanting activity has not been performed because most of smallholder waiting for process of propose the fund assistance from BPDB (Badan pengelola dana perkebunan kelapa sawit) that can be obtained by each member by Rp. 25 Million/ha. Replanting cost was Rp. 62,762,000/ha according to "Keputusan Dirjenbun Nomor 345/Kpts/RC.260/11/2015 tanggal 27 November 2015". Replanting cost included: land clearing, planting and upkeep for 3 years.</p> <p>PT Inti Indosawit Subur has give some coaching and training regarding preparation to replanting such as: Workshop agribisnis on 5 – 7 Maret 2015 by keynote speaker Prof. Gembong Danudiningrat with team CV Pendawa Kencana Multifarm. Opportunity of agribusiness which can be developed by smallholder such as: livestock, fisheries, chicken farming, fruit cultivation.</p>	
Principle 4: Use of appropriate best practices by growers and millers			
Criterion 4.1			
Operating procedures are appropriately documented, consistently implemented and monitored.			
4.1.1	Standard Operating Procedures (SOPs) for estates (land clearing to harvesting) and SOP for mills	<p>Buatan Estate and Mill:</p> <p>The company has procedures for estate beginning from land preparation up to</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
<p>(reception of FFB to dispatch of CPO and PKO) shall be available. - Major compliance -</p>	<p>replanting, such as:</p> <ol style="list-style-type: none"> 1. SOP AA-APM-OP-1100.01-R4 dated 5/09/2016 Pembibitan; 2. SOP AA-APM-OP-1100.02-R3 10/06/2015 Penanaman Areal Baru; 3. SOP AA-APM-OP-1100.03-R2 24/07/2015 Pembuatan dan Perawatan Jalan dan Jembatan explains road and bridge construction and maintenance; 4. SOP AA-APM-OP-1100.04-R3 07/12/2015 Pembuatan dan Pemeliharaan Parit berisi tentang tuntutan teknis pekerjaan pembuatan dan pemeliharaan parit secara sistematis explains culvert/drainage construction and maintenance; 5. SOP AA-APM-OP-1100.05-R3 23/11/2016 Konservasi Tanah dan Air explains Soil & Water Conservation; 6. SOP AA-APM-OP-1100.06-R6 16/02/2017 Menanam kacanggan related to Planting cover crops; 7. SOP AA-APM-OP-1100.07-R6 16/02/2017, Menanam Kelapa Sawit related to Planting; 8. SOP AA-APM-OP-1100.08-R6 11/05/2016 Pengendalian Gulma or Weed control; 9. SOP AA-APM-OP-1100.09. R5 5/09/2016 Pemupukan related to Fertilizer application; 10. SOP AA-APM-OP-1100.10. R6 23/11/2016 Pengendalian Hama dan Penyakit explains Pests & Disease Control; 11. SOP AA-APM-OP-1100.11. R1 01/02/2009 Pestisida dan Pengendaliannya for pesticide handling; 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); 13. SOP AA-APM-OP-1100.13. R3 04/03/2016 Tunas Pokok for pruning; 14. SOP AA-APM-OP-1100.14. R3 16/02/2017 Sensus dan Identifikasi Pokok 	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>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> <p>20. SOP AA-APM-OP-1100.20-R6 16/02/2017 Replanting;</p> <p>Buatan I POM has established a procedure to process the FFB to become CPO and PK begins from reception of FFB to dispatch of CPO and PKO:</p> <ol style="list-style-type: none"> 1. SOP AA-MPM-OP-1400.02.R2 Stasiun Penerimaan for FFB receiving station; 2. SOP AA-MPM-OP-1400.03.R1 Stasiun Rebusan for sterilizer; 3. SOP AA-MPM-OP-1400.04.R1 Stasiun Pemisahan Berondolan for loose fruit separation; 4. SOP AA-MPM-OP-1400.05-R1 Stasiun pengadukan dan pengempaan for pressing station; 5. SOP AA-MPM-OP-1400.06-R1 Stasiun pemurnian for clarification; 6. SOP AA-MPM-OP-1400.07-R1 Stasiun pemisahan nut dan fiber for nut and fiber separation; 7. SOP AA-MPM-OP-1400.08-R1 Stasiun kernel for kernel station; 8. SOP AA-MPM-OP-1400.09-R1 Stasiun boiler; 9. SOP AA-MPM-OP-1400.10-R1 Stasiun engine room; 10. SOP AA-MPM-OP-1400.11-R1 Stasiun water treatment; 	

Criterion / Indicator	Assessment Findings	Compliance
	<p>11. SOP AA-MPM-OP-1400.12-R1 Laboratorium;</p> <p>12. SOP AA-MPM-OP-1400.13-R1 Stasiun pengelolaan limbah for palm oil mill effluent treatment;</p> <p>13. SOP AA-MPM-OP-1400.14-R2 Stasiun penimbunan dan pengiriman CPO dan kernel for CPO and PK bulking and despatch operation;</p> <p>14. SOP AA-MPM-OP-1400.15-R1 Perawatan for preventive maintenance;</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> <p>Scheme Smallholder:</p> <p>Plasma Buatan Group Guidance was established to monitor the best management practise. SOP was follow the procedure of PT Inti Indosawit Subur. The procedure were sighted, for example:</p> <ul style="list-style-type: none"> a. Nursery procedure SOP AA-Plasma-PP-KS-01; b. Pest and Disease Control procedure SOP AA-Plasma-PP-KS-02 c. Fertilizing procedure SOP AA-Plasma-PP-KS-03 d. Harvesting procedure SOP AA-Plasma-PP-KS-4 e. Internal Communication Group Certification SOP No. 007/DOK/SOP/AA2016 f. Assessment and Inspection Member Group Plantation SOP No. 013/DOK/SOP/AA/2016 g. FFB sale Mechanism SOP No. 020/DOK/SOP/AA/2016 <p>Group manager has determined training programme for best management practise such as: Training Pemupukan berimbang dated 10 June 2017, Panen Training on 24 May 2017 KUD Bhakti Mandiri, Training Pengendalian Gulma 11 April 2017 di KUD Jaya Makmur.</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>To ensure the SOP implementation, group has determined the mechanism which described in SOP No. 028/DOK/SOP/PT.IIS-ICSKLB/2017 Internal Inspection.</p> <p>All member group was follow the SOP which established by Group and there was no members who have pre-existing non-group SOPs.</p>	
4.1.2	<p>Checking or monitoring of operations procedures is conducted at least once a year.</p> <p>- Minor compliance -</p>	<p>Buatan Estate and Mill:</p> <p>For checking and monitoring of operations procedures, PT Inti Indosawit Subur has conducted internal audit and visit both in estate and mill:</p> <ul style="list-style-type: none"> - PT Inti Indosawit Subur follows procedure for internal audit under Standard Operating Procedures AA-SOP-ES-6001-R3 10/06/2015. The procedure stated internal audit performed with 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 internal audit has been performed once a year as per procedure. The latest Sustainability internal audit was done on 21 – 22 May 2018. Audit result findings can be demonstrated and and the corrective action has been implemented to addressed issue found during audit. - R&D Agronomic Visit Report, conducted once a year to check and monitoring the implementation of Agronomy best management practices, plantation condition, upkeep mature and immature, fertilizer and agronomic procedure implementation. Last visit performed on 23 – 24 May 2018 by Zulkasta Sinuraya. Visit findings can be demonstrated and and the corrective action has been implemented to addressed issue found during audit. - Visiting Agent conducted once a year to check and monitoring the implementation of general Agronomy best management practices Estate condition as per procedure, Labor, production and quality, production cost, upkeep of mature and imature palms, harvesting, Nursery, Land clearing, continual improvement, etc. Last visit performed 19 – 23 March 2018 by Ngu Heng Shiew. All finding from VA has been followed up by organization by 	Comply

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	<p>corrective action plan, target and time frame to address the issue has been determined and implemented well.</p> <ul style="list-style-type: none"> - Visiting Engineering (VE) performed once a year to check and monitoring the implementation of mill operation procedure. Last visit performed on 20 – 23 March 2018 by TCJ Thomas. All issue found during visit has been addressed and solved by Buatan I POM. For example: The Damper control mechanism is observed to malfunction frequently resulting in emission of black smoke; excessive emission from the boiler chimney can lead to punitive acion by authorities for breaching atmospheric emission standard. Buatan I POM has taken action by repairing dumper boiler/remove the broken blade dumper with the new one and create the greasing system within bushing, closing the kisi-kisi in mist eliminator in wet scrubber. During audit can be demonstrated that boiler has function properly. - Process and Quality Control covering FFB, sterilizer, USB, temperature and process, raw water treatment and air boiler, waste pond, labratorium, CPO and PK quality. Latest visit on 25 – 28 June 2018 by Abet Siregar. - Head Oil Plam R&D Visit, vovering process and quality control (FFB received,, sterilization, unstriped bunch, processing temperatue, raw water treatment, effluent pond, laboratory, mass balance, cross check). Performed once a year, lates visit conducted on 9 November 2017 by Tri Lasmono. <p>Based on verification of document internal audit and visit above as well as the company correction and corrective action to the audit result indicated that the organization has well implemented of checking and monitoring of operations procedures.</p> <p>Scheme Smallholder: Regular field inspection to monitor the SOP implementation has been carried out by ICS, for example :</p>	

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	<ul style="list-style-type: none"> - Head Smallholder visit, conducted each semester to monitor the implementation of best management practice procedure including agronomic practice and kavling condition. Latest visit conducted on 26 June 2018. Several issue raised during visit, plasma management has taken action to addressed the issue and recorded in "Follow Up Kunjungan Head Smallholder". - Kavling/Block monitoring and inspection, conducted each month by Plasma management (field assistant) to ensure the block (kavling) condition comply to agronomic standard. Latest visit conducted on July 2018. Some issue was raised during inspection on June 2018 such as: weeds condition (<i>Clidemia hirta</i>) in Kavling 1300, 1332 and 1348 was not standard and overgrown. Plasma organization has taken action to addressed the issue by performing the special treatment for weeds control by apply triclopir chemical for particular weeds. - "Monitoring teguran lisan", shown that if there is a violation against procedure performed by smallholder member then plasma management will give the verbal warning and sanction to the smallholder member. During 2018 there was 3 warning letter issued to smallholder who violated against procedure. - "Monitoring Sortasi dan Timbang TPH" FFB quality inspection in member plantation on harvesting process. Performed on each harvesting activity by Field Foreman Plasma Buatan and Kerani Buah Plasma Buatan to ensure the FFB quality met with the standard and rejected the unstandard FFB quality. - "Pemeriksaan Mutu TBS Plasma" contain information FFB quality inspection and field inspection. Performed by Field foreman and Kerani in TPH area. - Fertilizer monitoring performed by ICS Plasma Buatan to ensure the fertilizer application was met with the fertilizer recommendation. To ensure the proper dosage and application, Plasma Buatan provide dose equipment and monitor by field supervisor. - Pest and disease monitoring and census and control as per procedure. Performed each month by Field Foreman and ICS team. 	

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - The internal audit was conducted to check the implementation, which the latest was conducted by ICS Plasma Buatan I in internal Audit was conducted by the ICS management on 5 – 6 May 2018. The findings were brief during meeting/on-site review. The internal audit report was verified by the assessor. Audit record in “Formulir Pemeriksaan Internal Petani Plasma”. <p>Internal audit programme for all member has been determined by ICS in “Program internal audit petani ICS KLT Tahun 2017 s.d 2022”.</p>	
4.1.3	<p>Records of monitoring and any follow-up actions shall be available.</p> <ul style="list-style-type: none"> - Minor compliance - 	<p>Buatan Estate and Mill:</p> <p>Records of monitoring and any follow up actions can be demonstrated during audit, such as:</p> <ul style="list-style-type: none"> - Sustainability internal audit report, which done in 21 – 22 May 2018. Audit result findings can be demonstrated and and the corrective action has been implemented to address issue found during audit. - Visiting Agent report No: KBN/VA/FULL01-18. Follow up regarding issues and finding during visiting agent presented in “Action plan kunjungan VA Kebun Buatan”. All issue and finding has been addressed by PT Inti Indosawit Subur. Progress and evidence of implementation can be demonstrated. For example found palm oil plant attacked by Oryctes in boundary of mature and immature plant, company has taken action by placing the Feromone trap in boundary of mature and immature plantation. - R&D Agronomic Visit Report No. KBN/R&D-AGRO/01-18. Follow up regarding issues and finding during visiting agent presented in “Progress action plan kunjungan VA/R&D”. All issue and finding has been addressed PT Inti Indosawit Subur. - R&D Pest and Disease Visit Report No. KBN/R&D-P&D/02-2018. Follow up regarding issues and finding during visiting agent presented in “Progress action plan kunjungan H&P Kebun Buatan”. All issue and finding has been addressed PT Inti Indosawit Subur, for example: found seeds infected by corticium fungi, 	Comply

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Criterion / Indicator	Assessment Findings	Compliance
	<p>company has taken action by monitoring the corticium attack and control by fungicide Dithane M45 80 WP with concentrate 2 g/l each 14 day.</p> <ul style="list-style-type: none"> - R&D process and QC visit report No. 03/RD/PBS/NOV/2017. Recommendation of R&D visit has been follow up by Buatan I POM. - Visiting Engineering report No. PBS-VE-FULL 01-18. Follow up regarding issues and finding during visiting engineering presented in "Action Plan VE PMKS Buatan" 2018. All issue and finding has been addressed by PT Inti Indosawit Subur. Progress and evidence of implementation can be demonstrated. For example : The Damper control mechanism is observed to malfunction frequently resulting in emission of black smoke; excessive emission from the boiler chimney can lead to punitive action by authorities for breaching atmospheric emission standard. Buatan I POM has taken action by repairing dumper boiler/remove the broken blade dumper with the new one and create the greasing system within bushing, closing the kisi-kisi in mist eliminator in wet scrubber. During audit can be demonstrated that boiler has function properly. - Production Performance report, explained the FFB production performance and evaluation as well as determined production target for next year. Evaluation FFB production each block to date July 2018 can be demonstrated. - Mandor logbook, contain information of daily work monitoring covering: harvesting, spraying, fertilizing, pest and disease cencus, road and infrastructure maintenance, and others. During audit verified sample of Batu Anam Estate Mandor logbook on behalf kamal manurung (mandor HPT division IV), Brainer (mandor tunas division IV), Panco M (mandor semprot division IV), Guntar S (Mandor panen division IV), Sugiono (mandor tunas division III), Bambang Irawan (Mandor semprot division III). While in Aek Trum Estate on behalf Sugiantoro (mandor HPT division III), Andika (mandor semprot division III), Paino (mandor semprot division II), Rinaldo Silaen (Mandor semprot division II), Jujur Pakpahan (Mandor jankos division II). - Asian Agri Connected Plantation Application Record, contain the information 	

Criterion / Indicator	Assessment Findings	Compliance
	<p>result of check and monitoring of harvesting and FFB quality, FFB harvest estimation, block and quality inspection, FFB harvesting quantity, pest and disease census.</p> <ul style="list-style-type: none"> - Form "Pemeriksaan Mutu Buah" contain information of FFB quality inspection conducted by Mandor Panen. FFB quality checked in TPH by mandor including: normal FFB, under ripe FFB, over ripe FFB, long stalk, brondolan, empty fruit bunch. FFB categorized as outspec subjected to penalty for harvester. - Form "Pemeriksaan ancak" contain information result of harvesting inspection activity to check quality of harvesting as per procedure. For example inspector Slamet Afdeling I dated 24 July 2017 total 65 palm oil plant checked found 122 brondol. Each brondol subjected to penalty IDR 50/brondol. - "Buku Penerimaan TBS" contain information of FFB quality inspection conducted by kerani buah. <p>Scheme Smallholder: Record monitoring and any follow up actions can be demonstrated during audit, for example :</p> <ul style="list-style-type: none"> - "Notulen Kunjungan Head Smallholder" dated 26 June 2018. Contain information of head smallholder visit. During visit on 26 June 2018 found some issue such as: unripe bunch was not isolated with normal bunch and deliver to Palm Oil Mill. Plasma organisation has taken action by separate the unripe bunch with normal bunch and give the penalty for unripe bunch deliver to Pal Oil Mill. Evidence of corrective action can be demonstrated. - "Monitoring Sortasi dan Timbang TPH" contain information of FFB quality inspection in member of plantation on harvesting process. Record for each month inspection were available, for instance on 28 July 2018 for KUD Bhakti Mandiri, KUD Jaya Makmur. On First rotation on Kav. 1642 Nasib Wiyono found under ripe 4 FFB so that its not calculate as tonnage of production, 46 FFB was met with 	

Criterion / Indicator	Assessment Findings	Compliance
	<p>quality standard.</p> <ul style="list-style-type: none"> - "Pemeriksaan Mutu Buah" contain information FFB quality inspection and field inspection. Record verified dated 03 July 2018 for KUD Bhakti Mandiri and KUD Jaya Makmur. - "Rekomendasi Pemupukan tahun 2018" contain information of fertilizer recommendation and application. To ensure the proper dosage and application, Plasma Buatan I provide dose equipment and monitor by field supervisor. - "Berita Acara Serah Terima Pupuk Paket Petani plasma" contain information of fertilizer calculation and volume applied to field accompanied by KUD and inspector. For instance record dated 21 February 2018 for fertilizer KUD Sejahtera, KUD Bhakti Mandiri and KUD Jaya Makmur. - "Monitoring pemupukan petani plasma", contain a volume applied for each kind of fertilizer in each member. For example in KUD Jaya Makmur, ZA applied 1,150 kg on Februari and August 2018 for each Kavling, MOP applied 850 kg on Februari and August 2018 for each member and Rock Phospate applied 250 kg on June 2018 for each kavling. - "Formulir Sensus Hama Daun" contain information of pest and disease census and control as per procedure. For instance on 18 June 2018 in KUD Sejahtera, there is no caterpillar attack which more than threshold (< 5%). 	
<p>4.1.4</p>	<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>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>and not employing children in the process”.</p> <p>PT. Inti Indosawit Subur – Buatan I POM has a list of non-certified suppliers, under “Daftar Supplier Pemasok TBS Luar PMKS Buatan Satu”, dated 2nd August 2017. The list comprise of 8 suppliers. Buatan I POM keeps record of FFB received from third party supplier, period January – July 2018 total received 62,461.705 MT consist of:</p> <ul style="list-style-type: none"> - PT. Rimbun Sawit Sejahtera supplied 4,179.560 MT FFB; - CV. Putra Kembar Sentosa/PBS-A supplied 27,713.854 MT FFB; - PK-SP5 Ilham (ILM) supplied 1,429.182 MT FFB; - PK Sugeng Kiswinarno (SKW) supplied 2,424.652 MT; - Misnatun (MTN) supplied 1,047.651 MT FFB; - PK-Sunardi (SND) supplied 424.931 MT FFB; - Sudiyono (SYN) supplied 1,151.583 MT FFB; - Inta-Asosiasi Petani Sawit Swadaya Karya Bjhakti Mandiri supplied 24,090.292 MT FFB; <p>PT. Inti Indosawit Subur – Buatan I POM shows SOP to communicate and evaluate the source of third party FFB (non-certified). SOP Pengawasan Sumber Pembelian TBS Luar AA-MM-506.2-RO, dated 1st January 2014. The procedure for monitoring and evaluation of source of FFB. Purpose to ensure third party FFB sourced from non-forest area, completed with legal use of the land. The procedure: check supporting document from supplier (delivery order, Surat pernyataan, plantation block maps); compare the plantation location map/coordinate against the legal documents; team will compare the plantation location map against the RTRWP; conduct field verification to the source of FFB (oil palm plantation belong to farmer), randomly selected; team prepares database, listing the complying suppliers. Supply of FFB from area which legally contested or coming from protected forest, plantation forest, conservation area – will be rejected.</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>SOP Traceability – FFB Purchase AA-SOP-MM-506.3-R0, dated 1st January 2015. The procedure stated all supplier shall fulfill legal requirement, not limited to: legal ownership/legal use of the land, hectarage, planting year, production, type of soil, type of seedling, distance from palm oil mill, etc. All supplier shall completed with coordinate points, listed in weighbridge system. While grading and sortation follows SOP for FFB receiving.</p> <p>Verification process up to audit: Inta – Asosiasi Petani Sawit Swadaya Karya Bhakti Mandiri, Desa Kerinci Kanan, RT 002/RW 001, Kec. Kerinci Kanan, verified on 15th July 2017, covering area plantation 2,000 Ha. The verification database completed with name of land owner, planting year, hectare per plantation block and GPS coordinates.</p> <p>Sample taken: Inta – Asosiasi Petani Sawit Swadaya Karya Bhakti Mandiri. Letter “Permohonan Penerimaan TBS” dated 15th December 2014, under name Inta, FFB from Plantation area of 2,000 Ha in Desa Kerinci Kanan - Pelalawan, planting year 2003/2004 – located 12 km from Buatan I POM. “Pernyataan dan Jaminan”, stated the guarantee from the supplier that the FFB is coming from their own property, the plantation does not falls under protected forest, plantation forest, production forest, conservation area status; not a stolen FFB; FFB not coming from new plantation and converted from forest after September 2014; FFB not coming from new plantation, or plantation converted from peat area after September 2014 – signed on 15th December 2014. Pricing is determined by meknisme market FFB and set every day and recorded in the pricing document “Mekanisme Penetapan harga TBS Buatan I Mill”.</p>	
Criterion 4.2			
Practices maintain soil fertility at, or where possible improve soil fertility to a level that ensures optimal and sustained yield.			
4.2.1	A record of SOP implementation to maintain soil fertility that ensures optimal and sustained yield, shall be available.	<p>Buatan Estate:</p> <p>SOP to maintain soil fertility consist of:</p> <ul style="list-style-type: none"> - SOP AA-APM-OP-1100.05-R3 23/11/2016 Konservasi Tanah dan Air explains Soil & 	Comply

Criterion / Indicator	Assessment Findings	Compliance																																		
<p>- Major compliance -</p>	<p>Water Conservation;</p> <p>- SOP AA-APM-OP-1100.09. R5 5/09/2016 Pemupukan related to Fertilizer application;</p> <p>Record of SOP implementation to maintain soil fertility presented in: "Rekomendasi dan realisasi Pemupukan Kelapa Sawit" Kebun Buatan Estate 2017/2018 (Afdeling I, II). Fertilizer application is not applied in Afdeling III due to on progress for replanting in 2018, replanting begins from February 2018 and planed for planting on July – November 2018. Fertilizer application performed each year by company to fulfill palm oil nutrition needs. Fertilizer application was made according to leaf sampling analysis and soil sampling analysis. Recommendation and realization of fertilizer application (Afdeling I & II) since January – July 2018 as bellow:</p> <table border="1" data-bbox="871 831 1861 1181"> <thead> <tr> <th rowspan="2">Typ of Fertilizer</th> <th colspan="4">Volume Application (kg)</th> </tr> <tr> <th>Recommendation</th> <th>Realization</th> <th>%</th> <th>Dosage</th> </tr> </thead> <tbody> <tr> <td>ZA</td> <td>449,752</td> <td>412,173</td> <td>92</td> <td>4.03 – 4.34</td> </tr> <tr> <td>RP</td> <td>205,068</td> <td>188,179</td> <td>92</td> <td>1.00 – 1.16</td> </tr> <tr> <td>MOP</td> <td>240,914</td> <td>218,940</td> <td>91</td> <td>2.13 – 2.81</td> </tr> <tr> <td>Dolomit</td> <td>247,953</td> <td>217,986</td> <td>88</td> <td>1.09 – 1.46</td> </tr> <tr> <td>HGFB</td> <td>2,462</td> <td>2,462</td> <td>100</td> <td>0.029</td> </tr> </tbody> </table> <p>Scheme Smallholder: Plasma Buatan has develop procedure maintain soil fertility "Fertilizing procedure SOP AA-Plasma-PP-KS-03". Record of SOP implementation to maintain soil fertility presented in:</p>	Typ of Fertilizer	Volume Application (kg)				Recommendation	Realization	%	Dosage	ZA	449,752	412,173	92	4.03 – 4.34	RP	205,068	188,179	92	1.00 – 1.16	MOP	240,914	218,940	91	2.13 – 2.81	Dolomit	247,953	217,986	88	1.09 – 1.46	HGFB	2,462	2,462	100	0.029	
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		<ul style="list-style-type: none"> - "Rekomendasi Pemupukan tahun 2018" contain information of fertilizer recommendation and application. To ensure the proper dosage and application, Plasma Buatan provide dose equipment and monitor by field supervisor. - "Berita Acara Serah Terima Pupuk Paket Petani plasma" contain information of fertilizer calculation and volume applied to field accompanied by KUD and inspector. For instance record dated 12 February 2018, fertilizer ZA for KT 168 KUD Sejahtera, quantity 10,450 kg (209 sack). - "Monitoring pemupukan petani plasma", contain a volume applied for each kind of fertilizer in each member. For example in KUD Jaya Makmur ZA applied 640 kg on Februari 2017 for each member, MOP applied 448 kg on Februari 2017 for each member and Rock Phospate applied 384 kg on June 2017 for each member. 																					
4.2.2	Records of fertilizer inputs shall be available. - Minor compliance -	<p>Buatan Estate: The company has develop fertilizer recommendations each year and recorded in Recommendation Fertilization. Records of fertilizer inputs presented in "Rekomendasi Pemupukan Kelapa Sawit" Kebun Buatan 2018. Fertilizer recommendation for 2018 Buatan Estate Afdeling I & II:</p> <table border="1"> <thead> <tr> <th rowspan="2">Typ of Fertilizer</th> <th colspan="2">Volume Application (kg)</th> </tr> <tr> <th>Recommendation</th> <th>Dosage (Kg/Palm)</th> </tr> </thead> <tbody> <tr> <td>ZA</td> <td>449,752</td> <td>4.03 – 4.34</td> </tr> <tr> <td>RP</td> <td>205,068</td> <td>1.00 – 1.16</td> </tr> <tr> <td>MOP</td> <td>240,914</td> <td>2.13 – 2.81</td> </tr> <tr> <td>Dolomit</td> <td>247,953</td> <td>1.09 – 1.46</td> </tr> <tr> <td>HGFB</td> <td>2,462</td> <td>0.029</td> </tr> </tbody> </table> <p>Afdeling III is not apply for fertilizer due to replanting progress since February 2018</p>	Typ of Fertilizer	Volume Application (kg)		Recommendation	Dosage (Kg/Palm)	ZA	449,752	4.03 – 4.34	RP	205,068	1.00 – 1.16	MOP	240,914	2.13 – 2.81	Dolomit	247,953	1.09 – 1.46	HGFB	2,462	0.029	Comply
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Criterion / Indicator	Assessment Findings	Compliance
	<p>– November 2018.</p> <p>Fertilizer input prepare by R&D department based on leaf sampling analysis and soil sampling analysis.</p> <p>Fertilizer application in 2017 has been applied 100% as recommendation and application for 2018 is on progress.</p> <p>Scheme Smallholder:</p> <p>The records of soil fertility practices for each individual farmers was kept at Plasma Buatan office, presented in document “Rekomendasi Pemupukan tahun 2018”. It include the product name of fertilizers, total bags applied, total area applied, total trees applied.eg:</p> <ol style="list-style-type: none"> 1. In KUD Bhakti Mandiri: KT 161, on behalf Rab Sukiyanto kav. 1268 applied 550 kg of ZA on February 2018 with dosage 2.15 kg/palm tree, 450 kg MOP on February 2018 with dosage 1.76 kg/palm tree, Rock Phospate 250 kg on June 2018 with dosage 0.98 kg/palm tree. 2. In KUD Jaya Makmur: KT 166, on behalf Suryana kav. 1866 applied 550 kg of ZA on February 2018 with dosage 2.15 kg/palm tree, 450 kg MOP on February 2018 with dosage 1.76 kg/palm tree, Rock Phospate 250 kg on June 2018 with dosage 0.98 kg/palm tree. 3. In KUD Sejahtera: KT 168, on behalf Gimán kav. 1,770 applied 550 kg of ZA on February 2018 with dosage 2.15 kg/palm tree, 350 kg MOP on February 2018 with dosage 1.37 kg/palm tree, Rock Phospate 250 kg on June 2018 with dosage 0.98 kg/palm tree. <p>Evidence of fertilizer application also shown in the “Struk Pembayaran TBS Petani Plasma” and “Slip gaji Hasil TBS”. In those document shown the price and deduction of FFB payment for fertilizer in each smallholder member.</p>	
4.2.3	Records of periodical leaf, soil and visual analysis shall be available.	<p>Buatan Estate:</p> <p>Leaf sampling analysis conducted each year by Research and Development Centre</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>- Minor compliance -</p>	<p>PT Nusa Pusaka Kencana Analytical & QC Laboratory. Latest analysis conducted on 15 – 24 March 2018 in Division I - II. Leaf Sampling Analysis report 2018 was available in “Foliar Analysis Report”:</p> <ul style="list-style-type: none"> - Ref. No. 045/INT/R&D/APR/L/18 dated issue 18/04/18, with sample number 31, Division I - Ref. No. 066/INT/R&D/MEI/L/18 dated issue 04/05/18, with sample number 42, Division II <p>Soil sampling analysis was conducted once in five years by Reasearch and Development Asian Agri Group. Latest soil sampling analysis performed in 12 September 2016. Analysis result has been issued in September 2015.</p> <p>Leaf Sampling Analysis report and Soil sampling Analysis 2018 was used for Fertilizer input recommendation 2019.</p> <p>Scheme Smallholder:</p> <p>The Plasma Buatan management has conducts periodic tissue sampling each year. Leaf sampling analysis performed by Research and Development Laboratory PT Nusa Pusaka Kencana. Sample for Leaf analysis determined 3 sample in each Hamparan/Farmer group (Block). Latest leaf sample analysis was issued by R & D on 21 July 2017. Evidence of analysis result can be demonstrated in “Foliar Analysis Report” No. 137/INT/R&D/JUL/17.</p> <p>Soil sampling analysis conducted regularly each 6 year. Latest soil analysis conducted on 20 March 2015 in KUD Jaya Makmur with number of sample was 31 by Research and Development PT Inti Indosawit Subur. Report of soil analysis was available and can be demonstrated in “Soil Analysis Report No. 011/RD-INT/S/MEI/15”.</p>	
<p>4.2.4 A nutrient recycling strategy is recorded, including use of Empty Fruit Bunches (EFB), land</p>	<p>Buatan Estate:</p> <p>The company has nutrient recycling strategy with applied EFB, solid and POME to</p>	<p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance
	<p>application, and palm residues after replanting.</p> <p>- Minor compliance -</p>	<p>increase the soil fertility.</p> <p>Company has obtained permit for land application to use the waste water from mill as organic fertilizer for palm oil plantation. Permit based on “Keputusan Kepala Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu Kab. Tanjung Jabung Barat Nomor: 503.8/0/DPM-PTSP/2017. Company has permit for land application with area 266.35 ha.</p> <p>POME application was applied in Afdeling I & II. Total POME application from January – July 2017 in Buatan Estate Afdeling I & II was 159,076 m³ (833 ha). Application dosage of POME was 720 m³/ha/year with 4 rotation per year.</p> <p>EFB application from January – July 2018 Buatan Estate Afdeling I & II was 17,885 ton. EFB dosage was 250 kg/palm/year for mature plantation.</p> <p>Scheme Smallholder:</p> <p>KUD Bhakti Mandiri, KUD Sumber Rejeki, KUD Jaya Makmur and KUD Sejahtera Smallholder does not applied EFB and POME to oil palm blocks.</p> <p>Smallholder only relies on organic mater from decaying palm fronds.</p>	
<p>Criterion 4.3 Practices minimise and control erosion and degradation of soils.</p>			
4.3.1	<p>Maps of any fragile soils shall be available.</p> <p>- Major compliance -</p>	<p>Buatan Estate:</p> <p>Soil Analysis carried out in October – December 2008. Reported under “Laporan Survey Tanah Semidetil Area Perkebunan Kelapa Sawit PT Inti Indosawit Subur Kebun Buatan”. Based on the report, the physiographic location in plain with hilly tuffaceous sedimentary rocks. Lithology parent material is clay and sand. Topographic of the area is rolling to hilly. Natural fertility is low to medium.</p> <p>Soil map scale 1:20,000 available, from semi- detailed soil survey 2008 by R&D Asian Agri. The predominant soil type identified in Division IV, V and VI Buatan Estate composed of Typic dystrodepts (dominant), Typic kandiodults, Typic</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>Endoaquults, Typic endoaquepts.</p> <p>Topographic map scale 1:20,000 available, from semi-detailed soil survey the slope between 0-8%, 8-15%, 15-30% and >30%. The data and field information from semi-detailed soil survey 2008 by R&D Asian Agri.</p> <p>Soil suitability: S2 2,656 Ha (47.2%) with limiting factor of low natural fertility; S3 2,050 Ha (36.4%) with limiting factor of topographic condition; N1 (not suitable) 925 Ha (16.4%) with limiting factor of slope more than 30% and sandy soil with rapid drainage.</p> <p>Scheme Smallholder:</p> <p>The soil map for all individual member was available at Plasma Buatan office and KUD office with scale 1:50,000. There are 4 series of soil type defined by Research and Development Asian Agri based on soil survey on April 2014 and soil survey semi detail on June 1998:</p> <ol style="list-style-type: none"> 1. Typic Dystrudepts 2. Typic Endoaquepts 3. Typic Endoaquults 4. Typic Kandiuults <p>Soil map and soil survey result recorded in "Laporan Survei Tanah Tinjau Kebun Plasma Buatan".</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>Buatan Estate:</p> <p>Management strategy for plantings on slopes has been implemented by organization. In procedure no. AA-SOP-OP-1100-05.R1 "Konservasi Tanah dan Air" has determined strategy control erosion particular in slope area, such as: 0 – 5° , 6 – 12° , 13 -20° , and more than 20°. The company has applied silt pit, L shape stacking frond and terracing in slope area to reduce erosion</p> <p>In the sloping area ≥ 13° company has made terracing before planting. Terracing made recorded in "Program dan realisasi harian replanting". Since January – August</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>2018, Buatan Estate Afdeling III has made 151,668 m of terrace. During field visit indicated that company has made the terrace according to the procedure.</p> <p>During field visit indicated that company has made the terrace according to the procedure.</p> <p>Scheme Smallholder: Management strategy for plantings on slopes has been implemented by plasma management refer to PT Inti Indosawit Subur Procedure. In procedure no. AA-SOP-OP-1100-05.R1 "Konservasi Tanah dan Air" has determined strategy control erosion particular in slope area, such as: 0 – 5° , 6 – 12° , 13 -20° , and more than 20°. The Plasma Buatan has applied silt pit, L shape stacking frond and terracing in slope area to reduce erosion.</p>	
<p>4.3.3</p>	<p>A road maintenance program shall be in place. - Minor compliance –</p> <p>Buatan Estate: Road maintenance program and progress was made and recorded in "Program dan Realisasi Prasarana Jalan Manual, Grading Jalan dan Pengerasan Jalan 2018". Realisation manual road maintenance Afd I – II since January – July 2018 was 161,060 m. Road Greasing by Greaser Afdeling I – II since January – July 2018 was 76,800 m. Road hardening has been performed by company, realization since January – July 2018 in Buatan Estate Afdeling I – II was 1,196 m. During field audit indicated that road condition is well maintained.</p> <p>Scheme Smallholder: The roads are maintained by Group Manager. The Plasma Buatan management established the maps for all farmers that clearly marks on FFB evacuation route and conducted the participatory meetings with members to established how road are maintained. During this assessment the roads have been established before and no</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>new road was being developed.</p> <p>Road maintenance programme to maintained good road condition has been established by ICS management. Record of road maintenance presented in:</p> <ul style="list-style-type: none"> - "Laporan Monitoring Kondisi Jalan" Road condition by June 2017 : broken condition 83,874 m medium condition 401,731 and good condition 224,565 - "Laporan Rencana dan Realisasi Perbaikan Jalan 2018". Sample verified: since January – July 2018 total road maintenance and repairing in KUD Bhakti Mandiri was planed 7,308 m and has been realize 5,540 m; in KUD Jaya Makmur was planed 5,761 m and has been realize 2,220 m <p>Evidence of road maintenance and repairing can be demonstrated. Based on interview with smallholder block No.944, 945, 975 and 976 from KT42 KUD Jaya Makmur, the smallholder explained that they have monthly deduction, coordinated by KT for road maintenance cost. Based on field visit to KUD Jaya Makmur, KUD Bhakti Mandiri, KUD Sejahtera, the road is in fair condition.</p>	
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> <ul style="list-style-type: none"> - Major compliance – <p>Buatan Estate:</p> <p>PT Inti Indosawit Subur – Buatan Estate conducted coordination with R & D department to performed re-analysis of soil in Buatan Estate area to determine whether peat soil is still existed.</p> <p>Soil Analysis carried out by R & D on October 2017 in Buatan Estate. Reported under "Laporan Survey Tanah Semidetil Area Perkebunan Kelapa Sawit PT Inti Indosawit Subur Kebun Buatan". Based on the report, the physiographic location in plain with hilly tuffaceous sedimentary rocks. Lithology parent material is clay and sand. Topographic of the area is rolling to hilly. Natural fertility is low to medium. There is no peat soil identified in Buatan Estate according to the latest soil analysis by R & D Asian Agri.</p> <p>Soil map scale 1:20,000 available, from semi- detailed soil survey 2017 by R&D Asian Agri. The predominant soil type identified in Buatan Estate composed of:</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>Typic Distrudepts 4,040 ha Typic Endoaquents 140 ha Typic Endoaquepts 515 ha Typic Endoaquults 290 ha Typic Kandiudults 621 ha Typic Udipsaments 25 a Total 5,361 ha</p> <p>Topographic map scale 1:20,000 available, from semi-detailed soil survey the slope between 0-8%, 8-15%, 15-30% and >30%. The data and field information from semi-detailed soil survey 2017 by R&D Asian Agri.</p> <p>Soil suitability: S2 2,656 Ha (47.2%) with limiting factor of low natural fertility; S3 2,050 Ha (36.4%) with limiting factor of topographic condition; N1 (not suitable) 925 Ha (16.4%) with limiting factor of slope more than 30% and sandy soil with rapid drainage.</p> <p>Therefore, the subsidence of peat soils was not applicable for Buatan Estate. Company has maintain and manage soil fertility and water management in Buatan Estate</p> <p>Scheme Smallholder:</p> <p>No peat soil in Plasma Buatan I, verified the soil type maps was found that there is no peat soil identified in the Plasma Buatan area.</p> <p>There are 4 series of soil type defined by Research and Development Asian Agri based on soil survey on April 2014 and soil survey semi detail on June 1998:</p> <ol style="list-style-type: none"> 1. Typic Dystrudepts 2. Typic Endoaquepts 3. Typic Endoaquults 4. Typic Kandiudults 	

Criterion / Indicator	Assessment Findings	Compliance
<p>4.3.5</p> <p>Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.</p> <p>- Minor compliance –</p>	<p>Buatan Estate:</p> <p>Soil Analysis carried out by R & D on October 2017 in Buatan Estate. Reported under “Laporan Survey Tanah Semidetil Area Perkebunan Kelapa Sawit PT Inti Indosawit Subur Kebun Buatan”. Based on the report, the physiographic location in plain with hilly tuffaceous sedimentary rocks. Lithology parent material is clay and sand. Topographic of the area is rolling to hilly. Natural fertility is low to medium. There is no peat soil identified in Buatan Estate according to the latest soil analysis by R & D Asian Agri.</p> <p>Soil map scale 1:20,000 available, from semi- detailed soil survey 2017 by R&D Asian Agri. The predominant soil type identified in Buatan Estate composed of:</p> <p>Typic Distrudepts 4,040 ha Typic Endoaquents 140 ha Typic Endoaquepts 515 ha Typic Endoaquults 290 ha Typic Kandiudults 621 ha Typic Udipsaments 25 a Total 5,361 ha</p> <p>Topographic map scale 1:20,000 available, from semi-detailed soil survey the slope between 0-8%, 8-15%, 15-30% and >30%. The data and field information from semi-detailed soil survey 2017 by R&D Asian Agri.</p> <p>Soil suitability: S2 2,656 Ha (47.2%) with limiting factor of low natural fertility; S3 2,050 Ha (36.4%) with limiting factor of topographic condition; N1 (not suitable) 925 Ha (16.4%) with limiting factor of slope more than 30% and sandy soil with rapid drainage.</p> <p>Therefore, the drainability assessment was not applicable for Buatan Estate.</p> <p>Company has maintain and manage soil fertility and water management in Buatan</p>	<p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>Estate</p> <p>Scheme Smallholder:</p> <p>No peat soil in Plasma Buatan, verified the soil type maps was found that there is no peat soil involve in the Plasma Buatan area.</p> <p>There are 3 series of soil type defined by Research and Development Asian Agri based on soil survey on April 2014 and soil survey semi detail on June 1998:</p> <ol style="list-style-type: none"> 1. Typic Dystrudepts 2. Typic Kandiudults 3. Typic Hapludults 	
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>Buatan Estate:</p> <p>Based on soil analysis, there is no other fragile and problem soils in PT Inti Indosawit Subur Buatan Estate (e.g. sandy, low organic matter, acid sulphate soils).</p> <p>Scheme Smallholder:</p> <p>No other fragile and problem soils in Plasma Buatan, verified the soil type maps was found that there is no peat soil involve in the Plasma Buatan area.</p> <p>There are 3 series of soil type defined by Research and Development Asian Agri based on soil survey on April 2014 and soil survey semi detail on June 1998:</p> <ol style="list-style-type: none"> 1. Typic Dystrudepts 2. Typic Kandiudults 3. Typic Hapludults 	Comply
<p>Criterion 4.4</p> <p>Practices maintain the quality and availability of surface and groundwater</p>			
4.4.1	<p>An implemented water management plan shall be in place.</p>	<p>Buatan Estate:</p> <p>The company has prepared the plan of water management plan as in “Master Plan</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
<p>- Minor compliance -</p>	<p>Continuous Improvement Plan Kebun Buatan 2018” consist of management water supply for domestic, water consumption and measurement of water quality. Water Management Plan, indicating the water need, permit and licensing, monitoring of water quality, infrastructure maintenance and conservation. Data seen:</p> <ul style="list-style-type: none"> - “Keputusan Menteri Pekerjaan Umum dan Perumahan Rakyat nomor 14/KPTS/M/2018 tentang Pemberian izin Pengusahaan Sumber Daya Air kepada PT Inti Indosawit Subur untuk Usaha Industri di Sungai Laniago, Kabupaten Pelalawan dan Kabupaten Siak”, dated 5th January 2018. - SPPD (Surat Setoran Pajak Daerah) untuk Pajak Pengambilan dan Pemanfaatan Air Permukaan untuk period April – June 2018, dated 28th July 2018, IDR XX.578.100 <p>The company has conducted measurement of water quality regularly and consistent, the result shown that water quality is complies with national regulation.</p> <p>Scheme smallholder: All of KUD has program on water management as in “Rencana dan Realisasi Penyusunan Pelapah Letter “U”, frond stacking. “Rencana dan Realisasi Perawatan Teresan sebagai Sarana Konservasi Tanah dan Air serta Upaya Pencegahan Erosi” ICS Plasma Buatan also has a policy to prohibit chemical weeding activity and chemical fertilizer application near to the river or waterways in 3m left and right side.</p>	
<p>4.4.2 Protection of water courses and wetlands, including securing and maintaining appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated.</p>	<p>Buatan Estate and Mill: Company has establish management plan to protect water courses and wetlands, including securing and maintaining appropriate riparian. - Riparian restoration with forest vegetation plant/tree. During 2011 – 2013</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>- Major compliance -</p>	<p>company has planted in Sungai Benanak Vetiver 514 point, Angsana 50 tree, Sungkai 63 tree, Pokok roda 65 tree, Ketapang 31 tree. In Sungai Lampisi Vetiver 198 point, Angsana 15 tree, Sungkai 27 tree, Pokok roda 49 tree, Ketapang 53 tree. In Sungai Jitan Vetiver 1,000 point, Angsana 523 tree, Sungkai 295 tree, Pokok roda 12 tree, Ketapang 295 tree.</p> <ul style="list-style-type: none"> - Establish zone for zero chemical. No spraying and fertilizing along riparian zone. Based on visit in riparian zone (Laniago Riparian dated 8th July 2018) in block BA90. - Conserve natural vegetation in riparian zone - Restricted to conducted replanting palm oil in riparian area. <p>During field visit, indicated that riparian area was conserved and the vegetation has been succession itself and enrichment in riparian zone was well growth.</p> <p>The company has also prepared the procedure on protection of water courses under "SOP Pengendalian Riaprian" number AA-APM-OP-1100.21-R2, dated 25th February 2016.</p> <p>Scheme Smallholder:</p> <p>Based on field visit and interview with smallholder at KUD Bhakti Mandiri, KUD Sejahtera and KUD Jaya Makmur, audit team noted that there was no river/water body across the smallholder block. Further smallholder member explained that they prohibit the fertilizer applying worker to apply fertilizer near water body.</p> <p>ICS Plasma Buatan also has a policy to prohibit chemical weeding activity and chemical fertilizer application near to the river or waterways in 3 m left and right side.</p>	
<p>4.4.3</p>	<p>Records for monitoring of effluent especially BOD (Biochemical Oxygen Demand) and efforts to comply with legal requirements, shall be available</p> <p>Buatan I POM:</p> <p>For mill effluent treatmnet, Buatan 1 Mill (PBS) has 11 ponds in effluent treatment system (WWTP), which consists of Colling Pond, Primary Anaerobic pond, Secondary</p>	<p>Comply</p>

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Criterion / Indicator	Assessment Findings	Compliance												
<p>(see criteria 2.1 and 5.6). - Minor compliance –</p>	<p>Anaerobic pond, Acidification pond, and Buffering pond. Procedure of WWTP operation available in Mill Policy Manual (MPM) dated February 1, 2013, chapter AA-MPM-OP-1400.13-R1.</p> <p>PBS Mill is undergoing Biogas power plant construction since April 2015 to generate electrical power by using waste water treatment. The biogas system has Anaerobic MBR system thorough digester Thermophilic fermentation, and anaerobic membrane tank.</p> <p>According to effluent monitoring data, all produced mill effluent used for land application. Mill holds permit to discharge waste water into land application from local authority through Decree number KTPS.660/BLH/780/2014, issued on 10th September 2014 valid for 5 years. Total area of land application covers 679 hectares at Block B and C.</p> <p>As required by LA permit, Mill conducts monthly check on discharged effluent in cooperation with accredited Laboratory (UPT Pengujian Material, Dinas Bina Marga Provinsi Riau). According to recent testing result, BOD level of applied effluent has met the applicable threshold of KepmenLH No.28/2003 regarding BOD limits of effluent discharge for land application. The level is maintained consistently less than 5,000 mg/L and debit <600 m³ per day.</p> <p>Buatan I POM is conducting a monitoring of effluent especially BOD (Biochemical Oxygen Demand) every month that carried out by Testing Laboratory (UPTLaboratorium Bahan Konstruksi LP-750-IDN). Based on result of monitoring January – June 2018 shown comply with legal requirement “PermenLHK No P.68/Setjen/Kum1/8/2016”. Sample seen:</p> <table border="1" data-bbox="869 1193 1693 1394"> <thead> <tr> <th>Month</th> <th>BOD (mg/l) (standard of quality 5,000)</th> <th>pH (standard of quality 6-9)</th> </tr> </thead> <tbody> <tr> <td colspan="3">2017</td> </tr> <tr> <td>August</td> <td>999</td> <td>8.3</td> </tr> <tr> <td>September</td> <td>830.5</td> <td>8.4</td> </tr> </tbody> </table>	Month	BOD (mg/l) (standard of quality 5,000)	pH (standard of quality 6-9)	2017			August	999	8.3	September	830.5	8.4	
Month	BOD (mg/l) (standard of quality 5,000)	pH (standard of quality 6-9)												
2017														
August	999	8.3												
September	830.5	8.4												

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Criterion / Indicator		Assessment Findings			Compliance																		
		October	502.3	8.3																			
		November	765	8																			
		December	765	8																			
		2018																					
		January	1,132	7.9																			
		February	931.1	7.9																			
		March	629.2	7.9																			
		April	2,114	7.1																			
		May	1,660	8.8																			
4.4.4	Monitoring of mill water use per ton of FFB shall be recorded. - Minor compliance –	<p>Buatan I POM: Buatan I POM has recorded the mill water use per tonne FFB, includes monitoring of water usage for mill processing and domestic usage. Result of water usage monitoring is recorded under “Mill Operation Summary 2018”. Review on record confirmed met with the approved budget for processing and domestic, e.g: Budget in 2018 is 1.03 m³/ton FFB, actual water usage in January – June 2018 has shown:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Water use per ton FFB</th> </tr> </thead> <tbody> <tr> <td>January</td> <td>1.16</td> </tr> <tr> <td>February</td> <td>1.23</td> </tr> <tr> <td>March</td> <td>1.18</td> </tr> <tr> <td>April</td> <td>1.26</td> </tr> <tr> <td>May</td> <td>1.19</td> </tr> <tr> <td>June</td> <td>1.21</td> </tr> <tr> <td>July</td> <td>1.18</td> </tr> <tr> <td>YTD</td> <td>1.20 (budget YTD 0.88)</td> </tr> </tbody> </table> <p>Non conformity: Based on table above, shown the actual consumption of water use per ton of FFB year 2018 are over of budget (actual YTD over ~136% of budget YTD), however</p>				Month	Water use per ton FFB	January	1.16	February	1.23	March	1.18	April	1.26	May	1.19	June	1.21	July	1.18	YTD	1.20 (budget YTD 0.88)
Month	Water use per ton FFB																						
January	1.16																						
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May	1.19																						
June	1.21																						
July	1.18																						
YTD	1.20 (budget YTD 0.88)																						

Criterion / Indicator		Assessment Findings	Compliance
		<p>there were a lack of evident the company has been effective reviewed, evaluated and implemented an action plan upon the report on monitoring of mill water use per ton of FFB.</p> <p>Company has made corrective action plan and has taken immediate action to address the issue as described in section 3.4 detail of findings.</p>	
<p>Criterion 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate integrated Pest Management (IPM) techniques.</p>			
4.5.1	<p>Monitoring of Integrated Pest Management (IPM) plan implementation shall be available.</p> <p>- Major compliance -</p>	<p>Buatan Estate:</p> <p>Company has establish monitoring of integrated pest management plan, below are the record of IPM monitoring:</p> <ul style="list-style-type: none"> - Barn Owl census, performed each 3 month by team PHT. Total Barn owl nest box in Afdeling I was 29 unit, in Afdeling II was 40 unit. Ratio nest box is one box represent for 25 ha area plantation. Lates monitoring performed on July 2018, found 24 mature barn owl in Afdeling I, 30 mature barn owl in Afdeling II. Imature barn owl identified 28 individual in Afdeling I and 26 individual in Afd II and egg found 14 pcs in Afd 1 and 14 pcs in Afd II. - Barn Owl census, performed each 3 month by team PHT. Total Barn owl nest box in Afdeling IV was 8 unit, in Afdeling V was 36 unit, in Afdeling VI was 20 unit and in Afdeling VII was 37 unit. Ratio nest box is one box represent for 25 ha area plantation. Lates monitoring performed on July 2018, found 6 mature barn owl in Afdeling IV, 27 mature barn owl in Afdeling V, 6 mature barn owl in Afdeling VI and 32 mature barn owl in Afdeling VII. Imature barn owl identified 6 individual in Afdeling IV, 9 individual in Afdeling V, 22 individual in Afdeling VI and 43 individual in Afd VII and egg found 9 pcs in Afd V and 20 pcs in Afd VI and 15 pcs in Afdeling VII. - "Program dan realisasi penanaman hostplan 2018". Company has planting 	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>beneficial plant as a nest of natural pest enemies, consist of Cassia tora and Turnera subulata. Total hostplan planted 19,699 m. The hostplan was planted along main road and collection road.</p> <ul style="list-style-type: none"> - "Sensus serangan tikus dan Tirathaba" performed each 2 month in Mature area and once a month in immature area. Latest monitoring on July 2018 shown that in Afdeling I rats attack was 6%, in Afdeling II rats attack was 5%; while Thirataba there is no attack. - "Sensus serangan UPDKS" Catterpillar census performed each month. Latest monitoring on July 2018 shown that there is no caterpillar attack in Afdeling I – III. Control only performed by natural enemies. - "Sensus serangan UPDKS" Catterpillar census performed each month. Latest monitoring on July 2018 shown that there is no caterpillar attack in Afdeling IV – VII. Control only performed by natural enemies - "Rekapitulasi Hasil Sensus Hama Penyakit TBM Kebun Buatan Afdeling IV". Pest and disease monitoring performed each month for immature plantation. Latest monitoring on July 2018 shown that there is no pest and disease attacked: No Catterpillar attack, No rats attack, No Molusca attack, No Oryctes attack, No Spodoptera attack, No Thyratoba attack, Spyrote attack 5%. - "Rekapitulasi Hasil Sensus Hama Penyakit TM Kebun Buatan Afdeling I - II". Pest and disease monitoring performed each month for immature plantation. Latest monitoring on July 2018 shown that there is no pest and disease attacked: No Catterpillar attack, Rats attack 5% (under 20% and there is no chemical control), No Molusca attack, No Oryctes attack, No Spodoptera attack, No Thyratoba attack, Spyrote attack 5%. <p>Scheme Smallholder: Group manager has ben established a written procedure for Integrated Pest Management, presented in Pest and Disease Control procedure SOP AA-Plasma-PP-KS-02. Group manager has provide the IPM training for all member. Training</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>programme was developed each year. For 2018, IPM training has been carried out on March 2018. Each member keep the records of their training on Logbook “Buku Pintar Petani Plasma”.</p> <p>Each individual member also has a guidance book for IPM which provide by ICS and group management. During field audit, they have understood regarding IPM implementation in their plantation.</p> <p>Based on interview with smallholder at KUD Sejahtera, KUD Jaya Makmur and KUD Bhakti Mandiri it was noted that smallholder understand the natural predator for pest: planting Turnera in order to attract predator for nettle caterpillar and bagworm; installing barn owl box to control rat population.</p> <p>Management Plasma Buatan I has provide the barn owl nest in each KUD with proportion 2 nest in each KT/Hamparan (Block). Each nest barn owl covering 15 – 20 ha of plantation. Sample seen: in KUD Jaya Makmur monitoring to dated July 2018 there was 40 nest barn owl and 33 of them was active and found th presence of barn owl; in KUD Sejahtera monitoring to dated July 2018 there was 38 nest barn owl and 36 of them was active and found th presence of barn owl.</p> <p>“Program dan realisasi penanaman hostplan 2018”. Plasma Buatan has planting beneficial plant as a nest of natural pest enemies, consist of Cassia tora and Turnera subulata. The hostplan was planted along main road and collection road. During foeld visit can be demonstrated that Plasma Buatan has manage and maintain the host plan.</p> <p>“Rekap Sensus Hama Pemakan Daun Kebun Plasma Buatan”, monitoring on July 2018, in KUD Bhakti Mandiri caterpillar attack was 2.76%, in KUD Jaya Makmur Catterpillar attack was 0.22%, in KUD Sejahtera Catterpillar attack was 0.23%. The threshold of caterpillar attack was > 5%, therefore there is no chemical control of caterpillar attack and utilizing the natural enemy to control the caterpillar.</p> <p>“Rekap Serangan Tikus”, July 2018 shown that there was rats attack in KUD Bhakti Mandiri 3.53%, in KUD Jaya Makmur 3.84% and in KUD Sejahtera was 3.69%. No</p>	

Criterion / Indicator		Assessment Findings	Compliance
		chemical control if the attack was less than 20%.	
4.5.2	<p>Training records of Integrated Pest Management (IPM) shall be available.</p> <p>- Minor compliance –</p>	<p>Buatan Estate:</p> <p>Company has been conducted integrated pest management to the workers and staff who in charge in IPM management and monitoring. Latest refreshment training conducted on 20 June 2018. Evidence of training and minutes of training was available and can be demonstrated.</p> <p>During interview with Mandor/foreman and workers in Afdeling I II and III who is in charge for integrated pest management such as for pest and disease detection and census as well as pest and disease control, indicated that the workers understand the IPM process and implementation.</p> <p>Scheme Smallholder:</p> <p>The training of Integrated Pest Management was conducted by Group management/ICS for representative of KT and member. Latest training conducted on 22 March 2018 in KUD Bhakti Mandiri, 22 March in KUD Jaya Makmur and on 11 April 2018 in KUD Sejahtera. Record of training can be demonstrated. Each member keep the records of their training on Logbook "Buku Pintar Petani Plasma".</p> <p>Each individual member also has a guidance book for IPM which provide by ICS and group management. During field audit, they have understood regarding IPM implementation in their plantation.</p>	Comply
<p>Criterion 4.6</p> <p>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</p>	<p>Buatan Estate:</p> <p>The use of pesticide is under strict requirement, only in the case of pest attack past the economic threshold.</p> <p>Inspection of records confirmed only chemicals that are registered and approved by</p>	Comply

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Criterion / Indicator	Assessment Findings	Compliance
<p>on non-target species. - Major compliance -</p>	<p>the Department of Agriculture are used. Data on pesticides usage are recorded on the PT. Inti Indosawit Subur – Buatan Group Estate office. Justification for all pesticide used was recorded in “Rencana Kerja Kebun Buatan” 2017. There are specific target and activities used for selective products such as:</p> <ul style="list-style-type: none"> • <i>Glyphosate, Fluoroxypyr, Methyl Metsulfuron and Paraquat</i> are used for circle spraying. • <i>Glyphosate</i> and <i>Fluoroxypyr</i> used for FFB collection point spraying • <i>Glyphosate, Trichlophyr, Methyl Metsulfuron</i> are used for wooden weeds • <i>Methyl Metsulfuron, Paraquat</i> are used for wooden fern • <i>2,4-Diamine</i> and <i>Glyphosate</i> are used for soft wooden grass (<i>Asystasia</i> sp). <p>Visit to chemical store and record review shows company chemical product for specific target species (weed).</p> <p>Scheme smallholder: Document titled “Penggunaan Agrokimia Terdaftar” indicates the permitted pesticide (herbicide) allowed to be used on smallholder blocks. The herbicide programmed for weed control on circle and path spraying only. Herbicide use for Plasma Buatan are:</p> <ol style="list-style-type: none"> 1. Elang 480 SL (Isoprofil amina glifosat), register number in Pesticide Comission RI.01030119941170 valid until 12 Des 2021 2. Kenlon 480 EC (Triklampir Butoksil Etil Ester), register number in Pesticide Comission RI.01030120062433 valid until 12 Des 2021 	
<p>4.6.2 - Major compliance -</p>	<p>Buatan Estate and Scheme Smallholder: Agrochemicals used are monitored each time it is used. Records includes active ingredients used, area treated, quantity applied per hectare, type of equipment used and number of applicators involve. Smallholder organization has a record of the herbicide use to control weed. The spraying activity was carried out by team TUS PT Inti Indosawit Subur.</p>	<p>Comply</p>

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Criterion / Indicator		Assessment Findings					Compliance																														
		<p>Records observed during the audit i.e. Estate Monthly Report, Daily Field Supervisor Book. Below are the chemical usage for Buatan Estate (Afdeling I – III) semester I 2018:</p> <table border="1"> <thead> <tr> <th>Chemical</th> <th>Application to July 2018</th> <th>Active Ingredients Used</th> <th>Active Ingredients per ha applied</th> <th>Active Ingredients per ton FFB</th> </tr> </thead> <tbody> <tr> <td>Metsulindo (Metil metsulfuron 20%)</td> <td>133 litre</td> <td>46.55 kg</td> <td>0.013 kg/ha</td> <td>0.0003 kg/ton FFB</td> </tr> <tr> <td>Gramoxone (Paraquat diklorida)</td> <td>350 litre</td> <td>175 kg</td> <td>0.19 kg/ha</td> <td>0.0013 kg/ton FFB</td> </tr> <tr> <td>Elang (Isopropyl amina glifosat)</td> <td>2,817 litre</td> <td>1,366.24 kg</td> <td>0.28 kg/ha</td> <td>0.009 kg/ton FFB</td> </tr> <tr> <td>Starane (Fluoroksipir)</td> <td>173 litre</td> <td>55.6 kg</td> <td>0.02 kg/ha</td> <td>0.0004 kg/ton FFB</td> </tr> <tr> <td>Kenlon (Triklorir Butoksi Etil Ester)</td> <td>134 litre</td> <td>47.70 kg</td> <td>0.04 kg/ha</td> <td>0.0003 kg/ton FFB</td> </tr> </tbody> </table>					Chemical	Application to July 2018	Active Ingredients Used	Active Ingredients per ha applied	Active Ingredients per ton FFB	Metsulindo (Metil metsulfuron 20%)	133 litre	46.55 kg	0.013 kg/ha	0.0003 kg/ton FFB	Gramoxone (Paraquat diklorida)	350 litre	175 kg	0.19 kg/ha	0.0013 kg/ton FFB	Elang (Isopropyl amina glifosat)	2,817 litre	1,366.24 kg	0.28 kg/ha	0.009 kg/ton FFB	Starane (Fluoroksipir)	173 litre	55.6 kg	0.02 kg/ha	0.0004 kg/ton FFB	Kenlon (Triklorir Butoksi Etil Ester)	134 litre	47.70 kg	0.04 kg/ha	0.0003 kg/ton FFB	
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4.6.3	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>Buatan Estate and Scheme Smallholders: PT. Inti Indosawit Subur – Buatan and scheme smallholder control weeds through identification to select appropriate control to be applied. Identification record of weeds comes under “Identifikasi Gulma Dominan”. The record is identifying the target of weeds, the location, and active ingredient. Dosage used for herbicide application refers to Agricultural Policy Manual AA-APM-OP-1100.08-R1.</p>					Comply																														

Criterion / Indicator	Assessment Findings	Compliance																		
<p>- Major compliance -</p>	<p>There is no use of prophylactic use of pesticides.</p>																			
<p>4.6.4</p> <p>The evidence shall be available to demonstrate that use of Pesticides, categorized in Class 1A or 1B by World Health Organization, or those are listed in the Stockholm and Rotterdam Conventions, and paraquat are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p>- Minor compliance -</p>	<p>Buatan Estate:</p> <p>The company has demonstrated to reduce using paraquat and no using pesticides as categorized Class IA or 1B.</p> <p>Paraquat is still used in the Estates. Data of Paraquat used has been provided since 2010. Budget of Paraquat is decreased every year. It was observed that Paraquat used was under the target. To reduce Paraquat use, Estates implement Selective Spraying and Site Specific which agrochemical is only used in targeted weeds, no spraying in riparian buffer zones.</p> <p>Company also has a policy of paraquat usage No. 001/HP/INT/IX/2009 dated 1 September 2009 regarding reducing of usage herbicide containing paraquat.</p> <p>Below are the paraquat usage by Buatan Estate (Division I – III) for last 5 years:</p> <table border="1" data-bbox="869 858 1453 1189"> <thead> <tr> <th>Year</th> <th>Paraquat usage (litre)</th> <th>Budget (litre)</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>511.4</td> <td>800</td> </tr> <tr> <td>2015</td> <td>231</td> <td>600</td> </tr> <tr> <td>2016</td> <td>228</td> <td>600</td> </tr> <tr> <td>2017</td> <td>266.5</td> <td>500</td> </tr> <tr> <td>2018</td> <td>350</td> <td>500</td> </tr> </tbody> </table> <p>The usage in 2017 and 2018 increasing because of the replanting activity, which shall be use paraquat to control the weeds particularly stenoclaena and hard weeds according to the Asian Agri Agronomy Best Management Practises.</p> <p>Scheme Smallholders:</p>	Year	Paraquat usage (litre)	Budget (litre)	2014	511.4	800	2015	231	600	2016	228	600	2017	266.5	500	2018	350	500	<p>Comply</p>
Year	Paraquat usage (litre)	Budget (litre)																		
2014	511.4	800																		
2015	231	600																		
2016	228	600																		
2017	266.5	500																		
2018	350	500																		

Criterion / Indicator	Assessment Findings	Compliance
	<p>There was no pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat – used by smallholder.</p> <p>Smallholder chemical weeds control performed by TUS team PT Inti Indosawit Subur, using Kenlon 480 EC (Triklpir Butoksil Ester) and BElang 480 SL (Isopropyl amina glifosat).</p>	
<p>4.6.5</p> <p>Evidence of pesticide application by trained person and in accordance with application guidelines in product label and storage guidelines shall be available. Appropriate safety equipment shall be provided and utilized. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>- Major compliance -</p>	<p>Buatan Estate and Scheme smallholder:</p> <p>PT. Inti Indosawit Subur – Buatan has ensured that applicators are trained; all personnel handling agrochemical was trained for the use of limited pesticide in collaboration with Manpower office of Batanghari regency. Record of training for spraying operators is kept in estate office. Field visit to Buatan estate chemical's storage showed the pesticide stores continued to be well maintained and the chemicals were labelled clearly and stored within spill containment. Observation of spray-mix preparation and spraying showed that the workers were wearing PPE correctly and they were working safely and in accordance with the chemical manufacturer's recommendations.</p> <p>MSDS available in Buatan Estate's chemical store. Chemical storekeeper understood the critical control based on MSDS. The Personal Protective Equipment was provided in accordance to MSDS information.</p> <p>Sprayer that perform herbicide spraying in Buatan estate also perform spraying activity in smallholder plantation. Sprayer team has been trained with pesticide handling training, agrochemical application training and limited pesticide training. Spraying team only handles herbicide to control the weed. Sprayers understood the type of chemical for each weed type, the hazard, the application and appropriate PPE to wear.</p> <p>Record seen:</p> <ul style="list-style-type: none"> - Mr Mawardian, training limited pesticide on 22nd October 2012 certificate No.539/Set-KP3/1/2013. Certificate valid until 5 years. 	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> - Mrs Sumarni training limited pesticide on 15th December 2014 certificate No.213/Set-KP3/I/2014. Certificate valid until 5 years. - Mrs Yanna training limited pesticide on 15th December 2014 certificate No.218/Set-KP3/I/2014. Certificate valid until 5 years. - Mrs Supriati training limited pesticide on 15th December 2014 certificate No.216/Set-KP3/I/2014. Certificate valid until 5 years. - Mrs Doriani Siagian training limited pesticide on 15th December 2014 certificate No.214/Set-KP3/I/2014. Certificate valid until 5 years. 	
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>Buatan Estate and Scheme smallholder:</p> <p>The company has a SOP of waste pesticide management which is SOP of hazardous waste management No. AA-KL-06-EFP.</p> <p>The company already had a Pesticides warehouse and pesticide containers washing and bathing places for the sprayers. Based on a field visit to the Pesticides Warehouse, it was found that:</p> <ul style="list-style-type: none"> - Permanent Buildings, - A good ventilation, - Permanent floor is cemented, the floor of the mixing of pesticides using ceramics, and equipped with a "spillage trap", - eye wash shower, first aid box, PPE and Fire extinguisher are provided. - PPE room <p>Operation control:</p> <ul style="list-style-type: none"> - MSDS are available for all types of existing pesticides - The pesticide management and safety instructions are available - A package management/ used pesticide package is available - Water wash of pesticides containers collected in "spillage trap" - The flow of waste water is channeled and stored so that it is not discharged into

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Criterion / Indicator		Assessment Findings	Compliance
		<p>the environment. The water used is used for its dilution.</p> <p>A package management / used pesticide package:</p> <ul style="list-style-type: none"> - Pesticide packages were clean washed in a wash basin, then, it was dried in a provided place. - Dried packages were stored in temporary warehouse before being taken / sent by a third party who has a license. <p>The company disposed their hazardous waste, included empty container pesticides to the approval company PT. Indostar Cargo Lestari (see 4.6.10 and 5.3.3).</p> <p>Smallholder Plasma Buatan doesn't have a storage of pesticide. All activity related to chemical usage was performed by PT Inti Indosawit Subur.</p>	
4.6.7	<p>Application of pesticides shall be by proven methods that minimize risk and negative impacts.</p> <ul style="list-style-type: none"> - Minor compliance - 	<p>Buatan Estate and Scheme smallholder:</p> <p>Based on field visit to Buatan Estate and Smallholder Buatan, spraying team using sign board indicating spraying/herbicide application is in progress for a block. Spraying supervisor was pre- mixing the herbicide in the chemical warehouse, transport the mixed chemical via truck, using cone and spill tray on the field to minimize spillage. The type and dosage of herbicide are carefully measured and prepared for targeted weed control; circle and path spray or selective weeding (wooden, bracken, or VOP).</p> <p>Nozzle calibration conducted regularly and recorded – evident.</p> <p>Sprayers and spraying supervisor are trained with limited pesticide training, best management practice for weed control, spraying techniques, using PPE and received regular medical check up. Clean water and soap on the field are provided for sprayer. Supervisor was equipped with first aid kit.</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 pesticide applications with all relevant</p>	<p>Buatan Estate and Scheme smallholder:</p> <p>There is no aerial application of pesticide throughout the company plantation.</p>	N/A

Criterion / Indicator		Assessment Findings	Compliance
	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 -	Buatan Estate and Scheme smallholder: Company provides limited pesticide training for sprayers. Latest training on limited pesticide use "Pelatihan Pestisida Terbatas" conducted on 05/02/2018 cooperation with PT. Syngenta Indonesia. For example Mr Mawardian (TUS foreman), Doriani siagian, Yanna, Supriati has follow the training, certificate can be demonstrated. Material Data Safety Sheets (MSDS) are evident for all chemicals used and are available at the storage and areas of mixing. TUS team (sprayer workers team) are covering for plasma Buatan/Scheme smallholder.	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 -	Buatan Estate and Scheme smallholder: Pesticide Waste has been identified and documented under the "Evaluasi Aspek-Dampak Lingkungan" (Environmental Aspect Impacts). PT Inti Indosawit Subur has a waste management plan, identifying type and source of waste and the disposal plan. PT Inti Indosawit Subur prepared a procedure to handle hazardous waste titled "Prosedur Penanganan Limbah B3" No.AA-KL-06-EFP explains methods to collecting the waste, recording in balance and disposal through licensed third party transporter. The company store hazardous waste in temporary storage with permit, The hazardous waste is sent to the registered collector/transporter which approved by Environmental Ministry, namely PT Indostar Cargo. Based on interview with workers who are handling of pesticides that they understood of disposed empty containers pesticides, such as: Empty chemical containers re-used only for mixing purposes, unusable are triple rinsed, punctured and disposed to the approval collector. Records of empty containers pesticides stock and disposal were available in "Neraca Limbah B3" and "Manifest Limbah B3". During audit, indicated that company can be	Comply

Criterion / Indicator		Assessment Findings	Compliance
		demonstrated the proper disposal of empty containers pesticides. Each quarter the waste management of empty containers pesticides also reported to local Environmental Agency of Pelalawan Regency Riau Province.	
4.6.11	Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available. - Major compliance -	<p>Buatan Estate Scheme smallholders:</p> <p>PT Inti Indosawit Subur – Buatan I POM has shown the record of medical check up for pesticide operator every six months and for fertilizing operator (annually). Special MCU has conducted by Lab Fokus – Pekanbaru.</p> <p>Sample seen:</p> <p>“Rekapitulasi Hasil Medical Check Up for spayer operator and fertilizer applicator dated 29th January 2018 conducted by Lab Fokus Pekanbaru. The result shown OK and has been communicated to all employees. Special MCU consist of: HEMA test, Cholinesterase, Spirometri, Kretain, ureum, SGPT, urine and thorax rontgen.</p>	Comply
4.6.12	Records shall be available to show that spraying is not conducted by pregnant or breast-feeding women. - Major compliance -	<p>Buatan Estate and Scheme smallholders:</p> <p>PT. Inti Indosawit Subur – Buatan Group prohibits pregnant or breast-feeding women to perform chemical spraying. In order to mitigate, estate performed monthly pregnancy test.</p> <p>PT Inti Indosawit Subur – Buatan I POM has kept the record that spraying is not conducted by pregnant or breast-feeding women. The company has been conducting PP Test (pregnant test) every month. If any cases, the pregnant test result is positive then the workers to mutation in workplace that not</p> <p>Data verified:</p> <p>Report on pregnant test for spraying applicator (monly) under “Daftar Nama Nama Karyawati Mengikuti Tes Kehamilan”, in January – July 2018 there result negative indicated on pregnant, e.g: Ms Sumarni, Ms Yanna, Ms Ginem, Ms Dorian Siagin, Ms Supriati, Ms Endang Tumorang, Ms Suriana Hutapea, Ms Elija, Ms Rasti Manulu, Ms Meniati Halawa, MsRista and Ms Purnama Sihoang.</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
<p>Criterion 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p>		
<p>4.7.1</p>	<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>Buatan POM and Estate:</p> <p>There were no changed related to OHS Policy from previous assessment.</p> <p>PT Inti Indosawit Subur – Buatan I has been established a health and safety policy under “Kebijakan Perusahaan”, updated 1st December 2014, was signed by Managing Director. In point 3, Committed to implement and maintain occupational health and safety management system in compliance with national and international applicable regulation. Point 5. Integrating social, environmental, food security, occupational health and safety issues into operational activities, adopting best technology available, and maintain trained manpower, with skills, and motivated to improve performance through continuous improvement program.</p> <p>The policy was also displayed at in public board in Buatan I POM, in each Division Office (in Division 1, 2 and 3) and Buatan Estate Office</p> <p>The policy has communicated to all employees, e.g: Attendance list on socialization of OHS policy dated 7th January 2018, location in Buatan I POM was attended by 42 workers.</p> <p>The organization has also prepared the procedure related to OHS, e.g:</p> <ul style="list-style-type: none"> - “Standard Operating Procedure Alat Pelindung Diri” on personal protective equipment No.AA-SOP-OP-101.3-RO dated 14/08/2013 - “Prosedur Pengendalian Kebakaran di Pabrik, Kantor dan Perumahan” for fire mitigation No.AA-KL-15-EP dated 01/12/2010 - “Standard Operational Procedure – Identifikasi Bahaya, Penilaian Risiko dan Penentuan Pengendalian” No AA-SMK3-02-RO, dated 3rd August 2017. - “Standard Operational Procedure – Keselamatan di Perbengkelan”, No AA-KL-09-EFP, revision 01, dated 1st Dewcember 2010. - PT Inti Indosawit Subur has revised the accident investigation form under 	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>procedure no: SOP AA-OP-SMK3-07-FM Accident Investigation SOP, August 3, 2017. In the accident investigation form include: the accident data, details of injuries/sections exposure, photographs/sketches, evidence of investigation (witnesses, positions, equipment, documents), sequence of events (pre-contact, contact, post-contact), type of incident, cause of accident (unsafe, unsafe accidents (personal and work factors), corrective and preventive actions, investigative team. During audit verification, found that the accident form was complete and adequate.</p> <p>The document of OHS Program available under "Program Manajemen K3 PMKS Buatan I PT Inti Indosawit Subur Tahun 2018" was prepared on 10th January 2018, such as:</p> <ul style="list-style-type: none"> - Established the document of hazard identification, risk assesement and its control -> - Meeting on safety committee (P2K3) -> monthly - Report of OHS committee (P2K3) -> 3 months bases - Training of emergency response and preparedeness -> annually - Safety briefing -> daily - Providing the PPE for all employees - Inspection on PPE usage -> daily - Training for operator in POM and workshop <p>The record of implementation the OHS Program available in indicator 4.7.2-4.7.7 below.</p> <p>Scheme Smallholders:</p> <p>All KUD has established and implemented the OHS policy as in "Kebijakan Manager Group ICS", dated 2nd January 2017. In point 3 mentioned: "Memperhatikan dan menerapkan budaya kesehatan dan keselamatan kerja (K3), memakai Alat Pelindung</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>Diri jika diperlukan dalam melaksanakan tugas sehari-hari dengan memperhatikan tempat dan kondisi kerja” – to pay attention and implementing health and safety culture, using personnel protective equipment, if necessary, in performing daily work and to maintain the work premises.</p> <p>The Policy was displayed in public board in KUD Bhkati Mandiri, KUD Jaya Makmur and KUD Sejahtera.</p> <p>OHS Policy has demonstrated under “Program Manajemen K3 Kebun Plasma PT Inti Indosawit Subur tahun 2018”, was updated on 10th January 2018. The OHS program such as:</p> <ul style="list-style-type: none"> – Inspection and monitoring on using of PPE for harvester – daily – Training on emergency and preparedness – once a year – Training of first aider and monitoring of first aid kit – Refresh training of OHS including risk assessment 	
<p>4.7.2</p>	<p>A documented risk assessment shall be available and its implementation shall be recorded.</p> <p>- Major compliance -</p> <p>Buatan I POM, Buatan Estate and Scheme Smallholders:</p> <p>Company has a procedure to identify and prepare a risk assessment register. The procedure including calculation of risk level considering the frequency and severity, as well as determining control for each risk level identified.</p> <p>Risk assessment for plantation operation in Buatan Estate have been reviewed and updated. The latest review and revision on HIRADC dated 3 January 2018. Risk assessment has identified hazard and risk from office activities, infrastructure construction activities, warehouse and workshop related activities, harvesting and FFB loading activities, fertilizer and spraying activities.</p> <p>Risk assessment has been defined at Buatan I Palm Oil Mill. Last updated on 12th June 2018. Significant impact has been identified covering for all activities such as for activities in weighright, grading of FFB, sterilizer station, thresher/tripler, pressing, nut kernel, clarification station, boiler station, warehouse, chemical storage, hazardous waste storage, laboratorium, office, biogas plant.</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Based on field visit in Buatan I POM (dated 6th August 2018), confirmed all workers who exposed in high risk job were provided with proper PPE, for instance: earplug for boiler operators, safety helmet and shoes for all workers, gloves for sterilizer and workshop, welding PPE for welder, etc.</p> <p>Scheme Smallholder:</p> <p>All KUDs has prepared the risk assessment as in form of “Prosedur Kesehatan dan Keselamatan Kerja” including the risk assessment for harvesting, fertilizer application, plantation block upkeep (including spraying). Each KUD has prepared the document of risk assessment under “HIRAC ICS PT Inti Indosawit Subun – Kebun Plasma Buatan” year 2018. Risk assessment has identified hazard and risk from office activities, infrastructure maintenance activities, harvesting and FFB loading activities, FFB transportation, fertilizer and spraying activities.</p>	
<p>4.7.3</p>	<p>Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.</p> <p>- Major compliance -</p>	<p>PT Inti Indosawit Subur - POM has demonstrated the record of implementation of OHS program (as explained in indicator 4.7.1).</p> <p>Buatan I POM</p> <ul style="list-style-type: none"> - Fire drill – emergency response and preparedness, conducted on 15th March 2018, document seen: scenario, evaluation, photograph and attendance list. - Hand over of PPE to all employess – e.g: Monitoring Pembagian APD Helm, dated 19th July 2018 for Mr Mesiran and Mr Armen Ritonga, dated 1st August 2018 for Mr Supomo, dated 21th April 2018 for Mr Amri Luhut - Minute of Meeting of OHS Meeting month July 2018, - Inspection in PPE usage under “Daftar Periksa Alat dan Pelindung Diri Harin PMKS Buatan I year 2018”, e.g: Month June and July 2018 covering for department of processing (A and B), laboatorium department, workshop, - Periodic monitoring of emergency equipment e.g.: fire extenguisher, hydrant, first aid box, eye shower at TPS LB3, etc

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> - Record of occupational safety and healthy implementation available and has been reported to manpower agency on three monthly basis. Date seen: Report on OHS performance for period April – June 2018 was sent to Manpower Agency in Riau Province (dated 1st August 2018). - Special medical check-up for operator in high risk station in Buatan I POM (annually), last MCU (include: audiometri test) by Focus Clinical Laboratory was conducted on 1st February 2018, attended by 35 workers. The result of medical check up has communicated to all employees (data seen: List of attendance on Socialization of result of MCU) <p>Based on observation in Buatan I POM (date 6th August 2018) the OHS control were implemented effectively, e.g: all operators have used appropriate PPE according to HIRADC</p> <p>Buatan Estate:</p> <ul style="list-style-type: none"> - PPE has provided for all workers in Buatan Estate as per result of risk assessment - Bases on field observation at several area such as chemical storage, fertilizer warehouse, fuel station the operational control related to OHS has consistans implemented - Annual management review year 2017 for OHS performance dated 30th December 2017, the agenda input: review on implementation of Risk Assessment and its control, review on accidents report year 2017 including near miss, training related to OHS - Laporan Pencegahan Pencemaran dan atau Kerusakan Lingkungan Hidup yang berkaitan dengan Kebakaran Lahan for 2nd Semester year 2017 - List of Emergency Response Facilities, updated in July 2018 	

Criterion / Indicator	Assessment Findings	Compliance
	<p>Scheme Smallholders:</p> <p>The record on implementation of OHS program available as evidents, such as:</p> <ul style="list-style-type: none"> - Checklist on monitoring of PPE using of harvesters (daily) - Notulen Penyuluhan Basic Fire, K3 dan HCV dated 6th February 2018 was attended by 67 smallholders member - Notulen Penyuluhan Penggunaan APD dan Panen, dated 17th April 2018 location in KUD Sejahtera was attended by 23 smallholders member - Notulen Penyuluhan Penggunaan APD dan Panen, dated 16th March 2018 location in KUD Jaya Makmur was attended by 20 smallholders member - Monitoring of billboard in July 2018, e.g: PPE billboard, FFB criterions, HCV, billboard on zero burning, mechanism on hazardous waste handling. 	
<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> <ul style="list-style-type: none"> - Major compliance - <p>Buatan I POM:</p> <p>PT Inti Indosawit Subur – Buatan I POM has appointed a person who responsible on OHS implementation and monitoring. The safety committee has defined in Buatan I POM under P2K3 (Panitia Pembina Keselamatan dan Kesehatan Kerja).</p> <p>Mr. Januar Sasmitra has been appointed as AHLI K3 Umum in Buatan I POM. Certificate from Kemenakertrans RI Date 21 November 2016. HSE Report (Laporan P2K3 Period for April – June 2018) has been received to Dinas tenaga Kerja dan transmigrasi – Pemprov Riau Date 4 August 2018.</p> <p>Buatan Estate:</p> <ul style="list-style-type: none"> - Safety committee has defined under “Surat Keputusan Kepala Dinas Tenaga Kerja dan Transmigrasi Propinsi Riau nomor Kep.221/Disnakertrans-PK/SK-P2K3/X/2017 tentang Pengesahan Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3) PT Inti Indosawit Subur – Kebun Buatan, updated on 27 October 2017 - The company has also assigned the person who responsible on OHS expert (AK3- Umum), namely Mr Riohot Abadi Sagala with license number: No.Reg 	<p>Comply</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<p>10383/PK3/AJ/14/2018/P1 dated 25th May 2018 valid until 3 years.</p> <ul style="list-style-type: none"> - Record of monthly meeting (P2K3), dated 12th June 2018, agenda meeting: review on previous OHS meeting, review of inspection of PPE usage, review on accidents report. - Three months report on OHS performance for period April – June 2018 was sent to Manpower Agency in Riau Province (dated 1st August 2018). <p>Scheme smallholders: Each KUD has established a team who has been responsible on impelementation and implementation the OHS program, e.g: in SP-6 (KUD Bhakti Mandiri) has shown the structure of emergency response year 2018.</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>Buatan I POM, Buatan Estate and Scheme Smallholders: Emergency Response procedure has been established No. File: AA-EMS-447-PR Rev.2 Date March 2017. Emergency situation in Buatan Estate and Smallholder: for Fire, Chemical, Agro Chemical Spill and Hazardous spill to environment. Emergency Organization structure has been available also for job and responsibility has been defined for each section. Emergency condition in Buatan I POM: for fire, IPAL leakage, Hazardous waste spillage, Boiler and gas tube Explosion, earth quake, floods, landslide. Emergency drill has been conducted in May 2018 regarding Fire at Mill. Organization structure has been established on 29 November 2016 and updatd on 2018 defined as in “Struktur Organisasi Tanggap Darurat” year 2018.</p> <p>The company has also pepared the procedure on work accident under “Standard Operasioanl Prosedur – Investigasi Kecelakaan Kerja nomor AA-SMK3-18001.02-R0”, revision 0 dated 1st April 2018.</p> <p>First aid training has been conducted on 25 July 2017 and 3 August 2017 for Buatan Estate, Plasma Buatan and Buatan I Palm Oil Mill. Evidence with attendance list.</p> <p>The company has also appointed the person who has attended first aid training,</p>	Comply

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Criterion / Indicator		Assessment Findings	Compliance
		<p>namely Ms Supriani (license number on first aider 566/DTKT-WAS/LC/P3K/100 dated 1st July 2015 – valid until 3 years, issued by Manpower Agency – in Pelelawan Regency). Emergency response team has</p> <p>List of first aid kit (include portable first aid) as in “List Kebutuhan Obat-Obatan P3K June 2018” location in Estate office, chemical warehouse, field foreman (24 pcs of portable fist aid)</p>	
4.7.6	<p>All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).</p> <p>- Minor compliance –</p>	<p>Buatan I POM, Buatan Estate and Scheme Smallholders:</p> <p>PT Inti Indosawit Subur – Buatan I POM has been provided insurance to all workers including non-permanent worker. Insurance covered by BPJS (Ketenagakerjaan and Kesehatan), as mandated by government regulation. Medical checkup provided for all workers (not only for high-risk worker). The company has also been provided clinic (Klinik Asian Agri Sehat) for all workers.</p> <p>Record payment of BPJS Ketenagakerjaan/Kesehatan in “Bukti Transfer Bank”.</p> <p>Record seen:</p> <ul style="list-style-type: none"> - Payment record to BPJS Ketenagakerjaan (slip reference: 331611004590 BLTH 06/2018), dated 13 July 2018, IDR XX,838,328.00 - covering for 425 workers (Kebun-BHL) in Buatan Estate. - Payment record to BPJS Ketenagakerjaan (slip reference: 331611004581 BLTH 06/2018), dated 13 July 2018, IDR XXX,955,350.00 - covering for 556 workers in Buatan Estate. - Billing Statement on BPJS Kesehatan month June 2018 covering for 903 employees with number of dependent 2,886 peoples. - Payment record to BPJS Kesehatan month July 2018 (date of pay 6th July 2018), amount IDR XXX,896,104. 	Comply
4.7.7	<p>Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.</p> <p>- Minor compliance</p>	<p>Buatan I POM, Buatan Estate:</p> <p>PT Inti Indosawit Subur – Buatan I POM has been kept the recprd of occupational injuries using LTA metrics under “Data Laporan Kecelakaan Kerja”.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>Sample seen:</p> <ul style="list-style-type: none"> - In Buatan Estate – the occupational injuries reported 36 cases (1 case is fatality, 1 case is medium and the other is low grade). Lost time injuries is 61 man-days. - Rekaman Kecelakaan Kerja, dated 23 February 2018, namely Mr SDS and has reported to Disnaker. - “Penetapan Jaminan Kecelakaan Kerja” nomor JKKDOOO52018KL18032602588024, namely Mr SDS dated 24th May 2018. - Followed up on recommendation on result of investigation available as evidents. <p>Scheme Smallholders:</p> <p>The record of injuries has shown under document of “Monitoring Kecelakaan Kerja” that reported by “Puskesmas Makmur and Puskesmas Bukit Haparan”, since 2018 there were no injuries cases (Nill).</p>	
<p>Criterion 4.8 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>Buatan I POM and Buatan Estate:</p> <p>PT Inti Indosawit Subur – Buatan I POM has been kept the record of training program related to the aspects of RSPO P&C under “Program Pelatihan Environmental and Sustainability Tahun 2018, such as:</p> <ol style="list-style-type: none"> 1. Sosialization of replanting -> planned in January 2018 2. Training of Self Development and Character Building -> planned in February 2018 3. Training ISO 14001:2015 -> planned in April 2018 4. Safety awareness training -> planned in March 2018 	<p>NC # 1514963- 201708-M7 CLOSED on 10/10/2017</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>5. Refresh training on fertilizing -> planned in April 2018</p> <p>6. Training of technical and managerial -> planned in April 2018</p> <p>Record of training implementation, e.g:</p> <ul style="list-style-type: none"> - List of attendance on training/socialization of replanting dated 24th January 2018 was attended by 27 workers - List of attendance on training of self development and character dated 26th February 2018 was attended by 25 workers <p>Scheme Smallholders:</p> <p>Group Manager (Kantor Plasma) has prepared the document of training program under “Rencana Pelatihan Bulanan tahun 2018 Kebun Plasma Buatan”, such as:</p> <ol style="list-style-type: none"> 1. Awareness training of RSPO PnC -> planned in January 2018 2. Basic safety training -> planned in February 2018 3. Training of HCV -> planned in February 2018 4. Training of first aider -> planned in August 2018 5. Training on basic fire -> planned in February 2018 6. Training of limited pesticide handling for operator sprayer (TUS) -> planned in September 2018 <p>Record of training implementation, e.g:</p> <p>Training of basic safety (PPE training), awareness of RSPO P&C, First Aider, HCV and AMDAL dated 8th February 2018 was attended by 69 smallholder member. Record of training can be demonstrated.</p>	
4.8.2	<p>Records of training for each employee shall be maintained.</p> <p>- Minor compliance –</p> <p>Buatan I POM and Buatan Estate:</p> <p>Record of training for each employee has been maintained as in “Personal Data Training”, such as:</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Personal Data Training namely Mr Suroso (Pengawas / Ka gudang employee) e.g: training on handling of hazardous waste (3rd January 2016), Training on limited pesticide handling (26th September 2016), Refresh training on chemical/pesticides handling (18th May 2017) and Refresh training on chemical/pesticides handling (2nd June 2018) - Personal Data Training namely Mr Supriati (spraying applicator) e.g: Training on limited pesticide handling (26th September 2016), Refresh training on chemical/pesticides handling (18th May 2017) and Refresh training on chemical/pesticides handling (2nd June 2018) - Personal Data Training namely Mr Hariyadi (supervisor of harvesting), e.g: refresh training on harvesting (20th May 2013), training on self development of supervisor (dated 16th February 2016). <p>Scheme Smallholders: Representative from KUD Bhakti Mandiri, KUD Sejahtera and KUD Jaya Makmur attended training related RSPO PnC, First Aider, HCV and AMDAL dated 8th February 2018 was attended by 69 smallholder member. Based on document review against "Buku Panduan Petani", the training record for each smallholder listed in the book. Based on interview with smallholder at KUD Bhakti Mandiri, KUD Sekahtera and KUD Jaya Makmur, explained the KUD or PT. Inti Indosawit Subur provides training for smallholder. Typ of training covering fertilizer application, FFB quality, health and safety for harvesting, etc.</p>	
Principle 5: Environmental responsibility and conservation of natural resources and biodiversity			
Criterion 5.1			
Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			
5.1.1	Environmental impact assessment document(s)	Buatan I POM, Buatan Estate and Scheme Smallholders:	Comply

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<p>shall be available. - Major compliance -</p>	<p>PT. Inti Indosawit Subur demonstrate Analisis Mengenai Dampak Lingkungan (AMDAL) consist of document ANDAL, RKL and RPL as approved through “Persetujuan Komisi Amdal Departemen Pertanian No. 013/ANDAL/BA/V/95, dated 3rd May 1995, tentang Studi Analisis Dampak Lingkungan (ANDAL) Perkebunan Kelapa Sawit Pola PIR-Transmigrasi dan Pabrik Minyak kelapa Sawit (PMKS) di Kab. Kampar, Indragiri Hulu dan Bengkalis, Propinsi Riau, mill capacity 30 tonnes FFB/hours.</p> <p>Subsequently, company has prepared “Dokumen Pengelolaan dan Pemantauan Lingkungan” – Environmental Management and Monitoring Document, back in 2009; as an evaluation for a number of operational activity covering new palm oil mill unit and the supporting function, and development of tissue culture in PT. Inti Indosawit Subur – Buatan Group. The document has been approved by Governor of Riau through “Surat Keputusan Gubernur Riau No.Kpts.975/X/2009 tentang Penetapan Dokumen Pengelolaan dan Pemantauan Lingkungan Penambahan Kapasitas Produksi Pabrik Minyak Kelapa Sawit PT. Inti Indosawit Subur dan Kegiatan Pendukungnya, Sentral Workshop Buatan dan Pembuatan Laboratorium Kultur Jaringan Berlokasi di Kecamatan Pangkalan Kerinci dan Kecamatan Pelalawan, Kabupaten Pelalawan; Kecamatan Kerinci Kanan dan Kecamatan Dayun, Kabupaten Siak, Provinsi Riau” – dated 28th September 2009. Mill capacity 60 ton FFB/hour.</p> <p>The document was explaining the review and evaluation upon impact from operational activity that has been performed and activity that was going to be performed, such as:</p> <p>Evaluation upon impact from ongoing activity:</p> <ul style="list-style-type: none"> - Impact from main activities in oil palm plantation (spraying activity, natural vegetation conservation); - Impact from main activities in palm oil mill (utilization of palm oil mill manpower, FFB processing, palm oil mill effluent management, land application of palm oil mill effluent, application of empty fruit bunch, transport of crude palm oil, palm kernel and logistics, provision and use of clean water). 	

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	<ul style="list-style-type: none"> - Impact from supporting activities (energy source operation, central workshop operation, temporary hazardous waste storage, landfill operation); <p>Review and evaluation upon future activity:</p> <ul style="list-style-type: none"> - Activity in tissue culture laboratory; - Replanting activity; Within the replanting activity review, team has identified type of impact such as: change in micro climate, air quality decrease, increase of noise, dynamics in quantity and quality of surface water, erosion and sedimentation, decrease in terrestrial flora and fauna, disturbance in aquatic life, effect on community health. - The document has also completed with environmental management and monitoring plan, gives description type of impact, source of impact, impact parameter, management objective, management/monitoring plan, period of management/monitoring, PIC for management/monitoring. <p>The environmental impact assessment carried out by PT. Holistika Primagrahita with team consist of:</p> <p>Team leader: Ir.Nur Iskandar (Fisheries/AMDAL B); Physic/Chemical team: Azni Hamzah, S.Si (Chemical/AMDAL B); Biology team: Khairunnazmi, S.Pi (Aquatic biology/AMDAL B), Marualat Harahap (Agriculture/AMDAL B); Activity: Marualat Harahap (Agriculture/AMDAL B); Social team: Yandra Mufialdo, S.Sos (Social economy); Mapping: M.Irsyadul Anwar, S.Pi</p> <p>For Kernel Crushing Plant and Biogas Plant, EIA available under document "UKL-UPL (Environmental Management Effort / Environmental Monitoring Effort)" year 2012. Capacity of KCP 260 MT/day. UKL UPL has been approved by Local authorities through letter No.660/BLH-AM/2012/202 dated February 2012. Identified impacts: domestic solid waste, POME, hazardous waste, emission, dust, and noise from KC activities.</p> <p>KUD (cooperative) holds a set of copy of latest AMDAL documents in the Cooperative office, similar to company.</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>EIA of scheme small holder has been covered by the “Dokumen Pengelolaan dan Pemantauan Lingkungan”, for mill with capacity 60 tonnes FFB/hour , Own Estate 5,781 hectares, and Plasma 12,000 hectares. The EIA (DPPL) has met the applicable requirement and has been approved on 2009 through Governor Decree number Kpts.975/X/2009 dated 28th October 2009.</p> <p>All significant impacts have been identified i.e. reduction of soil and water quality, reduction of air quality, impact to socioeconomic of local community, etc. Plan to monitor and manage of each identified environment impact have been provided and documented. The EIA document contained evidence of involvement of surrounding community during study and public consultation with relevant stakeholder.</p> <p>Based on interview with smallholder at LUD Bhakti mandiri, KUD Sejahtera and KUD Jaya Makmur, explained the type of environmental impact from their oil palm plantation such as: water pollution, soil erosion, degradation on wildlife; dead fish from chemical application/fertilizer application.</p>	
5.1.2	<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 be available. The company's management shall appoint the responsible person(s) for the implementation of the document.</p> <p>- Minor compliance -</p> <p>Buatan I POM, Buatan Estate:</p> <p>There is an environmental management and monitoring plan in term of “Rencana Pengelolaan dan Pemantauan Lingkungan” under Section IV of EIA document. Plan has covered all significant impacts with detail activities programme, relevant regulation, person in charge, and time table. Review of record and field inspection found all activities plan have been implemented and reported in “Laporan RKL RPL”, it was reported regularly to the government, e.g. RKL – RPL report semester I 2018 (period January – June 2018), the evidence of acceptance RKL RPL report by government is available in place., e.g. acceptance by Environemntal Agency in Pelalawan Regency (DLH Pelalawan) on 6th March 2018 (received by Sahrial – staff in DLH Pelalawan), and acceptance by Environmental Agency in Riau Province (DLH Riau) on 7th February 2018 (received by Ms Putri – staff in DLH Riau).</p> <p>Summary of management plans for Buatan POM and Estate:</p> <p>- Air quality and noise, to be managed by emission and transportation</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>arrangement. Has been implemented through periodic maintenance of machinery, traffic sign, safety briefing to workers, etc.</p> <ul style="list-style-type: none"> - Odour from waste, to be managed by good WWTP management. Has been implemented by WWTP construction, SOP of WWTP management. - Ground water quality, to be managed by WWTP and monitoring wells. Has been implemented by WWTP construction and monitoring wells construction. - Surface water quality, managed by good WWTP management, drainage, etc. Has been implemented. - Employment and bussines opportunities, managed by local manpower absorption and coordination. Has been implemented by employment for local people as seen in labor register. <p>The organization has appointed the responsible person for the implementation and monitoring of EIA docoument is Manager (Mill, Estate and Plasma) as explained in Job Profile Manual for Manager, point 2 mentioned "Responsible on implementation of environmental permit document and monitoring each six months"</p> <p>Scheme smallholders:</p> <p>Environmental management plan of scheme smallholder available Section IV of EIA document. The plan has covered all significant impacts with detail activities programme, relevant regulation, person in charge, and time table. Summary of management plan are:</p> <p>Ground water quality, managed by Land Application and monitoring wells</p> <ul style="list-style-type: none"> - Surface water quality, managed by land application of POME, safe chemical use, integrated pest management, etc. - Erosion and sedimentation, managed by soil conservation procedures, river buffer zone and steep soil protection, etc. - Flora and fauna composition change, managed by conservation area, signboard 	

Criterion / Indicator	Assessment Findings	Compliance
	<p>of fauna protection, river buffer zone protection,</p> <ul style="list-style-type: none"> - Employment and bussines opportunities, managed by local manpower absorption and coordination - Social jealousy, managed by prioritizing local manpower and partisipatory - Community's health and hygiene - Soil quality changes, managed by natural vegetation conservation and Land Application <p>Based on interview with smallholder at KUD Bhakti Mandiri, KUD Sejahtera and KUD Jaya Makmur, explained the type of environmental impact from their oil palm plantation such as: water pollution -> control the spraying and fertilizer application, avoid spryaing near water body; soil erosion -> no blanket spraying, frond stacking, degradation on wildlife -> no hunting;</p>	
<p>5.1.3</p>	<p>Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.</p> <ul style="list-style-type: none"> - Minor compliance – 	<p>Buatan I POM, Buatan Estate and Scheme Smallholders:</p> <p>In 2009, company has prepared a supplementation document, "Dokumen Pengelolaan dan Pemantauan Lingkungan (DPPL) as evaluation upon new activity, covering construction of new palm oil mill and supporting facilities, as well as construction of tissue culture laboratory in PT. Inti Indosawit Buatan Group. The environmental management and monitoring document has been approved through "Surat Keputusan Gubernur Riau No.Kpts.975/X/2009 tentang Penetapan Dokumen Pengelolaan dan Pemantauan Lingkungan (DPPL) Penambahan Kapasitas Produksi PMKS PT. Inti Indosawit Subur dan Kegiatan Pendukungnya, Sentral Workshop Buatan dan Pembuatan Kultur Jaringan berlokasi di Kecamatan Pangkalan Kerinci dan Kecamatan Pelalawan, Kabupaten Pelalawan; Kecamatan Kerinci Kanan dan Kecamatan Dayun, Kabupaten Siak, Provinsi Riau. The environmental document has explained evaluation upon operational activity, as well as the impact.</p> <p>Impact evaluation upon ongoing activities:</p> <ul style="list-style-type: none"> - Impact from main activities in oil palm plantation (spraying team operation,

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		<p>natural vegetation conservation;</p> <ul style="list-style-type: none"> - Impact from main activities in palm oil mill: use of manpower within palm oil mill, material processing, palm oil mill effluent processing, land application, empty fruit bunch application, transportation of CPO, PK and logistic, clean water utilization; - Impact from supporting activities: operational of energy source, operation of central workshop, temporary storage of hazardous waste, activity related to waste disposal/landfill area; <p>Impact evaluation from upcoming activities:</p> <ul style="list-style-type: none"> - Tissue Culture Laboratory activities; - Replanting activities; <p>The impact assessment for replanting has identified impacts such as: changes in micro climate, a decrease in air quality, increase in noise level, quantity and quality of surface water, soil erosion and sedimentation, loss of flora and fauna, disturbance to aquatic biota, community health and surrounding environment health.</p> <p>The document has also completed with environmental management and monitoring plan. The plans were explaining type of impact, source of impact, impact parameter, management purpose, management and monitoring plan, management/monitoring location, management/monitoring timeframe, etc.</p>	
<p>Criterion 5.2 The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>			
5.2.1	Record(s) on the results of High Conservation Value (HCV assessment) that includes both the planted area and the relevant wider landscape-level considerations (such as wildlife corridors) shall be available.	<p>Buatan Estate and Scheme Smallholder:</p> <p>Company has conducted the HCV identification in coordination with “Fakultas Kehutanan Institut Pertanian Bogor” on March –April 2009, under “Laporan Final Kajian Penuh Identifikasi dan Analisis Keberadaan High Conservation Value di Areal PT Inti Indosawit Subur, Kebun Buatan Provinsi Riau”. The HCV assessment</p>	Comply

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- Major compliance -	<p>conducted based on "Panduan Kawasan Bernilai Konservasi Tinggi di Indonesia", issued by Konsorsium Revisi HCV Toolkit Indonesia dated 12/07/2008.</p> <p>Based on HCV identification total HCV area identified was 55.56 ha in Buatan Estate. Buatan Estate is divided in two supply base: Division I, II and III as supply base Buatan I POM and Division IV, V and VI as supply base Buatan II POM. So that the HCV area in Division I, II and III as supply base Buatan I POM was 27.78 ha.</p> <p>HCV identified in Buatan I consist of:</p> <ul style="list-style-type: none"> - HCV 1.1, 1.2 and 4.1: Riparian zone Kerinci Besar River (38.9 Ha); - HCV 1.1, 1.2 and 4.1: Riparian zone Laniago River (4.50 Ha); - HCV 1.2 and HCV 6: Conservation forest for Manggeris trees (Pohon Madu): 10.5 Ha; - HCV 1.2 and HCV 6: Conservation forest for Manggeris trees (Pohon Madu): 3.60 Ha; - HCV 6: ancient graveyard: 0.66 Ha; <p>HCV identification was consulted to the relevant stakeholder and HCV map is available in place. HCV assessment also including Smallholder Buatan area and used in scheme smallholder operation.</p> <p>The HCV identification document has explained the general condition of landscape surrounding company's plantation: there is no protected forest/ecosystem that feasible for wildlife to maintain its viability. Therefore no recommendation for wildlife corridor.</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>Buatan Estate and Scheme Smallholder:</p> <p>Based on HCV Identification assessment, it was found that there are 8 mammals species and 10 birds species according to national regulation (PP No.7 tahun 1999, CITES and IUCN). It was found RTEs during HCV identification, such as:</p> <ul style="list-style-type: none"> - 8 mammals species: Rusa Sambar (<i>Cervus unicolor</i>), Kucing Hutan (<i>Felis bengalensis</i>), Owa (<i>Hylobates agilis</i>), Monyet Ekor Panjang (<i>Macaca fascicularis</i>), 	Comply

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- Major compliance -	<p>Trenggiling (<i>Manis javanica</i>), Musang luwak (<i>Paradoxurus hermaphrodites</i>), Lutung Dada Putih (<i>Presbytis femoralis</i>) and Kancil (<i>Tragulus javanica</i>);</p> <p>- 10 birds species: Burung Madu Sepah Raja (<i>Aethopyga siparaja</i>), Raja Udang Meninting (<i>Alcedo meninting</i>), Baza Hitam (<i>Aviceda leuphotes</i>), Rangkong Badak (<i>Buceros rhinoceros</i>), Tokhtor Sunda (<i>Carpococcyx radiceus</i>), Beo (<i>Gracula religiosa</i>), Cekakak cina/belukar (<i>Halcyon pileata</i>), Cekakak Batu (<i>Lacedo pulchella</i>), Betet Ekor Panjang (<i>Psittacula langicauda</i>) and Elang Ular Bido (<i>Spilomis cheela</i>);</p> <p>Based on field visit, PT. Inti Indosawit Subur – Buatan demonstrate efforts to protect rare species and its habitat through planting of wooden tree, HCV area patrol, flora and fauna monitoring. The Estates have maintained notice-boards at the entrance to the properties and next to buffer zones or worker housing to prohibit the capture or hunting of fauna and disturbance of vegetation.</p> <p>PT. Inti Indosawit Subur – Buatan created posters listing all protected flora and fauna, endangered and threatened species and placed on location accessible to public such as Estate offices, worker housing, village offices as well as entrance way to plantation area.</p> <p>The company conducted monitoring of HCV and RTEs regularly (every six month), the last monitoring was conducted in July 2017 for period January – June 2017.</p> <p>Group manager Smallholder Buatan has determined HCV management and monitoring plan as recommend in HCV Assessment report. Management plan to conserve RTE species for such as highlights members adjacent to protected areas/natural waterways/potential HCVs including as part of the regular field checks to ensure compliance, i.e clear boundaries and no encroachments, monitoring of RTE species. List of HCVs and RTEs findings display on the notice board is available during onsite audit.</p>	
5.2.3	<p>Program(s) to socialize the status of protected, rare, threatened or endangered (RTE) to all</p> <p>Buatan Estate and Scheme Smallholder: PT Inti Indosawit Subur has a program to socialize the status of protected, rare,</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
<p>workers shall be available, including records of appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance –</p>	<p>threatened or endangered (RTE) to all workers. Socialization has conducted through muster morning in each division by field assistant, latest refreshment to workers conducted on 16 June 2018. Company also provided signboard regarding HCV protection and RTE species protection in the strategic place as a campaign to awareness the workers/people. Socialization to surrounding community also performed by company to enhance awareness of natural conservation, latest socialization conducted on 15 January 2018.</p> <p>Company also has implemented appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species. Sanction and process based on UU No. 5 tahun 1990. Based on interview with worker representative and field workers – workers have understand protection of plant and animal. The workers also aware of company policy prohibits hunting, raising and killing protected animal.</p> <p>Refreshment and awareness regarding HCV and wildlife protection performed by company through muster morning in each division/afdeling PT Inti Indosawit Subur – Buatan Estate and POM. Refreshment and awareness to smallholder scheme (KUD, WKAK and smallholder member) has also conducted by ICS management on 6 February 2018.</p>	
<p>5.2.4</p> <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>Buatan Estate:</p> <p>Continous monitoring documentation and report regarding the status of RTE species and HCV presented in “laporan Monitoring tumbuhan dan Satwaliar PT Inti Indosawit Subur, Kebun Buatan” Periode Juli – December 2017.</p> <p>Monitoring documentation such as: “Daftar Temuan Satwa liar di Areal kebun” contain information regarding result of wildlife and RTE species monitoring, “tabel Monirtoring Kerusakan kawasan lindung” contain information regarding result of HCV area monitoring and HCV condition monitoring such as illegal hunting, HCV area disturbance, and HCV condition. Latest monitoring both RTE species and HCV area conducted on July 2018. Sample seen: Wildlife monitoring in Afdeling II July 2018, found presence of animal such as: <i>Varanus salvator</i>, <i>Halcyon chloris</i>, <i>Gallus gallus</i>,</p>	<p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p><i>Naja sumatrana, Callosciurus notatus.</i></p> <p>Evaluation the effectiveness of management and monitoring plan implementation reported each semester in "laporan Monitoring tumbuhan dan Satwaliar PT Inti Indosawit Subur, Kebun Buatan". Evaluation result and recommendation of management and monitoring contain in the report. This recommendation give the feedback and improvement to conservation management plan.</p> <p>Scheme Smallholder:</p> <p>The responsibilities of group members smallholder is covered in "SOP Konflik Dengan Satwa Dilindungi No. 015/DOK/SOP/PT.KLB-AA/2016" dated 2 December 2016. All member shall be observe and identified the presence of RTE species in their kavling/plantation and noted in the logbook and report to ICS "Petugas Penyuluhan"; the report will be submited to Group Manager. Group manager, ICS and member together involving to conserve the HCV and RTE species.</p> <p>Plasma Buatan can be demonstrated the result of RTE species and HCV monitoring on "Formulir Daftar Temuan Satwa Liar". Logbook with details of threats to HCV (including sightings of RTE) available at the site office. According to the procedure, all member has responsible to report the presence of RTE species, animal conflict, and threats to HCVs in their kavling. They report to ICS or KT and forward to Group Manager ICS.</p>	
5.2.5	<p>Where HCV areas overlapped with an identified local community's land, there shall be evidence of a negotiated agreement that optimally safeguard their HCVs and the local community's rights.</p> <p>- Minor compliance –</p>	<p>Buatan Estate and Scheme Smallholder:</p> <p>All HCV and conservation areas within the company areas. Based on document verification, field visit and interview with stakeholders, there was no HCV area under existing rights of local community.</p>	Comply
<p>Criterion 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>			

Criterion / Indicator	Assessment Findings	Compliance
<p>5.3.1</p> <p>A documented identified source of all waste and pollution, shall be available.</p> <p>- Major compliance -</p>	<p>Buatan Estate and Buatan I POM:</p> <p>Waste products has been identified and documented under the “Evaluasi Aspek-Dampak Lingkungan” (Environmental Aspect impacts). This document is updated once a year, last updated on January 1st, 2018. This document covering all operation in Estates and mill. List of source of waste and pollutant such as: ex fertilizer sack and innerbag, domestic waste in housing area (organic and inorganic), empty chemical containers.</p> <p>PT Inti Indosawit Subur – Buatan I POM and Estate has waste management plan, identifying type and source of waste and the disposal plan. Company prepared a procedure to handle hazardous waste titled “Prosedur Penanganan Limbah B3” No.AA-KL-06-EFP explains methods to collecting the waste, recording in balance and disposal through licensed third party transporter.</p> <p>The company store hazardous waste in temporary storage with permit. The temporary hazardous waste storage has a valid permit based on “Surat Keputusan Badan Penanaman Modal dan Pelayanan Perijinan Terpadu nomor: KPTS.503/BPMP2T-PLY/14/2016, dated 18 March 2016, the license valid until 5 year 2021. The hazardous waste is sent to the registered collector/transporter which approved by Environmental Ministry, namely PT Indostar Cargo.</p> <p>Scheme Smallholder:</p> <p>Plasma Buatan can be demonstrated “Identifikasi Sumber Polusi di Perkebunan Petani Kebun Plasma Buatan PT Inti Indosawit Subur 2018”. List of source of waste and pollutant such as: ex fertilizer sack and innerbag, domestic waste in housing area, etc.</p> <p>ICS Group Plasma Buatan has defined the procedure “Pengelolaan Kemasan Ex (Bekas) Pupuk di Kebun” No. 035/DOK/SOP/PT.IIS KLB-AA/2016 dated 2 December 2016. All ex fertilizer sack was prohibit to dispose in plantation and housing area. All the ex fertilizer sack usage must be identified and reported to Group Manager ICS.</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Ex fertilizer sacks were rinsed and reused as loosefruit sack and the innerbag plastic is delivered to the collector. Group manager also has develop the mechanism of domestic waste management. The mechanism has disseminated to all KUD and KT member. Domestic waste management performed by segregating the organic and inorganic waste. Organic waste used as composting and anorganic waste was select by type of waste such as: paper and plastic waste collected and deliver to collector, Glass and steel was collected and deliver to PT Inti Indosawit Subur waste storage and other inorganic waste deliver to final sanitary landfill.</p>	
<p>5.3.2</p>	<p>There shall be evidence that all chemicals and their empty containers are disposed of responsibly. - Major compliance -</p> <p>Buatan Estate and Buatan I POM: PT Inti Indosawit Subur – Buatan I POM and Estate collects all hazardous waste from estates and mill into temporary hazardous waste storage in central workshop compound. The temporary hazardous waste storage has a valid permit based on “Surat Keputusan Badan Penanaman Modal dan Pelayanan Perijinan Terpadu. Nomor : KPTS.503/BPMP2T-PLY/14/2016, Dated 18 March 2016, the license valid until 5 year 2021. PT Inti Indosawit Subur – Buatan I POM has prepared a procedure to handle hazardous waste titled “Prosedur Penanganan Limbah B3” No.AA-KL-06-EFP explains methods to collecting the waste, recording in balance and disposal through licensed third party transporter. PT Inti Indosawit Subur has an agreement in transporting the hazardous waste to contractor: PT Indo Star Cargo. The type of hazardous waste to be transported: used oil, old battery, waste oil, old lamps, used chemical container, contaminated waste and used filter. The contractor holds valid permit based on Recommendation letter from Ministry of Environment No. B-5055/Dep.IV/LH/PDAL/05/2014 dated 6 May 2014 regarding recommendation of hazardous waste transporting for PT Indo Star Cargo valid for 5 years. There are record of transfer from estate to mill, as Catatan Serah-Terima Limbah B3 (AA-KL-602-FM).</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Company has manifest of hazardous waste transaction to legal collector PT Indo Star Cargo. The last shipment to collector is: Buatan I POM.</p> <p>Records of hazardous waste balance “Lembar Neraca Limbah Bahan Berbahaya dan Beracun” period August 2017 were evident and updated; identifying incoming and outgoing hazardous waste in store.</p> <p>Data verified:</p> <ul style="list-style-type: none"> – Memorandum nomor 146/EST-KBN/MEMO/08/18, dated 1st January 2018 on “Collecting and Disposal of Hazardous Waste (include” empty chemical containers)” in Buatan Estate – Neraca Limbah Bahan Berbahaya dan Beracun for empty chemical comntainers, month July 2018, e.g: dated 9th July 2018 (57 pcs), on 23th July 2018 (70 pcs) and on 30th July 2018 (110 pcs). – Based on visit in temporary storage of hazardous waste in Buatan I POM there were found the environmental control has effective implemented. – Manifest nomor KLH-61500000003364U, item accu used (0.62 ton), dated 22th April 2018 sent to PT Indostar Cargo – Manifest nomor KLH-61500000002265U, item empty chemical containers (0.5 tons), dated 22th April 2018 sent to PT Indostar Cargo – Report on performance of hazardous waste management (three- months bases) to Environment Agency in Riau Province for period April – June 2018, was sent on 1st August 2018. <p>Scheme Smallholder:</p> <p>Group manager Smallholder Buatan has a policy and mechanism to manage the waste from ex fertilizer sack according to procedure of “Pengelolaan Kemasan Ex (Bekas) Pupuk di Kebun No. 035/DOK/SOP/PT.IIS KLB-AA/2016” dated 2 December 2016. The ex fertilizer sack must be handled by triple rinse and use as loosefruit</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>sack, the innerbag of fertilizer was delivered to collector. During site visit and interview with smallholder member in KUD Bhakti Mandiri, KUD Jaya Makmur and KUD Sejahtera, they were well aware of the mechanism.</p> <p>Group manager has monitored the usage of ex fertilizer sack in Plasma Buatan each month. The monitoring record were evident in "Monitoring Penggunaan Bekas Karung Pupuk untuk Tempat Brondolan".</p> <p>Based on interview with smallholder at KUD Bhakti Mandiri, KUD Sejahtera and KUD Jaya Makmur explained the bag from fertilizer re-use for loose fruit collection; the inner plastic from fertilizer bag was collected by mandor and sent for scheduled waste. They also understood that chemical spraying was only done by TUS, and cannot be done by farmers.</p>	
<p>5.3.3</p>	<p>A documented waste management plan to avoid or reduce pollution and its implementation shall be available.</p> <p>- Minor compliance –</p> <p>Buatan I POM and Estate:</p> <p>A documented waste management plan to avoid or reduce pollution and its implementation shall available under document of Enviromental Aspect-Impacts (Evaluasi Aspek-Dampak Lingkungan) year 2018. The document covered all operation in mill, estate and its smallholders. Hazardous and medical waste is disposed to the register collector, while domestic waste disposed to the landfill, organic and inorganic waste is separated in linesite, organic waste to the landfill and some of inorganic waste is collected for re-cycle.</p> <p>Scheme Smallholder:</p> <p>Individual member Plasma Buatan have a documented waste management in "Buku Pintar Petani Plasma". All the ex fertilizer sack number and usage were recorded in the book.</p> <p>All member was use the ex fertilizer sack as a loosefruit bag and the innerbag plastic is deliver to collector. All the member has implementing the procedure of "Pengelolaan Kemasan Ex (Bekas) Pupuk di Kebun" No. 035/DOK/SOP/PT.IIS KLB-AA/2016 dated 2 December 2016.</p>	<p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance											
		During site visit and interview with smallholder member in KUD Bhakti Mandiri, KUD Jaya Makmur and KUD Sejahtera, they have aware and implement the mechanism and procedure of waste disposal.												
Criterion 5.4														
Efficiency of fossil fuel use and the use of renewable energy is optimized.														
5.4.1	<p>A plan for improving efficiency of the use of fossil fuels and to optimize renewable energy shall be in place and monitored.</p> <p>- Minor compliance –</p>	<p>Buatan I POM and Estate:</p> <p>PT Inti Indosawit Subur – Buatan I POM has prepared the program for improving efficiency of the use of fossil fuels and to optimize renewable energy under “Rencana Manajemen Lingkungan” year 2018. In point 2 stated to improving efficiency of the use of fossil fuels such monitoring on use of fossil fuels</p> <p>Fossil fuel records are maintained and the trends shown. Energy use records include accurate measurements of renewable energy use per ton of FFB processed. All the shell and fiber are consumed internally as boiler fuel. Fossil fuel usage is recorded for operational purpose, including the efficiency analysis. Fossil fuel records are maintained and the trends shown. Energy use records include accurate measurements of renewable energy use per ton of FFB processed. Company already maximize the renewable energy use. All the shell and fiber are consumed internally as boiler fuel. Fossil fuel usage is recorded for operational purpose, including the efficiency analysis.</p> <p>Data verified:</p> <p>Trend of fossil fuels used year 2017 and 2018,</p> <p>Buatan Estate:</p> <table border="1"> <thead> <tr> <th>Program</th> <th>Unit</th> <th>2017 (km/liter)</th> <th>2018 (km/liter)</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Preventive maintenance</td> <td>Dum truck 08</td> <td>4.3 km/liter</td> <td>5.7 km/liter</td> </tr> <tr> <td>Dum truck 12</td> <td>2.9 km/liter</td> <td>3.1 km/iter</td> </tr> </tbody> </table>	Program	Unit	2017 (km/liter)	2018 (km/liter)	Preventive maintenance	Dum truck 08	4.3 km/liter	5.7 km/liter	Dum truck 12	2.9 km/liter	3.1 km/iter	Comply
Program	Unit	2017 (km/liter)	2018 (km/liter)											
Preventive maintenance	Dum truck 08	4.3 km/liter	5.7 km/liter											
	Dum truck 12	2.9 km/liter	3.1 km/iter											

Criterion / Indicator		Assessment Findings				Compliance
		(services of starter of dynamo)	Dum truck 14	3.1 km/liter	3.2 km/liter	
			Dum truck 20	3.8 km/liter	4.2 km/liter	
			Dum truck 37	3.3 km/liter	3.7 km/liter	
		FIP Calibration	Dum truck 12	2.9 km/liter	3.1 km/liter	
		Enginee OH	Dum truck 12	2.3 km/liter	3.1 km.liter	
		<p>The table shown the fossil fuels use in 2018 is more efficiency than previous year (Km/Liter).</p> <p>Scheme Smallholder:</p> <p>Smallholders did not monitor the usage of fossil fuel which mainly for the transportation of the FFB. Farmers: Engage casual workers for the activities in the farm such as spraying and harvesting.</p> <p>Group manager has developed the management plan to reduce pollutants and emissions, presented in "Pedoman Pemanfaatan Efisiensi Sumber Energi" last review on 5th February 2018.</p> <ul style="list-style-type: none"> - Optimize FFB transportation, not to return to Kavling - Penataan TPH along the collection road to become one way to ease the FFB transportation - Reducing the use of grass cutting machine for weeds control and cooperate with TUS team to handle the weeds control in farmer kavling - Convert the generator usage to become PLN electric usage to reduce the emission. 				
<p>Criterion 5.5</p> <p>Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>						
5.5.1	Records of land clearing with zero burning shall	Buatan I POM and Estate:				Comply

Criterion / Indicator	Assessment Findings	Compliance	
	<p>be available, referring to the ASEAN Policy on Zero Burning (2003) or other recognised techniques based on the existing regulations.</p> <p>- Major compliance -</p>		
5.5.2	<p>Where fire has been used for eradication of pest during replanting, the records of the analysis of the use of fire and permit from the authorised agency shall be available.</p> <p>- Minor compliance -</p>	<p>Scheme Smallholder: Based on interview with smallholder in KUD Bhakti Mandiri, KUD Jaya Makmur and KUD Sejahtera, stated no fire in smallholder's oil palm plantation.</p> <p>Buatan I POM and Estate: PT Inti Indosawit Subur – Buatan Estate has developed an early warning system, to monitor the risk of fire. The system “Sistem Peringkat Bahaya Kebakaran 1 & 2”. The monitoring system calculating the field condition, ignition risk, potential drought and smoke, fire handling, fire fighting difficulty and weather index. Patrol report indicating any fire incident.</p> <p>Visit to replanting area 2018, the land preparation is using mechanical method. No any open burning was noted for land preparation.</p> <p>Scheme Smallholder: No any open burning was noted for land preparation and any activity in KUD Bhakti Mandiri, KUD Jaya Makmur, KUD Sumber Rezeki and KUD Sejahtera. Replanting plan has been drawn up in the near future. The replanting plan was available under “Schedule Pelaksanaan Replanting Kebun Plasma Buatan”. For instance KUD Bhakti Mandiri: 2017 for 872 Ha (planting year 1989 and 1990); 2019 for 108 Ha (planting year 1991 and 1992); changed into 562 Ha in 2017 for planting year 1989 and 1990 and 418 Ha for 2019 (planting year 1991 and 1992). KUD Bhakti Mandiri demonstrated “Deklarasi Replanting” dated 17th May 2016 by 9 smallholder groups which start replanting in 2017.</p>	Comply
<p>Criterion 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>			

Criterion / Indicator	Assessment Findings	Compliance
<p>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 -</p>	<p>Buatan I POM and Estate: PT Inti Indosawit Subur – Buatan I POM has identified the emission sources and pollution under document of “Enviromental Aspect-Impacts (Evaluasi Aspek-Dampak Lingkungan) year 2018”. Identification of greenhouse gas (GHG) emissions sources both of Mill, Estate and Smallholders consist of emission from boiler and generator, effluent from mill waste water, particulate from boiler stack, noise, fertilizer application, fossil fuels usage, transport of FFB The assessment of pollution activities was documented in “Mitigasi Has Rumah Kaca”. 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>Scheme Smallholder: Group manager has prepared the list significant pollutants and identify sources of emissions, presented in “Identifikasi Sumber Polusi di Perkebunan Petani Kebun Plasma Buatan PT Inti Indosawit Subur 2018”. List of significant pollutant such as: emission from FFB transportation, water pollutant from fertilizing and spraying activity, emission from generator usage.</p>	<p>Comply</p>
<p>5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plan to reduce or minimize them implemented. - Major compliance -</p>	<p>Buatan I POM, Estate and Sheme Smallholder: Based on Significant pollution and GHG emission was identified, for estates comes from using of pesticides, action plan to reducing pesticide was made such as program of integrated pest control where minimize to use chemical/pesticides, . Graph of emission and pollutant were provided to monitor trend of them in monthly basis.</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<ol style="list-style-type: none"> 1. Using EFB as organic fertilizer. 2. Planting beneficial plant 3. Efficiency of fossil fuel. 4. Using fibre and shell for boiler 5. Capturing methane gas from POME 6. Increasing renewable energy usage as electricity from methane capture facility <p>The company also has minimized pollutant and GHG through using EFB as organic fertilizer, implementing IPM to reduce pesticides usage, using fiber and shell for boiler, and capturing POME by Biogas Plant by Kubota with Thermophilic anaerobic process.</p> <p>Monitoring of air emissions and ambient air quality conducted every semester. Emissions test conducted by Testing Laboratory PT Sucofindo. The results of the analysis has been demonstrated and reported to Environmental Agency every six months.</p> <p>Data verified:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Subject of analysis for air emission in Buatan Estate - Report of sampling and analysis: certificate No 00091/CLAIAL, dated 8th January 2018, conducted by Sucofindo, the result is comply with Environmental Minister Decree No Kep-13/MENLH/2009, attachment I and The Labour Minister Decree No Kep-13/MEN/2011. <input type="checkbox"/> Subject of analysis for air emission in Buatan I POM - Report of sampling and analysis: certificate No 00089/CLAIAL, dated 8th January 2018, conducted by Sucofindo, the result is comply with Environmental Minister Decree No Kep-13/MENLH/2009, attachment I and The Labour Minister Decree No Kep-13/MEN/2011. <input type="checkbox"/> Subject of analysis for Air Ambient, Noise Vibration, Temperature, Odor dan Indoor Air Quality in Buatan I POM – Report of sampling and analysis: certificate 	

Criterion / Indicator		Assessment Findings	Compliance
		No 00088/CLAIAL, dated 8th January 2018 conducted by Sucofindo, the result is comply to Government Regulation No 41/1999, The Labour Minister Decree No Kep50/MENLH/11/1996, Beware of Labour Minister Decree No.SE01/MEN/1997, Mentrans Minister Decree PER.13/MEN/X/2011.	
5.6.3	A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available. - Minor compliance –	<p>Buatan I POM, Estate and Sheme Smallholder:</p> <p>Emission monitoring system by using “RSPO PalmGHG” system calculation. Emission from estate, smallholder and mill operation was calculated and monitored, emission reduction achieved.</p> <p>Monitoring of any pollutant has been done in daily, weekly and monthly basis, report of monitoring was recorded in the “RKL/RPL” report, and this report submitted to the related institution every 6 month.</p> <p>The company has prepared a strategy in effort to reduce and mitigate pollution and emission. Monitoring of pollution and emission quality for plantation has been planned and implemented,</p> <p>e.g. air quality ambient for boiler and Genset, water quality test for river (upstream and downstream), effluent water quality, noise, etc.</p> <p>Regular monitoring and calculation of polluting and emission from estate and mill available using Palm GHG Calculator V.3.0.1 .</p> <p>The result of GHG calculating availabe in Appendix I.1a shown that emission analysis result was complied with regulation.</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance	
Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and mills			
Criterion 6.1 Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			
6.1.1	<p>A social impact assessment (SIA) including records of meetings shall be documented.</p> <ul style="list-style-type: none"> - Major compliance - 	<p>Buatan I POM, Estate and Scheme smallholders:</p> <p>Social Impact Assessment was conducted as documented in "Social Impact Assessment PT Inti Indosawit Subur Kebun Buatan di Kabupaten Siak dan Kabupaten Pelalawan Propinsi Riau, on 2009 by Fakultas Kehutanan Institut Pertanian Bogor.</p> <p>Assessment of aspects of social impacts is done by several methods, including:</p> <ul style="list-style-type: none"> - Focus Group Discussion (FGD) - Deep interview - Structured Interviews <p>Field observation during the preparation for Social Impact assessment team and company management have involved communities through interviews and meetings with village peoples, farmers, village officials and regency officials. Record of meeting with affected parties and stakeholder are available and can be demonstrated. Evidence of participation with affected parties is to use a questionnaire conducted on 13- 19 April 2009, questionnaires can be demonstrated at the time of the audit.</p>	Comply
6.1.2	<p>There shall be evidence that the assessment has been conducted with the participation of affected parties.</p> <ul style="list-style-type: none"> - Major compliance - 	<p>Buatan I POM, Estate and Scheme smallholders:</p> <p>During the preparation for Social Impact assessment team and company management have involved communities through interviews and meetings with village peoples, farmers, village officials and regency officials.</p> <p>Record of meeting with affected parties and stakeholder are available and can be demonstrated. Participation with affected parties is by interview directly and use a</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		questionnaire conducted on 13- 19 April 2009, questionnaires can be demonstrated at the time of the audit.	
6.1.3	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. - Major compliance -	<p>Buatan I POM, Estate and Scheme smallholders:</p> <p>Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones presented in “Rencana Kelola Dampak Sosial dan Rencana Pemantauan Dampak Sosial” such as:</p> <ul style="list-style-type: none"> - Farmers still lack understanding regarding internal control system (ICS) - level of understanding is about 75%, management plans: conducting training programs related to understanding the ICS and RSPO. - Misunderstanding of Sorting FFB at fruit collection sites (TPH) between farmers and Mill, management plan: Socialization to farmers related to regulation of Permentan no. 14/2013 concerning the “Pelaksanaan sortasi”. - Impact of dust on the dry season caused by FFB transport activities to the mill, management: the company performs scheduled watering every day in the morning and evening. - Scheme smallholder PIR Plasma faces constraints in income generation in the face of replanting, management: In 2018 training has been conducted in Yogyakarta regarding alternative income, such as: jambu madu cultivation, cultivation of catfish and goats. <p>Based on the results of consultations with affected communities on 5-10 October 2017 that there are still some impacts that still need to be updated, through the 2015-2017 SIA review program has been re-established/management plans and monitoring aspects of social impacts.</p>	Comply
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	<p>Buatan I POM, Estate and Scheme smallholders:</p> <p>Company has reviewed social impact assessment and the latest review conducted on November 2017 for period 2015 - 2017, the company publishes the effectiveness management and monitoring of SIA and recorded in the report "Tabel dan</p>	Comply

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

Criterion / Indicator	Assessment Findings	Compliance
<p>affected parties. - Minor compliance –</p>	<p>Permasalahan Upaya Pengelolaan Yang Telah Dilakukan Terhadap Aspek Sosial di PT Inti Indosawit Subur – Group Kebun Buatan Tahun 2015 - 2017”.</p> <p>The review was carried out based on consultation with affected communities related to the management of the impact of social aspects on 5-10 October 2017. Based on the SIA review for the 2015-2017 period, there are still a number of issues that are still not efficient in its management, for example:</p> <ul style="list-style-type: none"> - Farmers still lack understanding regarding internal control system (ICS) - level of understanding is about 75%, management plans: conducting training programs related to understanding the ICS and RSPO. - Misunderstanding of Sorting FFB at fruit collection sites (TPH) between farmers and Mill, management plan: Socialization to farmers related to regulation of Permentan no. 14/2013 concerning the “Pelaksanaan sortasi”. - Impact of dust on the dry season caused by FFB transport activities to the mill, management: the company performs scheduled watering every day in the morning and evening. - There is social jealousy in terms of employment, management plan: providing information on recruitment of workers to all villages around the plantation, in 2017 the company has recruited employees from the local community as much as 40% of the program from the number of people recruited. - There is still a lack of indigenous people working on PT IIS plantations, the management of which has been carried out by providing information to villages around the plantations related to employee hiring and also the recruitment program for plasma farmers' children. 	
<p>6.1.5 - Minor compliance –</p>	<p>Buatan I POM, Estate and Scheme smallholders: Social Impact Assessment was conducted as documented in “Social Impact Assessment PT Inti Indosawit Subur Kebun Buatan di Kabupaten Siak dan Kabupaten Pelalawan Propinsi Riau, on 2009 by Fakultas Kehutanan Institut Pertanian Bogor. Evidence of participation with affected parties is to use a</p>	<p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>questionnaire conducted on 13- 19 April 2009, questionnaires can be demonstrated at the time of the audit.</p> <p>Social impact assessment has included the smallholder area and pay attention to the impacts of smallholder schemes.</p>	
<p>Criterion 6.2 There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>			
6.2.1	<p>Communication and consultation procedures shall be documented.</p> <p>- Major compliance -</p>	<p>Buatan Estate and mill:</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. In addition, record related to information request and company response kept and maintained for three (3) years.</p> <p>Based on public stakeholder consultation with KUD/cooperative chairman, local contractor, NGO and public official, it was revealed that company has communication in good manner. Company also provide response to information request in accordance to authority and the communication and consultation has considered differential access to information for male/female, workers, villager’s representative both old and new villagers including ethnics. The procedure designed in collaboration with local communities and other affected or interested parties, and also designed with consideration to the use of appropriate existing local mechanisms and languages. The procedure was in Bahasa Indonesia that understood by all surrounding communities, it verified during public consultation with stakeholders on 31 July 2017.</p> <p>Stage of communication and consultation with public was described in the procedure and it has been communicated to stakeholder on 14-16 November 2017 in Buatan Estate attended by 65 workers, 12 March 2018 in Buatan I POM attended by 28</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>workers.</p> <p>Scheme smallholders: All KUDs has a consultation and communication procedures as documented in “Mekanisme Komunikasi, konsultasi dan keluhan, dated 3rd January 2011. The procedure covers mechanism to receive information request, receive complaint, request for consultation; handle information/consultation request and handle complaint; provide response to such requests in timely manner. The procedure also completed with flowchart for ease of use in farmer level.</p> <p>Based on interview with smallholder in KUD Sejahtera, KUD Bhakti Mandiri and KUD Jaya Makmur, explained the method of communication and consultation through KUD, subsequently through KT and then cascaded to smallholder.</p>	
6.2.2	<p>The company shall have official(s) who is responsible for consultation and communications with parties. - Minor compliance -</p> <p>Buatan Estate and mill: The company has appointed officers responsible to carried out communication and consultation with local communities is Public Relations Department – Mr. Lindu Simatupang, the Public relation officer in PT. Inti Indosawit Subur – Buatan Group. The appointment was through “Memorandum Group Manager PT. Inti Indosawit Subur - Buatan No.388/ES-KBN/Memo/06/2015 perihal Tugas dan Tanggungjawab Humas Kebun Buatan” dated 1st June 2015. The letter explicitly mentioned the roles is to consulting and communicating with community and follow up the result of consultation and communication.</p> <p>The public relation officer is reporting directly to Estate Manager.</p> <p>Scheme smallholders: KUD has appointed each KUD Head as the responsible officer to communicating and consulting with stakeholder as per KUD Appointment letter e.g “Surat Keputusan No.6/Kpts/KUD-BM/II/2012 tentang Penunjukan/Pengangkatan Petugas Komunikasi dan Konsultasi KUD Bhakti Mandiri” dated 10th February 2012.</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
<p>6.2.3</p> <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>Buatan I POM, Estate and Scheme smallholders:</p> <p>Company has a list of stakeholder which update on annual basis in “Updated Daftar Stakeholders PT. Inti Indosawit Subur – Buatan Group”, latest update was on July 2018. From the document, it was known that company is consulting and communicating with 28 parties from government authorities: government in village-level, district-level, regency-level, and agencies such as Badan Pertanahan Nasional/BPN (national land body), Badan Konservasi Sumber Daya Alam/BKSDA (natural resources conservation agency); 32 parties from community-level: cooperative staff, community figures, mass media, etc.;</p> <p>28 parties from contractors: outside FFB suppliers, FFB-collectors, school bus transport contractors, employee housing repair contractor, heavy machinery contractors, etc.;</p> <p>4 Non-governmental Organizations: WWF, Scale Up, LSM Penjarah, LSM Lembaga Cegah Kejahatan Indonesia.</p> <p>Record seen:</p> <p>The company has recorded the stakeholders communication as Log Book, in January until July 2018 there are 18 requests information, e.g:</p> <ul style="list-style-type: none"> - Dated 20 November 2017 comunication with Chairman of Asosiasi BMB information related condutcting leaf sampling unit for fertilizer recomedation period 2018 and has been responded on 23 November 2017 - Dated 18 January 2018 informastion request from DLH Pelalawan Regency concerning Hasil Kunjungan DLH Pelalawan Regency on November 2018 and has been responded on 18 January 2018 by sending Corrective action dated 30 May 2018 - Dated 16 April 2018 information request from Badan Pusat Statistik Kabupaten Pelalawan, concerning survey conducting in PT IIS – Buatan Estate and has been responded on 16 April 2018. - Dated 5 June 2018 communication with KUD Mitra Usaha-SP X related 	<p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>harvesting schedule change cause ther are governor elaction, has been responded on 26 June 2018.</p> <p>All KUD has prepared a list of stakeholder 2018 which consist of 32 stakeholders such as village head, Cooperative agency in Siak Regency, all other Koperasi Unit Desa/KUD (smallholder cooperatives), local supplier, PT. Inti Indosawit Subur - Buatan, bank and other financial agencies, etc.; Consultation and communication recorded in "Rekaman Komunikasi dan Aspirasi Anggota dan Masyarakat".</p>	
<p>Criterion 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p>			
6.3.1	<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>Buatan Estate and Mill</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 IIS employees. Based on interview with local communities, Gender committee leader and worker union leader; they understood the procedure and mechanism to communicating complaint and/or grievance to company.</p> <p>Scheme smallholders:</p> <p>The scheme smallholders has a mechanism of consultation and communication in "Mekanisme Komunikasi, Konsultasi dan Keluhan", dated 3rd January 2011. The procedure has been communicated to all member on 10 January 2017 and also recorded into the "Buku Pintar" for each of farmer.</p> <p>Based on interview with smallholder in KUD Sejahtera, KUD Bhakti Mandiri and KUD Jaya Makmur explained the mechanism for complaint and grievance settlement has been explained, as described in "Buku Panduan Petani".</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		However, there is no complaint and/or grievance from another party received so far.	
6.3.2	There shall be records of process and outcome of dispute resolution. - Major compliance -	<p>Buatan Estate and Mill</p> <p>Workers and stakeholder grievance recorded in the log book "Monitoring Keluhan Karyawan". Grievance and complaint from employees are most related to damage of housing and infrastructure, sample seen: On 5 July 2018 complaint on behalf of Erwin in Afdeling II Buatan I Estate related damage of plafond/roof and has been responded on 10 July 2018 by repaired the roof.</p> <p>Scheme smallholders:</p> <p>Based on log book of record there is no complaint was received during this audit.</p>	Comply
<p>Criterion 6.4</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 the Constitution Court. - Major compliance –	<p>Estate and Scheme smallholders:</p> <p>There is mechanism for land dispute resolution, SOP AA-GL-5003.1-R1 related to "Penanganan Konflik Lahan" endorsed by management on December 5th, 2009 and has been revised on August 22nd, 2011. In 2015 the company again revised the mechanism of conflict handling as outlined in Standard Operating Procedure (SOP) No. AA-GL-5003.1-R2 on Land Conflict Management endorsed by management on May 8th, 2015.</p> <p>The mechanism has adapted to FPIC Guide for RSPO Member 2015 wherein the SOP has arranged the submission of Information, Negotiation, Joint Measurement of boundaries etc. including involvement of other related parties, and parties whose land is adjacent to the conflicted land.</p> <p>The procedure covers land dispute handling mechanism, negotiation process, and verification upon legal ownership evidence up to land compensation. Should negotiation process fails, any land dispute will be processed through legal/litigation</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>mechanism. During the process, a complete record is maintained.</p> <p>Based on mechanism, public relation officer will receive information of any complaint, grievance and land dispute/claims and records under the logbook.</p> <p>PT IIS-Buatan I have not acquiring any additional land and not involved in any land compensation payments. Therefore the mechanism only applicable to resolve land dispute within company's HGU. Land ownership from previous landowner becomes important document in order to continue negotiation process against land claim. Land claim without supporting evidence of land ownership, will be treated with approach and legal manner.</p> <p>There is no negotiation/compensation payment currently for both estate and scheme smallholders. The land has settled now, no any complaint was received in the last few years. In Scheme smallholder's area, it was settled since the "PIR Project" started due to this project from Central Government, where the land status is "Clean and Clear".</p> <p>Based on the results of interviews with the Environment Agency (Dinas Lingkungan Hidup) and Plantation Agency (Dinas Perkebunan) of Pelalawan Regency, there is no land dispute between PT IIS – Buatan and the ownership of the surrounding community.</p> <p>Scheme smallholders:</p> <p>The Smallholder Area of PT IIS – Buatan Group is included in the PIR-Trans government program that in accordance with Minister of Transmigration Decree Kep.90/MEN/1990 dated 29 July 1991 on Izin Pelaksanaan Transmigrasi PIR-Trans kepada PT Inti Indosawit Subur I dengan komoditas kelapa sawit di Lokasi Pangkalan Kuras, Kabupaten Kampar dan Pasir Penyau, Kabupaten Indragiri Hulu, Provinsi Riau.</p> <p>This background shows that all Smallholder farmers of PT Inti Indosawit Subur – Buatan Smallholder land ownership rights derived from the government through the</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>PIR-TRANS program, so that not through the process of land compensation to the previous traditional land owners, because the whole land is a state-owned land.</p> <p>Currently all members of the Smallholder farmers have obtained evidence of land tenure from the National Land Agency (BPN) in the form of Land Title (SHM).</p> <p>Based on the results of interviews with the surrounding village apparatus, the farmers' group leader, farmers and related agencies (Dinas Perkebunan of Pelalawan Regency) stated that there has never been a case of land dispute between the members of the smallholder farmers with other parties, however there is a mechanism of conflict handling of Smallholder area dated 1 August 2014, where in the mechanism explains the flow chart of land conflict resolution if it occurs, by involving the company and village government and related institutions.</p> <p>For handling of other conflicts, Smallholder Management already has a Communication, Consultation and Complaints mechanism which describes the flowchart of the process of delivering information from stakeholders including complaints handling and dispute resolution.</p>	
<p>6.4.2</p>	<p>A procedure for calculating and distributing fair compensation shall be established, implemented, monitored and evaluated in a participatory way. Corrective actions are taken as a result of this evaluation.</p> <p>- Minor compliance –</p>	<p>Buatan Estate:</p> <p>PT. Inti Indosawit Subur – Buatan has prepared a mechanism to identify and calculate fair compensation or loss of legal or customary rights to land set out in the standard operating procedure (SOP) "Prosedur Penyelesaian Sengketa Lahan No.AA-GL-5003-1-R2", dated 8th May 2015. The mechanism has taken into account FPIC Guide for RSPO Member 2015, whereby the procedure regulated information convey, negotiation, participative boundary measurement, involvement of other party and neighboring parties – in the boundary of the conflicted area (if any).</p> <p>Scheme Smallholders:</p> <p>Based on interview, KUD Bhakti Mandiri, KUD Jaya Makmur and KUD Sejahtera, sampled smallholder member and relevant authority, Dinas Perkebunan Kabupaten Pelalawan (plantation agency); there was no case of land conflict between</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>smallholder member and/or conflict with other party related to land status or boundary.</p> <p>Cooperatives have a conflicts resolution mechanism in “Mekanisme Penanganan Konflik” dated 1st August 2014. The mechanism explaining flow process to resolution on land conflict, with involvement of company, village government and all related agencies.</p> <p>For the handling of other conflicts, Plasma Management already has a Communication, Consultation and Complaints mechanism which describes the flowchart of the process of delivering information from stakeholders including complaints handling and dispute resolution.</p>	
<p>6.4.3</p>	<p>Compensation claims, process and outcome of any negotiated agreements shall be documented, with evidence of the participation of affected parties.</p> <p>- Major compliance –</p> <p>Buatan Estate:</p> <p>Based on stakeholder consultation, there is no expansion plan in business plan. There is no land conflict between PT. Inti Indosawit Subur – Buatan with other party including with surrounding village.</p> <p>Scheme smallholder:</p> <p>The scheme smallholder area of PT. Inti Indosawit Subur – Buatan falls in government program for “Perkebunan Inti Rakyat – Transmigrasi/PIR-Trans” as per “Keputusan menteri Transmigrasi No.Kep.90/MEN/1990 tentang Izin Pelaksanaan Transmigrasi PIR-Trans kepada PT. Inti Indosawit Subur I dengan Komoditas Kelapa Sawit di Lokasi Pangkalan Kuras, Kabupaten Kampar dan Pasir Penyau, Kabupaten Indragiri Hulu, Provinsi Riau” dated 29th July 1991.</p> <p>From this background, it was understood the scheme smallholder obtained the land ownership through government program PIR-Trans. Therefore it was not gone through compensation process to previous traditional landowners because the land was state land, free from ownership right. Currently, all scheme smallholder members have been granted with “Sertifikat Hak Milik/SHM” (land title) from “Badan Pertanahan Nasional /BPN”.</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>Criterion 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>		
<p>6.5.1</p>	<p>Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.</p> <p>- Major compliance -</p> <p>Buatan Estate and Mill:</p> <p>The company determines minimum wages based on the Government regulation every year. The minimum wages in 2018 as regulated in SK Gubernur Riau no. 373/V/2018; regarding "Upah minimum sector pertanian/Perkebunan karet, Kelapa, kelapa sawit dan Pabrik Prov. Riau tahun 2018, dated 15 May 2018 determined as Rp 2.617.500,- apply starting form 1 January 2018.</p> <p>Memorandum from company to all unit No.012/HR-AAS/MEMO/05/18, dated 4 May 2018, regarding "Petunjuk kenaikan upah tahun 2018".</p> <p>Sample has been taken:</p> <p>Buatan I POM:</p> <ul style="list-style-type: none"> - On Behalf of Jfr### (BHL) – 19 working days, details: basic salary as Rp 1,989,300,-, over time Rp 4,153,199,-, deductions Rp 77,924 (BPJS-Kesehatan and BPJS Ketenagakerjaan), take home pay as Rp 6,064,575,-. - Onq Behalf of Sy##### (BHL) 20 working days, details: basic salary as Rp 2,094,000,-, over time Rp 3,873,291,-, deductions Rp - (mangkir, BPJS-Kesehatan and BPJS Ketenagakerjaan), take home pay as Rp 5,967,291,-. <p>Basic Salary above excluded rice allowance: 15 kg/employees, wife 9 kg, children 7.5 kg/each for 3 children (rice price; Rp 9.200/kg in June 2018)</p> <p>Based on review of payments slip, there is no worker paid below minimum wages.</p> <p>Scheme Smallholder:</p> <p>Payment for employee in scheme smallholder PT IIS – Buatan I is based on Decree of Governors Prov. Riau no. Kpts.1058/XI/2016, dated 31 October 2016; regarding</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance									
	<p>“Upah Minimum Kabupaten/Kota Se Provinsi Riau tahun 2017, Siak Regency, determined as Rp 2,392,249.23 per month.</p> <p>Based on interview with smallholder No.1732, 1731 from KT100, and smallholder No. 2330, 2332, from KT 51 KUD Bhakti Mandiri kavling No.2614 and 2620 from KT116, there is an agreement between workers and smallholder/KUD on pay rate per tonne and payment period (monthly basis). The payment rate is relevant according to regulation.</p> <ul style="list-style-type: none"> - Kavling No.2330: pay rate Rp.150,000/ton FFB, harvesting cycle 3 times/month, payment on monthly basis; - Kavling No.2620: pay rate Rp.150,000/ton FFB, harvesting cycle 3 times/month, payment on monthly basis, work time 08.00 – 11.00AM; - Kav No.2614: pay rate Rp.130,000/ton FFB, harvesting round 3 times/month, payment on monthly basis after FFB price paid; - Kav No.2620: pay rate Rp.130,000/ton FFB, harvesting round 3 times/month, payment on monthly basis; - Kav No.1510: pay rate Rp.150,000/ton FFB, harvesting round 3 times/month, payment on monthly basis – after block owners paid for the FFB sales; - Kav No.1522: pay rate Rp.150,000/ton FFB, harvesting round 3 times/month, payment on monthly basis – after block owners paid for the FFB sales; - - Kav No.1523: pay rate Rp.150,000/ton FFB, harvesting round 3 times/month, payment on monthly basis – after block owners paid for the FFB sales; <p>Based on interviews and verification of payroll data of several employees from KUD who were sampled, for example:</p> <table border="1" data-bbox="869 1307 1615 1399"> <thead> <tr> <th>Workers</th> <th>Wages</th> <th>Wages per day</th> </tr> </thead> <tbody> <tr> <td colspan="3">KUD Bhakti Mandiri</td> </tr> <tr> <td>Agustien</td> <td>Rp 2.800.000</td> <td>Rp 112.000</td> </tr> </tbody> </table>	Workers	Wages	Wages per day	KUD Bhakti Mandiri			Agustien	Rp 2.800.000	Rp 112.000	
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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>Buatan Estate and Mill:</p> <p>Worker Agreement (PKB) between company and labour union is referred in working regulation, Worker Agreement was registered by Dirjen Pembinaan Hubungan Industrial dan Jaminan Sosial Tenaga Kerja No. Kep.88/PHIJSK-PKKAD/PKB/VI/2015, dated 18th June 2015 (Valid 21st April 2015 - 20th April 2017). Based on document review, it was noted that the term and condition, such as: working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc, are covered in PKB and contracts which have been signed by labor union.</p> <p>Based on a Letter from the Private Plantation Cooperation Agency (BKS-PPS) no. 49 /BKS-PPS/2018, dated June 25, 2018, concerning: Follow-up meeting between BKS-PPS and PP.FSP.PP.SPSI discussing the implementation of PKB renewal for 2015-2017, that PKB BKS PPS period 2017-2019 is still in progress in discuses between</p>	Comply																																																																		

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Criterion / Indicator	Assessment Findings	Compliance
	<p>BKP-PPS and PP.FSP.PP-SPSI.</p> <p>All employees also has signed a contract with detail term and condition, included temporary workers, e.g:</p> <ul style="list-style-type: none"> - Perjanjian Kerja Harian Lepas, no.012/KBN/PKHL/VII/2018, dated 1 July 2018 on behalf of PM, valid until 30 June 2019. - Perjanjian Kerja Harian Lepas on behalf of Mulafin Cahyono dated 12 June 2018 valid from 1 July 2018 to 30 June 2019 - Perjanjian Kerja Harian Lepas on behalf of Fii Maulana dated 12 July 2018 valid from 1 July 2018 to 30 June 2019 <p>In addition, payment and employment condition for temporary daily has been regulated in work contract between worker an company. All contracts are prepared in Indonesia Language as understood language and signed by both parties.</p> <p>Scheme Smallholders:</p> <p>Contract workers are available in KUD e.g:</p> <ul style="list-style-type: none"> - Perjanjian Kerja Untuk Waktu Tertentu (PKWT), no. 030/SPK-PHL/KLB/07/2018, dated 23/6/2018 on behalf of Alfin (Krani Ketok) valid until 23/7/2019 - Perjanjian Kerja Untuk Waktu Tertentu (PKWT), no. 026/SPK-PHL/KLB/06/2018, dated 2/6/2018 on behalf of Joko Hadi Purnomo (Mandor CSV) valid until 2/7/2019 - Kontrak kerja karyawan KUD Sejahtera on behalf of Rini Arfianti no. 004/SPK/KUD-SJ/XIII/2017 dated 6 January 2017 - Kontrak kerja karyawan KUD Bhakti Mandiri on behalf of Agustien no. 002/SK/KOP-BM/I/2017 dated 4 January 2017 - Kontrak kerja karyawan KUD Sejahtera on behalf of Mutamakin no. 007/SK/KOP-JM/I/2017 dated 4 March 2017 <p>The work agreement covers rights and obligations for both parties: salary, work</p>	

Criterion / Indicator	Assessment Findings	Compliance
	hour, leave, overtime, agreement time-frame; available in Bahasa Indonesia and signed by both parties.	
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>Buatan Estate and mill:</p> <p>The company has prepared facilities for their workers, such as:</p> <ul style="list-style-type: none"> - Housing complex (399 units) - Elementary (1 unit) and kindergarden (1 units) - Polyclinic (1 unit) - Mosque (2 units) - Church (1 unit) - Creche (1 units) - School bus (2 units) - Ambulance (1 unit) - Sport facilities - Etc. <p>Company performed regular water quality test, whereby the source from worker housing's well.</p> <p>The Company also has a Budget for employee housing improvements every year, based on the 2018 employee home improvement budget. The budget has been distributed based on cash flow / detailing every month for a year, for example:</p> <ul style="list-style-type: none"> - Realization of roof repair (palfon) housing for Security SKU employees, dated April 2, 2018 repairing the roof by using 3 pieces of plywood based on SPB no. SIV / 18/02/0036. - Realization of repairs to the basin in the employee housing bathroom at EKO4 block, repaired on April 22, 2018 with a patch of cement as much as 1 bag, based on SPB no. SIV / 18/04/04 0440. 	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>Scheme smallholders: All workers in Plasma has own house with water and electricity supplies from government (PLN). Based on interview with smallholder in KUD Bhakti Mandiri, KUD Sejahtera and KUD Jaya Makmur explained that the worker has their own house in the village.</p>	
6.5.4	<p>There shall be demonstrable efforts to improve workers' access to adequate, sufficient and affordable food. - Minor compliance –</p>	<p>Buatan Estate and mill: The company has minimarket which managed by the cooperative and traditional market is nearby surrounding company area, mostly goods needed by employees is provided by the minimarket. Price in minimarket was affordable and cheaper than traditional market nearby company area. Price control by cooperative and all member including workers and company management.</p> <p>Scheme smallholders: There is a market in the village which smallholder workers stay. Access road and the availability of foods and other basic needs was easy to found with competitive price/affordable. Price determined by the market and control by government.</p>	Comply
<p>Criterion 6.6 The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>			
6.6.1	<p>A record of the company's policy in understandable language recognising freedom of association, shall be available. - Major compliance –</p>	<p>Buatan Estate and mill: Freedom of association policy documented in "Kebijakan perusahaan, dated 01 December 2014" which state that: "Menghormati hak setiap karyawan untuk membentuk atau menjadi anggota serikat pekerja sesuai dengan keinginannya dan untuk melakukan tawar menawar secara kolektif". Freedom of association policy is written in Bahasa Indonesia, so that all employees can understand.</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance	
	<p>This policy has been informed to all employees and being placed into notice board in public area. The last socialization on January 2017 to all employees of Buatan Estate and Mill.</p> <p>Scheme Smallholders: ICS policy is also recorded in "Buku Pintar" owned by every farmer. Freedom of association policy documented in "Kebijakan Koperasi", dated 01st March 2015 which stated that: "Menjamin kesejahteraan anggota dengan memberikan jaminan sosial bagi anggota sesuai dengan perundangan yang berlaku". Based on interview with smallholder in KUD Bhakti Mandiri, KUD Sejahtera and KUD Jaya Makmur, explained that the freedom of association is recognized because they're organizing in form of Kelompok Tani/KT, Koperasi Unit Desa/KUD and was free to speak their mind during Rapat Anggota Tahunan. Smallholder explained they are part of larger organization such as Kelompok Tani (KT) and Koperasi Unit Desa (KUD).</p>		
6.6.2	<p>Records of meetings with labor unions or workers representatives shall be available. - Minor compliance –</p>	<p>Buatan I POM, Estate and Scheme smallholders: The Buatan I Estate has formed an employee organization in the form of a LKS Bipartite based on a Letter from Disnakertrans Office of Pelalawan Regency no. 130/ES-IIS/Ext/VII/2018, on July 30, 2018 and has been recorded with number of Registration Notification no. 255/ DTK-PEN/LKS-B/2018/08 on 31 July 2018, this LKS Bipartite is chaired by Br. Jenni Gunanti. The company has also provided opportunities for employees to organize in the form of trade unions, the formation of trade unions based on the Decree of the Pengurus Daerah Federasi Serikat pekrja Pertanian dan Perkebunan Serikat Pekerja Seluruh Indonesia Propinsi Riau SK no. Kep 041-A/PD-FSP.PP/SPSI/R/01/2017 concerning "Pengesahan/Penguukuhan Komposisi dan personalia Pengurus Kerja Serikat Pekerja Pertanian dan Perkebunan PT Inti Indosawit Subur", chaired by Bro. Siswanto. This union was also recorded in the Dinas Tenaga Kerja dan Transmigrasi of Pelalawan</p>	Comply

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Regency on 9 January 2012 and the registration number: 800/DTKT-PEN/SP-SB/2012/001.</p> <p>The Company already has trade union officials, based on Decree of the Dewan Pengurus Cabang Serikat Pekerja Indonesia Branch of Pelalawan district (SP. PPSPSI), and proof registration in Disnakertrans dated 20 May 2014. SPSI/Bipartit meeting, such as : on 30 July 2018, related Pembentukan LKS Bipartit attended by 22 workers and management.</p> <p>Plasma Buatan/Smallholder has no union labor organization, whereas some employees (spray and office staff) are members of the union labor of inti Buatan I Estate.</p>	
<p>Criterion 6.7 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>Buatan Estate:</p> <p>The company has own policed signed by management on 1st December 2014 that stated that: It is not allowed all children to work in every activities/processes in company. Based on document review of list of workers “Data Karyawan” Kebun Buatan, update July 2018, interview with workers and obervation during field visit, it was no found workers hired under 18 years.</p> <p>Buatan Estate: the youngest worker is worker is Mr. David M (birth: 28/11/1997, joined in the company on 10/07/2016 – 18 year and 2 month).</p> <p>Buatan I POM:</p> <p>The company has own policed signed by management on 1st December 2014 that stated that: It is not allowed all children to work in every activities/processes in company. Based on document review of list of workers “Data Karyawan” Buatan POM, update July 2018, interview with workers and obervation during field visit, it was no found workers hired under 18 years.</p> <p>Sample taken: List of employee – July 2016 “Data Karyawan PMKS Buatan”, the</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>youngest employee was Pasko I. M. (date of birth 01/04/1999, joined in 12/06/2017) at 18 and 1 month years old.</p> <p>Scheme smallholders: Management of ICS has policy, "Kebijakan Koperasi" dated 1st March 2015, which stated "Melarang anak-anak bekerja dalam setiap kegiatan KUD" – to prohibit all children to work in any activities in the cooperative operation. Based on verification, the age of worker was over 18 years old.</p>	
<p>Criterion 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p>			
6.8.1	<p>A company's policy on equal opportunity and treatment for work shall be available and documented. - Major compliance –</p>	<p>Buatan Estate and mill: The company has Equal Opportunities policy as documented in "Kebijakan Perusahaan", dated 1st December 2014: "Memperlakukan seluruh karyawan secara adil, baik dalam hal penerimaan, penilaian kondisi dan lingkungan kerja, serta keterwakilan tanpa memandang suku, kasta, asal Negara, agama/ kepercayaan, cacat, gender, orientasi seksual, keanggotaan serikat pekerja, afiliasi politik dan atau umur" - to treat all member of cooperative in fair manner, and respect human rights, and representative without any discrimination on tribe, race, caste, country of origin, religion/belief, disability, gender, sexual orientation, union affiliation, political affiliation or age. The company has communicated this policy, e.g., the last socialization was conducted on January 2017, attended 76 workers, another company policy dissemination on 7th February 2017, attended 81 workers in Buatan I POM; and in 20th January 2017, attended 65 workers in Buatan Group Estate.</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>Scheme smallholders:</p> <p>Management ICS has had equal opportunities policy and also was available in all KUD (Koperasi Unit Desa) “Kebijakan Koperasi”, dated 1st January 2017: “memperlakukan seluruh karyawan koperasi secara adil dan menghormati HAM, serta keterwakilan tanpa memandang suku, kasta, asal negara, agama/kepercayaan, cacat, jender, orientasi seksual, keanggotaan serikat pekerja, afiliasi politik dan atau umur” – to treat all member of cooperative in fair manner, and respect human rights, and representative without any discrimination on tribe, race, caste, country of origin, religion/belief, disability, gender, sexual orientation, union affiliation, political affiliation or age.</p> <p>The policy has been disseminated to smallholder member on 9-23 January 2017, list of attendants was available.</p>	
<p>6.8.2</p>	<p>Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated.</p> <p>- Major compliance –</p> <p>Buatan Estate and Mill:</p> <p>At the time of audit performed, 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 did not find any evidence of discrimination.</p> <p>Scheme smallholders:</p> <p>Buatan Smallholder has a policy of anti-discriminacy. This policy has been socialized on January 10 - February 10, 2017 which was attended by all plasma plant employees of 37 employees, consisting of 12 staff employees, 13 office employees and 12 TUS employees.</p> <p>Socialization of ICS Group policy:</p> <ul style="list-style-type: none"> - January 31, 2017; attended by KUD management, WKAK (inter-group communication forum), farmers group and farmer board and some community leaders including the local village head. 	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> - On 24 January 2017; attended by KUD management, WKAK (inter-group communication forum), farmers group and farmer board and some community leaders including the local village head. - January 11, 2017; attended by KUD management, WKAK (inter-group communication forum), farmers group and farmer board and some community leaders including the local village head, included attended by the Department of Agriculture <p>At the time of audit performed interviews of male and female workers confirmed that the company anti-discrimination policy was strictly enforced.</p>	
6.8.3	<p>Records of evidence that equal opportunity and treatment for work shall be available. – Minor compliance -</p> <p>Buatan Estate and Mill:</p> <p>The company has had procedure hiring workers regulated that hiring and promotion of workers based on skill, work experiences, and job evaluation.</p> <p>The company is conduct performance evaluation of workers annually as documented in "Rekapitulasi Appraisal PB 2017, with scoring for Kualitas kerja (work quality), kuantitas kerja (work quantity), sikap kerja (behavior), kerjasama (team work), disipline, tanggung jawab (responsibility).</p> <p>All discrimination was prohibited for all area in estate and mill. PKB also mentioned ban of discrimination for all workers in the organization. Procedure for worker recruitment (SDM-A-001-00) and procedure for employee assessment (HRD C- 002-00) was available and mentioned there was no discrimination treatment during recruitment and promotion process. Promotion of worker will be done base on work period, annual evaluation result, and availability of position.</p> <p>In the recruitment process, the company has set the standard of competence that inferred in the Position Description and Job Profile. Recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness.</p> <p>Job opportunities were communicated and given to surrounding villagers at first priority where no discrimination found observed during interview and related records of workers being employed. All workers are treated equally in accordance with</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>company regulation including rights of worker as well. The compliance in accordance with national laws has been evaluated by the organisation as described in criterion 2.1. Annuals performance evaluation result of worker was shown.</p> <p>It is indicated that the hiring and promotion are based on skills, capabilities and qualities. The company has a procedure of hiring workers regulated that hiring and promotion of workers based on skill, work experiences, and job evaluation.</p> <p>Scheme smallholder: ICS Group Manager's Policy related the equal opportunity for workers, dated January 2, 2017, points 9; "Menghormati hak asasi manusia dengan memperlakukan seluruh karyawan maupun petani secara adil, baik dalam hal penerimaan, penilaian, kondisi dan lingkungan kerja, serta keterwakilan tanpa memandang suku, kasta, asal Negara, agama/kepercayaan, cacat, jender, orientasi seksual, keanggotaan serikat pekerja, afiliasi politik dan/atau umur".</p> <p>Based on field observations and document verification, Plasma Buatan I has provided career opportunities to all employees, either at the ICS Group manager office or at the KUD Office.</p>	
<p>Criterion 6.9 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>Buatan I POM, Estate and Scheme smallholders: The company has a policy to prevent sexual and all other forms of harassment and violence as per "Kebijakan Perusahaan", that's signed by Managing Director, dated 01 December 2014, in pon 15. "To prevent any sexual or physical abuses happen to women as well as to protect their reproductive rights".</p> <p>The the company aslo has prepared Standard Operating Procedures no SOP-A-HR-309.01-R0," tentang penanganan dan pencegahan pelecehan seksual dengan tujuan untuk keseragaman ketentuan dan prosedudr berhubungan dengan penanganan</p>	<p>NC # 1514963- 201708-M12 CLOSED on 9/10/2017</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>pelecehan seksual”</p> <p>The company has communicated this policy continuously, the last socialization was conducted on 8 March 2018 and 6 February 2018, attended by workers under document of notulen Rapat Komite Gender KBN dan Sosialisasi SOP pelecehan seksual.</p> <p>The policy is prominently displayed on notice boards at the Mills and the Estates muster areas. Interviews of female staff, workers and union representatives confirmed that the company implemented the sexual harassment policy.</p> <p>The cooperative has policy to prevent sexual harassment and violence against women in “Kebijakan KUD” dated 1st August 2013, Point 6 which stated “Mencegah pelecehan seksual dan berbagai bentuk kekerasan terhadap perempuan serta melindungi hak hak reproduksinya – <i>prevent sexual harassment and violence as well as protect reproductive rights for women</i>. The policy has been disseminated to smallholder members</p> <p>Based on interview with smallholder in KUD Bhakti Mandiri, KUD Sejahtera and KUD Jaya Makmur, explained that the smallholder has been provided with explanation on policy to prohibit sexual harassment.</p>	
<p>6.9.2</p> <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>Buatan I POM, Estate and Scheme smallholders:</p> <p>The company has a policy to prevent sexual and all other forms of harassment and violence as per “Kebijakan Perusahaan”, that’s signed by Managing Director, dated 01 December 2014, in point 15. “To prevent any sexual or physical abuses happen to women as well as to protect their reproductive rights”.</p> <p>The company has communicated this policy continuously, the last socialization was conducted on on 1 and 8 March 2018 at Buatan I Estate and 6 February 2018 at Buatan I POM.</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. Based on interview with Gender Committee, company has</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>implemented the protection of women reproductive rights, in form of maternal leave, period leave, regular pregnancy check for female sprayers and strictly prohibit pregnant and/or breastfeeding female worker applying pesticides.</p> <p>The cooperative has policy to prevent sexual harassment and violence against women in "Kebijakan KUD" dated 1st August 2013, Point 6 which stated "Mencegah pelecehan seksual dan berbagai bentuk kekerasan terhadap perempuan serta melindungi hak hak reproduksinya – <i>prevent sexual harassment and violence as well as protect reproductive rights for women</i>. The policy has been disseminated to smallholder members</p>	
<p>6.9.3</p> <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>Buatan Estate and Mill:</p> <p>Standard Operating Procedure, No. SOP: XX-HR-308.5-RO; Revision: 0, Desember 11th 2009: Employees complaints: submission and settlement.</p> <p>Mechanism for complaints management where it needs to protect its confidentiality for complainer was found in company policy's draft as in one of points of this policies stated that: "To provide appropriate information for those who inquiry it and to protect its confidentiality for whistleblower cases in accordance to law regarding environmental and social issue, food safety, health and safety work, so that it enables them to more participate to the decision making processes for improving company's performance.</p> <p>Scheme Smallholders:</p> <p>Scheme smallholder is adopting company policy on the grievance mechanism which respects anonymity and protects complainants, stated in the Cooperative's Communication, Consultation, and Grievance.</p> <p>During the audit, there is no issue found and has been confirmed during stakeholder consultation with local community and workers.</p>	<p>Comply</p>
<p>Criterion 6.10</p>		

Criterion / Indicator	Assessment Findings	Compliance
Growers and millers deal fairly and transparently with smallholders and other local businesses.		
6.10.1	<p>Current and past prices paid for Fresh Fruit Bunches (FFB), shall be publicly available.</p> <p>- Minor compliance -</p> <p>PT Inti Indosawit Subur use FFB price structure which set in the meeting of FFB pricing working group of Riau Province, conducted weekly in Plantation Agency of Riau Province (Kantor Dinas Perkebunan Provinsi Riau) involving government representative, oil palm company and farmers. Guidelines of FFB price calculation is Minister of Agriculture regulation - Permentan No. 14/Permentan/OT.140/2/2013 regarding Guidelines of Pricing on FFB produced by farmer.</p> <p>The Formula of FFB pricing based on Permentan No. 14/Permentan/OT.140/2/2013 is as follow:</p> $\text{FFB Price} = K \{Hms \times Rms + His \times Ris\}$ <p>FFB Price : Price of FFB received by farmer at palm oil level, measured in IDR/kg; K : Proportion index that show part received by farmer, measured in %;</p> <p>Hms : Average price of crude palm oil (CPO) weighted export sales (FOB) and local of each company at previous period, measured in IDR/kg;</p> <p>Rms : Oil extraction rate (OER), measured in %;</p> <p>His : Average of palm kernel (PK) price weighted export sales (FOB) and local of each company at previous period, measured in IDR/kg;</p> <p>Ris : Kernel extraction rate (KER), measured in %.</p> <p>Latest FFB price for Scheme Smallholder in Riau Province period 8 – 14 August 2018 determined in "Berita Acara Hasil Rapat Penetapan Harga Pembelian TBS Kelapa Sawit Produksi pekebun di Provinsi Riau Nomor: 32/TPH TBS-VIII/2018. For example FFB price for planting age 10-20 years determined as Rp. 1,577.18. FFB price information are publicly available for scheme smallholder.</p> <p>FFB from external (3rd party):</p> <p>The company has defined mechanism of external FFB pricing according to Memorandum No. 002/MM-FFB/Memo/2016 dated 9 January 2016. Components that influence the price are CPO/PK price, competitor rice, distance between FFB source</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>to the mill, FFB quality, OER & KER ("K" Index), plantation agency (government) price. External FFB price are fluctuating according to change of price-forming factors. The price is always updated at Buatan II POM. Latest FFB price for third party dated 13 August determined as Rp. 1,320.</p> <p>FFB price information are publicly available for third party supplier and written in notice board in front of Buatan I POM.</p>	
<p>6.10.2 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>Buatan I POM and Scheme Smallholders:</p> <p>The company has provided explanation on the FFB pricing formula and based on interview with smallholders, they understood of FFB pricing mechanism and no complaint was noted regarding FFB price.</p> <p>The FFB price is updated weekly (every Tuesday) with formula :</p> $HTBS = K [(HCPO \times RCPO) + (HIS \times RIS)]$ <p>HTBS = Harga TBS (FFB Price) K = Indeks "K" HCPO = Harga CPO (CPO price) RCPO = Rendemen CPO (OER) HIS = Harga Kernel RIS = Rendemen Kernel (KER).</p> <p>FFB Pricing for third party beside Plasma/Scheme Smallholder 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 Penetapan Harga TBS" Memorandum No. 0002/MM-FFB/Memo/2016 dated 9 January 2016. Formula of FFB price from third parties is as follow :</p> $((CPO \text{ Price}/\text{Tax } 1.1\%) - \text{Transport cost}) \times OER = X$ $(PK \text{ price} - \text{Transport cost}) \times KER = Y$ $X + Y - \text{Processing cost} - \text{other cost} = \text{FFB Price}$	<p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance
		FFB price for third party dated 10 August 2018 was determined IDR 1,270 according to the formula.	
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	<p>Buatan Estate and Mill:</p> <p>Based on document review that agreement between company and local contractor is confirmed that contract is made fairly, legal and transparent, e.g.</p> <p>The agreement/contract documents between third party FFB supplier and organisation is sighted and presented in "Perjanjian Kerjasama Kemitraan". For example: Contract with Plasma (KUD. Bhakti Mandiri and KUD Sejahtera) for supply FFB No.07/SPK-TBS/IIS-PT/XI/93 "Perjanjian Kerjasama antara Petani Peserta PIR-Trans dengan PT. Inti Indosawit Subur".</p> <p>All contracts are acknowledged by all parties as part that contain of contract are well understood. The contract contains all relevant information such as payment method, work requirements, force majeure, contract period, cancellation of contract, etc. Contract documents are acknowledged by all parties. Based on document review that agreement between company and third party FFB supplier confirmed that contract is made fairly, legal and transparent.</p>	Comply
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	<p>Buatan Estate and mill:</p> <p>Evidence of payment is reviewed and interview with local contractor confirmed that payment for contractor timely manner. A review to several payment records January - July 2018 demonstrated that the payment has been made via bank transfer. It was appropriate with the related MOU/Agreement. The payment was also been made periodically according to the contract agreement.</p>	Comply
Criterion 6.11			
Growers and millers contribute to local sustainable development where appropriate.			
6.11.1	Records of contributions to local development based on the results of consultation with local communities shall be available.	<p>Buatan Estate and mill:</p> <p>Records of organisation contribution to regional development were evident as also integrated with CSR program. It was provided by the organization and deployed in</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
<p>- Minor compliance -</p>	<p>to CSR program. Activity of CSR was identified by the estate/mills (Rekapitulasi Laporan Kegiatan CSR), including: repairs the village road, low-cost market, mosques renovation in surrounding villages, checks and medical for free, etc. Implemented document was recorded within photo and minutes of aid delivery.</p> <p>CSR Program January – December 2018 made based on the results of consultation with local communities and recorded on Document Project:</p> <ul style="list-style-type: none"> - Educational program: Financial assistance to the Lestari Palm Oil School SMKN 1 Makmur. - Health: Free for health and ears examination - Economic sector: Assistance for the Jabang Tetuka SP5 Farmer Group business, assistance of shrub pepper seeds for SP6 Karang Taruna and land management business programs. - Infrastructure: Repair/renovation of Kualo Mosque, renovation of Al Mukmin mosque. - Social: funding assistance for Package Duafa, funding for Traditional Events (LAM) and religious activities. - Training of plasma farmers related to base management practices and entrepreneurship training to deal with replanting - Assistance to MPA (Community of Fire Care) - Environmental: Forest and plantation fire prevention programs. <p>Scheme smallholders:</p> <p>The policy to contribute to surrounding community available in each “Anggaran Dasar Koperasi Unit Desa”. The document stated cooperative 2.5% for social activities and 2.5% for local development. KUD which is a partnership with PT IIS also has programs related to social responsibility, especially for the development of rural communities, for example:</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - January 1, 2018 at KUD Mulus Rahayu provided financial assistance for village development in the amount of Rp. 574,000, - - July 22, 2018 at KUD Tani Rukun provided funding for MTQ activities at the district level for Rp. 500,000. - on the 31st at the Tani Rukun KUD to contribute to the Kerinci Kanan District children's forum - September 2017 at Makarti Sawit Village Cooperative Office provided financial assistance for village development in the amount of Rp 3,032,729 	
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>PT Inti Indosawit Subur and Scheme Smallholders:</p> <p>Scheme Manager assist the scheme smallholders, such as:</p> <ul style="list-style-type: none"> ▪ Company has communicated and trained oil palm plantation, health and safety and soil and water conservation; ▪ Company helps smallholder cooperative to conduct leaf analysis and soil analysis to prepare fertilizer recommendation; ▪ Company provide and guarantees the fertilizer supplies for smallholder cooperatives; ▪ Company supports the implementation of best management practices for weed control – in form of spraying team for smallholder plantation; ▪ Technical support, such as training, cooperative management and provide permanent resources (Scheme Manager, Assistant and supervisor in each cooperative); ▪ Road maintenance. etc 	Comply
<p>Criterion 6.12</p> <p>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>Buatan Estate and Mill:</p> <p>Based on interview with worker union committee and gender committee, there was</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
- Major compliance -	<p>no indication of forced labour and/or human trafficking. All employees have had work agreement, regulating the rights and obligation of company and employee. The work agreement including working hour and salary payment.</p> <p>Based on document verification and salary payment, shows employee have been paid in accordance to minimum wage regulation.</p> <p>Scheme Smallholders: Similar to estate and mill, there is no forced and trafficked labour was noted during assessment.</p>	
6.12.2 It shall be demonstrated that no contract substitution has occurred. - Minor compliance -	<p>Buatan Estate and Mill: Based on interview with worker union committee and gender committee, there was no indication of contract substitution occurred. All employees have work agreement, explaining the rights and obligation including scope of work.</p> <p>Scheme Smallholders: Similar to estate and mill, there is no contract substitution was noted.</p>	Comply
6.12.3 Where migrant/foreign/honorary workers are employed, a special worker policy and procedures and the evidence of implementation shall be available. - Major compliance -	<p>Buatan Estate and Mill: Based on interview with worker union committee and gender committee, as well as the employee it can be demonstrated that there is no use of migrant/foreign/honorary worker. During document review of employee data and list of employee shown that there is no migrant/foreign/honorary workers are employed by company.</p> <p>All employee including temporary workers have work agreement; regulating the scope of work, work agreement timeframe, working hour, salary payment, overtime and Jamsostek. Procedures against employee has been set by company in HR procedure regarding workers/employee. Company also has determined the policy to protect the employee presented in Company Policy that's signed by Managing</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>Director, dated 01st December 2014.</p> <p>Scheme Smallholders: KUD has a policy related to use of migrant worker inside "Kebijakan Koperasi". Based on document verification and interview with worker shows no migrant worker used in cooperative.</p>	
<p>Criterion 6.13 Growers and millers respect human rights.</p>			
6.13.1	<p>A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations.</p> <p>- Major compliance -</p>	<p>Buatan Estate and Mill: Company has a social policy and roles the community as a manifestation the respect of Companies to human rights, the rights of local communities and as a commitment to comply with the rules and regulations. This commitment is outlined in the policy, which was signed by the President Director on 10 November 2011.</p> <p>The policy contains such as :</p> <ul style="list-style-type: none"> - Respect for human rights - Empowerment of local community development programs - recognizes, respect and reinforce the rights of workers - Compliance with all applicable laws and regulations - FPIC to indigenous and local communities <p>This policy has been disseminated to all employees and the community around the plantation.</p> <p>Scheme smallholders: ICS Group Manager's Policy related the human right recorded on point 9; "Menghormati hak asasi manusia dengan memperlakukan seluruh karyawan KUD</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>maupun petaniecara adil, baik dalam hal penerimaan, penilaian, kondisi dan lingkungan kerja, serta keterwakilan tanpa memandang suku, kasta, asal Negara. Agama/kepercayaan, cacat, jender, orientasi seksual, keanggotaan serikat pekerja, afiliasi politik dan / atau umur".</p> <p>This policy has been communicated or disseminated to all Plasma and KUD employees in January - February 2017.</p> <p>During this audit there is no any human rights violation was noted including in scheme smallholder area.</p>	
Principle 7: Responsible development of new plantings			
Criterion 7.1			
A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.			
7.1.1	An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented. - Major compliance –	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
7.1.2	Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts. - Minor compliance -	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
7.1.3	Where the development includes an outgrower scheme (<i>skema kemitraan</i>), the impacts of the scheme and the implications of the way it is managed shall be given particular attention.	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -		
Criterion 7.2			
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.			
7.2.1	Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations. - Major compliance -	Note that there was no new planting in Buatn Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
7.2.2	Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available. - Minor compliance -	Note that there was no new planting in Buatn Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
Criterion 7.3			
New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.			
7.3.1	There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2). - Major compliance -	Note that there was no new planting in Buatn Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
7.3.2	Reports of comprehensive HCV assessment, which involves stakeholder consultation and	Note that there was no new planting in Buatn Estate. All of the immature area was	N/A

Criterion / Indicator		Assessment Findings	Compliance
	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. - Major compliance –	for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	
7.3.3	Records of land preparation and clearing dates shall be available. - Minor compliance –	Note that there was no new planting in Buatn Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
7.3.4	An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower’s relevant operational procedures. (see Criterion 5.2) - Major compliance –	Note that there was no new planting in Buatn Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
7.3.5	Evidence of consultation with the affected community shall be available in order to identify the area required by such community to fulfill its basic needs, by considering the positive and negative changes to the livelihood as a result of plantation operations. Such matters shall be included in the HCV analysis and management plan (see Criteria 5.2). - Minor compliance –	Note that there was no new planting in Buatn Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
Criterion 7.4			
Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.			
7.4.1	Indicative maps showing marginal and fragile	Note that there was no new planting in Buatn Estate. All of the immature area was	N/A

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Criterion / Indicator		Assessment Findings	Compliance
	soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided. - Major compliance –	for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	
7.4.2	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. - Major compliance –	Note that there was no new planting in Buatn Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
Criterion 7.5			
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 –	Note that there was no new planting in Buatn Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
Criterion 7.6			
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.			

Criterion / Indicator		Assessment Findings	Compliance
7.6.1	Records of identification and assessment of legal, customary and user rights shall be available. - Major compliance –	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
7.6.2	A procedure for identifying people entitled to compensation shall be available. - Major compliance –	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
7.6.3	Records of calculation system and distribution of fair compensation shall be available. - Major compliance –	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
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 –	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
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 –	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
7.6.6	Evidence shall be available that the affected communities and rights holders have access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance –		
Criterion 7.7			
No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN Guidelines or other regional best practice.			
7.7.1	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. - Major compliance –	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
7.7.2	In exceptional cases where fire has to be used for preparing land for planting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance –	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
Criterion 7.8			
New plantation developments are designed to minimize net greenhouse gas emissions.			
7.8.1	The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated. - Major compliance –	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
7.8.2	Records of a plan to minimize net GHG emissions shall be available. - Minor compliance –	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A

Criterion / Indicator	Assessment Findings	Compliance	
Principle 8: Commitment to continuous improvement in key areas of activity			
Criterion 8.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			
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"> • Reduction in use of certain chemicals (Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Optimising the yield of FFB production (Criterion 4.2) <p>- Major compliance –</p>	<p>The company has prepared the Program of Continuous Improvement, as per document “Master Plan Continuous Improvement tahun 2017”, such as:</p> <ol style="list-style-type: none"> 1. Control of soil erosion and degradation 2. Integrated Pest Management (IPM) 3. Road Infrastructure 4. Water Mangement Plan 5. Building 6. Reduced Use of Gramaxone <p>Monitoring the use of gramaxone:</p> <p>2007: 6,202 liters 2008: 4,833 liters 2009: 3,749 liters 2010: 1,200 liters 2011: 1,200 liters 2012: 841 liters 2013: 1,000 liters 2014: 900 liters 2015: 800 liters 2016: 480 liters 2018: 350 liters</p>	<p>NC #1670895-201808-M1 CLOSED on 3 October 2018</p> <p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>The company also has conducted internal audit activities, as in document of "Report of Internal Audit of Sustainability (Integrated) – standard RSPO INANI, ISPO, ISCC and SMK3 (PP no 50 tahun 2012), was conducted on 21-22 May 2018. Auditor team: Mr Hendryk Simajutak, Mr Irwan Indra Saputra, Ms Anisa Handayani. There are several Issues found, All findings of non-conformity have been closed on June 2018.</p> <p>Buatan I POM also has prepared the Environmental Management Program document 2018, ie.g: Optimizing the operation of biogas for electrical energy used for TBS and KCP process and addition of 1 unit gas engine with capacity 1400KW, utilization of POME to produce biogas and installation of wet scrubber unit/similar particulate lifting device to protect the contamination in boiler station.</p> <p>PT Inti Indosawit Subur – Buatan I POM has carried out an internal audit (annually) to review and monitor of implement action plans in key operations both in POM and estate-scheme smallholders. Latest internal on 5-6 June 2018 for scheme smallholder, however there were found inconsistency the report of Internal Audit (formulir pemeriksaan) and report of non-conformity, e.g: for indicator 1.1. RSPO PnC INANI the report mentioned "Tersedia data stakeholder di manager ICS namun belum di update tahun 2018", and do not stated as non-conformities. In addition, there was only raised a non-conformity finding related to harvesting issue. It was subjected to Non conformity. Company has taken action by made the corective action plan, the effectiveness of corrective action plan has bee verified by auditor as described in section 3.4 Details of findings.</p>	

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

Ukui (Plasma)	Ukui & Lubuk Batu Jaya District, Pelalawan & Inhu Regency, Riau	Brought forward from 2012 to 2011	Certified on 11 th June 2012
Tungkal Ulu Estate	Pulau Pauh/Penyabungan/Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2011	Certified on 15 th August 2012
Muara Bulian Estate	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 th January 2013
Tungkal Ulu (Plasma)	Renah Mendalo, Merlung, Muara Papalik District, Tanjung Jabung Barat Regency, Jambi	2012	Certified on 11 th July 2013
Muara Bulian (Plasma)	Maro Sebo Ilir District, Batanghari Regency, Jambi	2012	Certified on 12 th July 2013
Muara Bulian (KKPA)	Maro Sebo Ilir District, Batanghari Regency, Jambi	2012	Certified on 12 th July 2013
Topaz & Seed Garden Estate	Petapahan Village, Tapung District, Kampar Regency, Riau	2013	Certified on 30 March 2015
Taman Raja & Badang Estate	Lubuk Bernai / Kampung Baru / Pelabuhan Dagang / Pematang Pauh Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2013	Certified on 20 th February 2015
Segati Estate	Langkan / Penarikan / Tambak / Sotol Village, Langgam District, Pelalawan Regency, Riau	2014	Main Audit in December 2014 Re-Audit in 2017
Penarikan & Gondai Estate	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 NPP Pogress
Gunung Sahilan (KKPA)	Gunung Sahilan Village, Lipat Kain District, Pelalawan Regency, Riau	2018	Moved to 2019 NPP progress
Bahilang Estate	Bahilang Village, Tebing Tinggi District, Serdang Bedagai Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified 18 th May 2015
Tanah Datar Estate	Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified 18 th May 2015
Aek Nabara Estate	S1-S3 / Sukadame Village, Bilah Hulu / Kota Pinang District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified on 6 th March 2015
Teluk Panjie Estate	Teluk Panjie Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified on 21 st April 2015
Peranap Estate	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	Brought Forward from 2016 to 2013	Certified on 7 th January 2015
Bungo Tebo Estate	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	Brought Forward from 2016 to 2014	Certified 3 rd December 2015
Peranap (Plasma)	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	2016	Certified 19 th August 2016
Bungo Tebo (Plasma)	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	2016	Certified 7 th February 2017
Tanjung Selamat Estate	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 26 th May 2015
Pangkatan Estate	Sennah Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2017 to	Certified 26 th May 2015

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		2014	
Sentral, Aek Tarum & Batu Anam Estate	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 8 th July 2015 Note: 645.5 ha from HGU area (10,414.33 ha) is occupied by surrounding community and exclude from certified area.
Pulau Maria Estate	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 7 th September 2015
Negri Lama Estate	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2018 to 2013	Certified on 6 th April 2015
Aek Kuo Estate	Aek Korsik Village, Aek Natas District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2016 to 2013	Certified on 6 th April 2015

Appendix C: GHG Reporting Executive Summary

The GHG emissions that were produced in **2017** for **Buatan I POM** 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 **Buatan I POM** and supply base are as following:

Emission per product	tCO ₂ e/tProduct
CPO	0.18
PKO	0.18

Extraction	%
OER	19.07
KER	5.14

Production	t/yr
FFB Process	329,165
CPO Produced	62,768
PK Produced	16,910

Land Use	Ha
OP Planted Area	5,605
OP Planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	27.78
Total	5,739

Summary of Field Emission and Sink

	Own Crop			Group			3 rd Party			Total		
	tCO ₂ e	tCO ₂ e /Ha	tCO ₂ e /FFB	tCO ₂ e	tCO ₂ e /Ha	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e /Ha	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e /Ha	tCO ₂ e / FFB
Emission												
Land Conversion	0	0	0	0	0	0	-	-	-			
CO ₂ Emission from fertilizer	2,059.11	1.03	0.06	1,833.82	0.5	0.03	-	-	-			
NO ₂ Emmission	4,029.22	2.01	0.12	2,062.08	0.56	0.03	-	-	-			
Fuel Consumption	1,009.57	0.5	0.03	34.67	0.01	0	-	-	-			
Peat Oxidation	0	0	0	0	0	0	-	-	-			
Sink												
Crop Sequestration	0	0	0	0	0	0						
Conservation Sequestration	0	0	0	0	0	0						

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Total	7,097.9	3.54	0.21	3,930.57	1.06	0.05	15,527.33			26,555.80		
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Summary of Mill Emission and Credit

	tCO ₂ e	tCO ₂ e/tFFB
Emission		
POME	8,701.92	0.03
Fuel Consumption	345.22	0
Grid Electricity Utilisation	28.04	0
Credit		
Export of Grid Electricity	-502.01	0
Sales of PKS	-2,0541.4	-0.06
Sales of EFB	0	0
Total	-11,968.24	-0.04

Summary of Kernel Crusher Emission and Credit (if applicable)

Emissions	tCO₂e
PK from own mill	17,138
PK from other source	28,412
Fuel Consumptions	0
Total Crusher emissions	0.07

*This mill has no kernel crusher operation.

Palm Oil Mill Effluent (POME) Treatment:	
Divert to Compost (%)	0
Divert to anaerobic diversion (%)	100

POME Diverted to Anaerobic Digestion:	
Divert to anaerobic pond (%)	7
Divert to methane captured (flaring) (%)	0
Divert to methane captured (energy generation) (%)	93

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

5.1 Applicability of the general chain of custody requirements for the supply chain			
	Requirement	Evidence	Compliance (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 Inti Indosawit Subur – Buatan I POM. Buatan I POM physically process RSPO Certified FFB into Certified Sustainable Palm Oil (CSPO) and Palm Kernel (CSPK). Gunung Melayu I 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 Inti Indosawit Subur – Buatan I POM is not a trader or distributors, therefore this indicator is not applicable.	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 Inti Indosawit Subur – Buatan I POM is a subsidiary of PT Inti Indosawit Subur with RSPO membership number No.1-0022-06-000-00, and member since 6 th February 2006. The site has RSPO IT Platform ID, which is RSPO_PO1000000021.	Yes

5.1.4	Processing aids do not need to be included within an organization's scope of certification.	PT Inti Indosawit Subur – Buatan I POM does not include any processing aid into scope of certification.	Yes
5.2 Supply chain model			
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 they can process FFB from certified and non-certified sources. The site 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 Inti Indosawit Subur – Buatan I POM only uses RSPO supply chain system model Mass Balance.	Yes
5.3. Documented Procedures			
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"> • Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. 	<p>PT Inti Indosawit Subur – Tungkal Ulu POM can demonstrate procedures as follow:</p> <ol style="list-style-type: none"> 1. Standard Operating Procedures – Traceability (AA-MPM-OP-1400.17.R6) dated 1 September 2017. The procedures cover traceability of CPO and PK, since FFB receiving from Buatan Estate and Smallholder, 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. 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. 3. SOP of Palm Oil Mill operation: <ol style="list-style-type: none"> a. SOP AA-MPM-OP-1400.02.R2, dated 1 September 2011, Stasiun Penerimaan (FFB Receiving Station) 	Yes

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		<ul style="list-style-type: none"> b. SOP AA-MPM-OP-1400.03.R1, dated 1 February 2009, Stasiun Rebusan (Sterilizer) c. SOP AA-MPM-OP-1400.04.R1, dated 1 February 2009, Stasiun Pemisahan Berondolan (Loose Fruit Separation) d. SOP AA-MPM-OP-1400.05-R1, dated 1 February 2009, Stasiun Pengadukan dan Pengempaan (Pressing Station) e. SOP AA-MPM-OP-1400.06-R1, dated 1 February 2009, Stasiun Pemurnian (Clarification) f. SOP AA-MPM-OP-1400.07-R1, dated 1 February 2009, Stasiun Pemisahan Nut dan Fiber (Nut and Fiber separation) g. SOP AA-MPM-OP-1400.08-R1, dated 1 February 2009, Stasiun Kernel (Kernel Station) h. SOP AA-MPM-OP-1400.09-R1, dated 1 February 2009, Stasiun Boiler i. SOP AA-MPM-OP-1400.10-R1, dated 1 February 2009, Stasiun Engine Room j. SOP AA-MPM-OP-1400.11-R1, dated 1 February 2009, Stasiun Water Treatment k. SOP AA-MPM-OP-1400.12-R1, dated 1 February 2009, Laboratorium l. SOP AA-MPM-OP-1400.13-R1, dated 1 February 2009, Stasiun Pengelolaan Limbah (Palm Oil Mill Effluent Treatment) 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) n. SOP AA-MPM-OP-1400.15-R1, dated 1 February 2009, Perawatan (Preventive Maintenance and Repair). 	
	<ul style="list-style-type: none"> • Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). 	<p>The site has maintained complete and up to date records and reports that demonstrated compliance with the RSPO Supply Chain model Mass Balance, among others: Surat Pengantar Buah (FFB Delivery Note); Weighbridge ticket;</p>	<p>Yes</p>

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		Daftar Penerimaan TBS; Rekap Penerimaan TBS; Mass Balance report; CPO/PK Delivery Order; Berita Acara Pemasangan Segel; Izin Pengisian; Surat Jalan;; Notulen Training dated 14 October 2017 and 8 May 2018 regarding Refreshment Training Traceability and Mass Balance.	
	<ul style="list-style-type: none"> • 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 implementation of this standard. 	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 is able to demonstrate sufficient knowledge and understanding on RSPO supply chain implementation for palm oil mill.	Yes
5.3.2	The site shall have a written procedure to conduct annual internal audit to determine whether the organization;	As per Procedure of Traceability (AA-MPM-OP-1400.17-R6) chapter 6.7, Sustainability Internal Audit Manager conducted internal audit annually, to ensure all operational and documentation activities are comply with the requirement in RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents. The latest internal audit conducted on 3 – 4 July 2018 by Irwan Indra Saputra.	Yes
	i) conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.		
	ii) effectively implements and maintains the standard requirements within its organization	<p>The site has effectively implements and maintains the standard requirement by performing internal audit. Latest RSPO SCC Internal audit in Buatan I POM carried out on 3 – 4 July 2018 by Irwan Indra Saputra and Hendrik Simanjuntak, against–RSPO General Chain of Custody requirements and Module E: Mass Balance. Audit result findings can be demonstrated and the corrective action has been implemented to address issue found during audit.</p> <p>Non conformity:</p> <p>Company has performed internal audit RSPO SCC, however the standard of audit still use the RSPO SCCS 2014 – RSPO Module E: Mass Balance, while the newest standard of RSPO SCCS 2017 has been issued by RSPO since June 2017.</p> <p>Company has taken action to addressed the non conformity, see the details of finding on section 3.4.</p>	<p>NC</p> <p>#1670895-201808-M1</p> <p>CLOSED on 3 October 2018</p>

5.4. Purchasing and goods in		
5.4.1	<p>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:</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment/delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply Chain certificate number of the seller; • A unique identification number 	<p>PT Inti Indosawit Subur – Buatan I 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.</p> <p>PT Inti Indosawit Subur – Buatan I POM receive FFB from certified and non-certified source. Certified source consist of own estate (Buatan Estate) and Scheme Smallholder (Buatan I Plasma – KUD Bhakti Mandiri, KUD Sejahtera, KUD Jaya Makmur, KUD Sumber Rezeki). Non-certified FFB sourced from third party supplier, e.g.: Inta – Asosiasi Petani Sawit Swadaya Karya Bhakti Mandiri, Ilham (ILM), Misnatun (MTN), Sugeng (SKW), Sunardi (SND), Sudyono (SYN), PT Rimbun Sawit Sejahtera.</p> <p>Document “Kartu Timbangan” Weighbridge Card described identity and location of FFB source and other item required e.g.</p> <p>Certified FFB:</p> <ul style="list-style-type: none"> - Weighbridge Card No. PBSA118202923 dated 28/07/2018, commodity: certified FFB; source: Buatan Estate; to Buatan I Palm Oil Mill; nett weight: 5,830 kg; Afdeling: 1; amount: 254 bunch; Block: A91 E & A91F; RSPO Cert: RSPO 638918; Transporter: Internal; Vehicle plate number: BH 9117 TR; Driver: Ahmad Supriyadi; Batch number: 13-100-16462017-10068090. - Surat Pengantar Buah (SPB) No.760 dated 28/07/2018 from Buatan I Smallholder, KUD Jaya Makmur Farmer Group Sri Makmur KT 41. Weighbridge Card No. PBSA218206022 dated 28/07/2018, commodity: certified FFB; source: Buatan I Smallholder; to Buatan I Palm Oil Mill; nett weight: 7,058 kg; location: KUD Jaya Makmur, Block K241 (Sri Makmur); amount: 278 bunch; RSPO Cert: RSPO 638918; Transporter: Internal Smallholder; Vehicle: BM 8129 SG; Driver: Budi; Batch number: 13-100-24282017-10067919.

Yes

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		<ul style="list-style-type: none"> - Surat Pengantar Buah (SPB) No.774 dated 28/07/2018 from KUD Bhakti Mandiri, KT 57. Weighbridge Card No. PBSA218206032 dated 28/07/2018, commodity: certified FFB; source: Buatan I Smallholder; to Buatan I Palm Oil Mill; nett weight: 2,003 kg; sortation: 37 kg; Block K357; amount: 329 bunch; RSPO Cert: RSPO 638918; Transporter: Internal Smallholder; Vehicle: BM 8065 SG; Driver: Restu; Batch number: 13-100-24282017-10068028. - Surat Pengantar Buah (SPB) No.744 dated 27/07/2018 from KUD Sejahtera, KT 117. Weighbridge Card No. PBSA218206005 dated 28/07/2018, commodity: certified FFB; source: KUD Sejahtera, KT 117; to Buatan I Palm Oil Mill; net weight: 8,430 kg; sortation: 130 kg; amount: 253 bunch; RSPO Cert: RSPO 638918; Transporter: Internal Smallholder; Vehicle: BM 9498 CK; Driver: Munir; Batch number: 13-100-24282017-10067803. <p>Non-certified:</p> <ul style="list-style-type: none"> - Surat Pengantar TBS No. 005 dated 28/07/2018 from Asosiasi Petani Sawit Swadaya Karya Bakti Mandiri to PT Inti Indosawit Subur – Buatan I Palm Oil Mill; amount: 436 bunch. Weighbridge Card No. PBSA518207281 dated 28/07/2018; commodity: Non-Certified FFB; source: Asosiasi Petani Sawit Swadaya Karya Bakti Mandiri Kec. Kerinci Kanan; ID ST00027, to PT Inti Indosawit Subur – Buatan I Palm Oil Mill; net weight: 6,790 kg; amount: 436 bunch; sortation 4.5%; Transporter: internal; Vehicle: BM 8640 CA MF; Driver: Syawal. - Surat Pengantar TBS No. 14810 dated 30/07/2018 from supplier Ilham to PT Inti Indosawit Subur – Buatan I Palm Oil Mill; amount: 620 bunch. Weighbridge Card No. PBSA518207398 dated 30/07/2018; commodity: Non-Certified FFB; source: supplier Ilham, ID: ST00030; to PT Inti Indosawit Subur – Buatan I Palm Oil Mill; net weight: 11,000 kg; amount: 620 bunch; Transporter: general; Vehicle: BM 8695 SA; Driver: Husnul. 	
	<ul style="list-style-type: none"> • Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil 	<p>Information is complete and presented in couple document, e.g. “Surat Pengantar TBS” (FFB Delivery Note) and Weighbridge Card. Report of FFB receiving are documented in “Laporan Harian Pabrik” (Mill Daily Report), “Laporan Unit Pabrik</p>	<p>Yes</p>

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	palm products (for example, delivery notes, shipping documents and specification documentation).	(Monthly Mill Report) and Mill Summary Report.	
	<ul style="list-style-type: none"> 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. 	PT Inti Indosawit Subur – Tungkal Ulu POM has ensured that certified FFB received are RSPO certified based on the source of FFB. The Mill only received certified FFB from own estate (Buatan Estate) and Scheme Smallholder (Buatan I Plasma) which have been certified as supply bases of Buatan I POM. Other than that are non-certified FFB. This is verified through interview with Mill employees and document review.	Yes
	<ul style="list-style-type: none"> 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 (www.rspo.org) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements. 	The site does not need to check the certificate validity of the FFB source, because the certification of the supplier is fall under PT Inti Indosawit Subur – Buatan I POM.	N/A
	<ul style="list-style-type: none"> 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. 	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.	In the case on non-conforming raw material entering the process, PT Inti Indosawit Subur – Buatan I POM has the mechanism to handle non-conforming material and/or document. PT Inti Indosawit Subur – Buatan I POM demonstrated the simulation on recall of non-conforming material. During the last one year period there has been no case of non-conforming material entering the process.	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 and PK delivery were carried out by numbers of transporter, e.g. CV Buana Jaya Bersama, CV Jasa Sahabat Abadi, PT Wijaya Multi Prima Lestari. This contractor was appointed, contracted and instructed by PT Sari Dumai Sejati (Bulking Station). PT Sari Dumai Sejati has been certified by Contol Union, Certificate No. CU-RSPO SCC-821960 dated 30 August 2017 valid until 29 August 2022.</p> <p>PT Inti Indosawit Subur control the outsourced transporter by "Surat Perintah Kerja (SPK)" and "Daftar Periksa Kesiapan Kerja Pengiriman". SPK covered information as explain in indicator 5.5.2 b. while "Daftar Periksa Kerja" is the tool to control the transporter:</p> <ul style="list-style-type: none"> - Before shipping (completeness of vehicle including legality and safety, tank condition, faucet out, main hole tank, hinge/key lock faucet out); - After shipping (completeness of vehicle including legality and safety, tank condition, faucet out, main hole tank, hinge/key lock faucet out, seal number and seal condition); <p>The quantity of CPO monitored by Weighbridge Card and SPK (with 0.20% tolerance).</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>	<p>The legal ownership of all CPO and PK owned by PT Inti Indosawit Subur during transport.</p>	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</p>	<p>The transport for RSPO certified sustainable CPO and PK delivery were carried out by numbers of transporter, e.g. CV Buana Jaya Bersama, CV Jasa Sahabat Abadi, PT Wijaya Multi Prima Lestari. This contractor was appointed, contracted and instructed by PT Sari Dumai Sejati.</p> <p>PT Sari Dumai Sejati has an agreement or contract covering the outsourced</p>	Yes

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	<p>deemed necessary.</p>	<p>process with each contractor through “Surat Perintah Kerja” for example SPK to CV Buana Jaya Bersama dated 10 July 2018; which covered information on:</p> <ul style="list-style-type: none"> - Name of transporter: CV Buana Jaya Bersama - Name of goods: Crude Palm Oil in Bulk - Quantity: 500,000 kg - Tolerance: 0.20% per party - Location: PT Inti Indosawit Subur – Buatan I POM - Destination: PT SDS (Direct) - Transport Cost/Kg: Rp. *** - Delivery Time: 10 July 2018 until done - Requirement: FFA max 5%, - DO No. 07011/CN10/ 02/18 - PO No. 4500108625 	
	<p>c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p>	<p>PT Inti Indosawit Subur – Tungkal Ulu POM has a Procedure of Traceability (AA-MPM-OP-1400.17-R6) dated 1 September 2017. The procedure covers the mechanism of CPO and PK delivery (Chapter B). The CPO and PK transporting also regulated in Work Instruction PMB/IK-SKP/11 as internal control for transporter to ensure compliance with company standard/requirement. The procedure has been communicated to all relevant contractor based on Statement Letter from transporter, e.g. No.046/EXT/VII/PL/2018 dated 5 July 2018 from CV PLTD (as CPO transporter); No.05/MAD-JBI/7/2018 dated 6 July 2018 from PT MAD (as PK transporter).</p> <p>PT Inti Indosawit Subur – Tungkal Ulu POM control the outsourced transportation by “Surat Perintah Kerja” and “Daftar Periksa Kesiapan Kerja Pengiriman”. SPK covered information as explain in indicator 5.5.2.b. whilst “Daftar Periksa Kesiapan Pengiriman CPO/PK” is the tool to control the transporter:</p> <ul style="list-style-type: none"> - Before shipping (completeness of vehicle including legality and safety, tank 	<p>Yes</p>

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		<p>condition, faucet out, main hole tank, hinge/key lock faucet out);</p> <ul style="list-style-type: none"> - After shipping (completeness of vehicle including legality and safety, tank condition, faucet out, main hole tank, hinge/key lock faucet out, seal number and seal condition). <p>The quantity of CPKO monitored by Weighbridge Card and SPK (with 0.20% tolerance).</p>	
	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.	PT Inti Indosawit Subur – Buatan I POM uses RSPO Supply Chain model Mass Balance, physical visit to transporter is not necessary.	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.	The site kept the contract of CPO and PK transporter which include name and contact detail of the contractors.	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.	PT Inti Indosawit Subur – Buatan I POM aware to inform its CB regarding the name and contact detail of any new contractor prior to next assessment.	N/A
5.6. Sales and goods out			
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"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment/ delivery date; 	PT Inti Indosawit Subur – Tungkal Ulu 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), Supply chain model (Mass Balance).	Yes

<ul style="list-style-type: none"> • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply chain certificate number of the seller; • A unique identification number 	<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 specification (moisture, FFA, dirt); Contract number/DO number; Quantity, Transport detail (driver name, vehicle number); Buyer address. During this surveillance period, Buatan I POM mostly sold certified product in form of Palm Kernel (PK) to Buatan Kernel Crushing Plant located in the same area of Buatan I POM. 100 % PK deliver to KCP Buatan, PT Inti Indosawit Subur. There were also several sales of RSPO certified CPO identified during this annual surveillance period.</p> <p>Sampled Delivery Order/DO:</p> <ul style="list-style-type: none"> - Delivery Order #07326/DC10/02/18 dated 30/07/2018; Seller is PT Inti Indosawit Subur – Buatan I POM; Buyer is PT Inti Indosawit Subur – Lubuk Gaung Storage Tank; Commodity is RSPO certified CPO; Supply Chain Model is Mass Balance; Quantity is 250,000 kg; Supply Chain Certificate is RSPO 638918; FFA 5% maximum. - Delivery Order #08302/DD10/13/18 dated 03/08/2018; Seller is PT Inti Indosawit Subur – Buatan I POM; Buyer is PT Inti Indosawit Subur – Buatan KCP; Commodity is RSPO certified PK; Supply Chain Model is Mass Balance; Quantity is 250,000 kg; Supply Chain Certificate is RSPO 638918; water content 8% maximum, dirt 8% maximum. <p>Sample of CSPO Delivery:</p> <ul style="list-style-type: none"> - Weighbridge Card #PBSC118101201 dated 30/07/2018; Seller is PT Inti Indosawit Subur – Buatan I POM; Buyer is PT Inti Indosawit Subur – Lubuk Gaung; Delivery date is 30/07/2018; Commodity is CPO Certified RSPO; Supply Chain Model is Mass Balance; Quantity is 27,870 kg; based on DO #07326/DC10/02/18; Transporter is Merangkai Arta Nusantara, BK 8975 CP, Driver Barita H. Nababan; Supply Chain Certificate number RSPO 638918; FFA: 	
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		<p>3.83%; Broken: 0%; water: 0.25%; dirt: 0.02%.</p> <ul style="list-style-type: none"> - Weighbridge Card #PBSC118101200 dated 30/07/2018; Seller is PT Inti Indosawit Subur – Buatan I POM; Buyer is PT Inti Indosawit Subur – Lubuk Gaung; Delivery date is 30/07/2018; Commodity is CPO Certified RSPO; Supply Chain Model is Mass Balance; Quantity is 28,990 kg; based on DO #07326/DC10/02/18; Transporter is CV Jasa Sahabat Abadi, BK 9219 VO, Fengky S; Supply Chain Certificate number RSPO 638918; FFA: 3.81%; Broken: 0%; water: 0.26%; dirt: 0.02%. <p>Certified PK are sent to Buatan I Kernel Crushing Plant which located in the same facility with Buatan I POM. Certified PK transfers are documented in Delivery Form. Sampled of certified PK Delivery:</p> <p>Delivery Form #KCP PBS 2806 SS dated 30 April 2018 from PT Inti indosawit Subur – Buatan I POM to PT Inti Indosawit Subur – Buatan I KCP; commodity is certified Palm Kernel, Supply Chain Model is Mass Balance; RSPO certificate number is RSPO 638918; total quantity as per May 2018 is 513.49 MT; transporter is Conveyor/Pipe.</p>	
	<ul style="list-style-type: none"> • 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). 	<p>Information 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"> • 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. 	<p>PT Inti Indosawit Subur – Buatan I 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"> - Shipping Announcement, with transaction ID No. TR-2271d622-ff62 for 297.2 MT CSPO Mass Balance; from PT Inti Indosawit Subur – Buatan I Palm Oil Mill (RSPO_PO1000000021) as Seller to Buyer PT Sari Dumai Sejati 	

		<p>(RSPO_PO1000006430). B/L number RIY-1801-NOV-413 (Ship: MT MARITIME RIYAL V18001VC). Confirmation has been made by Buyer on 08 June 2018.</p> <ul style="list-style-type: none"> - Shipping Announcement, with transaction ID No. TR-763bd04a-6c90 for 513.49 MT CSPK Mass Balance; PT Inti Indosawit Subur – Buatan I Palm Oil Mill (RSPO_PO1000000021) as Seller to Buyer PT Inti Indosawit Subur – Buatan I KCP (RSPO_PO1000002758). Shipping/BL date 30 April 2018. Confirmation has been made by Buyer on 30 April 2018. 	
5.7. Registration of transactions			
5.7.1	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> • are mills, traders, crushers and refineries and; • 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. 	<p>PT Inti Indosawit Subur – Buatan I 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_PO1000000021.</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"> • 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. 	<p>PT Inti Indosawit Subur – Buatan I POM has made Shipping Announcement for certified CPO and PK sold.</p> <p>For example:</p> <ul style="list-style-type: none"> - Shipping Announcement, with transaction ID No. TR-2271d622-ff62 for 297.2 MT CSPO Mass Balance; from PT Inti Indosawit Subur – Buatan I Palm Oil Mill (RSPO_PO1000000021) as Seller to Buyer PT Sari Dumai Sejati (RSPO_PO1000006430). B/L number RIY-1801-NOV-413 (Ship: MT MARITIME RIYAL V18001VC). Confirmation has been made by Buyer on 08 June 2018. - Shipping Announcement, with transaction ID No. TR-c8f9b399-d7ce for 471.71 MT CSPK Mass Balance; PT Inti Indosawit Subur – Buatan I Palm Oil Mill (RSPO_PO1000000021) as Seller to Buyer PT Inti Indosawit Subur – Buatan I KCP (RSPO_PO1000002758). B/L Number LUB/ROT-01-08, Shipping/BL date 	Yes

		23/01/2018. Confirmation has been made by Buyer on 23/01/2018.	
	<ul style="list-style-type: none"> 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. 	The site is a Palm Oil Mill that never sold any oil palm product to supply chain actors beyond the refinery.	Yes
	<ul style="list-style-type: none"> Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. 	PT Inti Indosawit Subur – Buatan I POM has done “Remove” in the RSPO IT Platform for CSPO sold as other scheme (ISCC), e.g. <ul style="list-style-type: none"> - Stock Transaction ID: ST-TR-5ff52f8e-f71e for 4,556.88 MT of CSPO period October to December 2017 - Stock Transaction ID: ST-TR-2271d622-ff62 for 9,644.90 MT of CSPO period January to June 2018. 	Yes
	<ul style="list-style-type: none"> Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. 	The site is a Palm Oil Mill that never bought any oil palm product from other supply chain actor.	N/A
5.8. Training			
5.8.1	The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff.	PT Inti Indosawit Subur – Buatan I POM has prepared a training program to staff, who are involved in RSPO Supply Chain Certification Standard implementation. As per training program, “Program Pelatihan Environmental & Sustainability Tahun 2018 PT Inti Indosawit Subur” the RSPO supply chain and traceability refreshment training is planed on September 2018 and will planed each year. Competency and training records of all staff involved in RSPO Supply Chain were able to be demonstrated.	Yes
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	Latest training on “Supply Chain, Mass Balance and Traceability” performed on 22 September 2018 attended by Mill/KCP Manager (Mr. Helsin), KTU, Operational assistance, weighbridge operator, Production supervisor, Processing Assistance, CI	Yes

	chain certification standard requirements. Training shall be specific and relevant to the task(s) performed.	Assistance, Grading assistance. Training module and attendance list were sighted.	
5.9. Record Keeping			
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 Inti Indosawit Subur – Buatan I 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"> • Laporan Harian Pabrik (Mill Daily Report); dated 31/12/2017 and 31/07/2018. • Book Keeping – Mass Balance – CPO and PK period of January – March 2017, April – June 2017, July – September 2017, October – December 2017, January – March 2018; April – June 2018 • Kartu Timbangan (Weighbridge Card) FFB; • Kartu Timbangan (Weighbridge Card) CPO; • Kartu Timbangan (Weighbridge Card) PK; 	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 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.	The organization is able to provided estimate volume of CPO and PK in a year period as in Annual Budget 2018 consists of Production FFB, CPO and PK. The organization also keep an up to date record of the FFB volume received, CPO and PK produced over a period of twelve (12) months, as in “Laporan Penerimaan, Produksi, Pengiriman dan Stock Certified dan Non-Certified Buatan I POM”.	Yes

5.10. Conversion factors			
5.10.1	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 (www.rspo.org); 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.	The site has determined and set their own conversion rates based upon past experience defined as Oil Extraction Rate (OER) and and Kernel Extraction Rate (KER). The site has set OER for budget 2019 as 19.66% and KER as 5.15%.	Yes
5.10.2	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	The site has annually update OER and KER to ensure accuracy against actual performance. The recorded actual OER and KER as in 2018 OER is 18.95% and KER is 5.11%.	Yes
5.11. Claims			
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 Inti Indosawit Subur – Buatan I POM has not made claims regarding the support of RSPO certified oil palm products. However the organization aware about the RSPO Rules on Market Communications and Claims.	
5.12. Complaints			
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 to certified CPO or PK from PT Inti Indosawit Subur – Buatan I 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
5.13. Management Review			

5.13.1	<p>The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken.</p>	<p>PT Inti Indosawit Subur – Buatan I 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 September 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"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. 	<p>The agenda of the Management Review meeting conducted on 27 January 2018 are as follows:</p> <ul style="list-style-type: none"> - Follow up action of previous management review meeting - Objective, target and management programs - Results of internal audit and status of corrective and preventive actions - Evaluation of legal compliance - Communication, complaints and consultation - Changing circumstances that could affect the management system - Recommendations of improvement. <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> <p>Based on the minutes of management review, the result summarize as follow:</p> <ul style="list-style-type: none"> - The result of audits: based on result from internal audit on May 2017 by BSI; - Customer feedback – no customer complaint; - Pprocess 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; - Status of corrective and preventive action – followed up through consistent 	

		<p>management review;</p> <ul style="list-style-type: none"> - Changes that could affect the management system – no changes; - Recommendation for improvement – no changes. 	
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"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. 	<p>According to the minutes of management review meeting, it was noted that output of review has been in form of structural recommendation and action related to improvement of the effectiveness of the RSPO SC Management system through determining explicitly the improvement plan, responsible person who executes the improvement plan, target date of settlement, and status of effectiveness evaluation in implementing RSPO SC management system. Improvement to have an effective process throughout the established management system has been planned. It was noted that improvement plan has been explicitly described in the minutes of management review meeting.</p> <p>According to the minutes of management review meeting, it was noted that output of review has not required additional resources. The organization will optimize the existing resources to achieve all indicators of performance defined.</p>	Yes

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

Requirements	Compliance
E.1 Definition	
<p>E.1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p>	<p>PT Inti Indosawit Subur – Buatan I POM holds current RSPO P&C Certificate No.SPO 638947. In the current certificate, PT. Inti Indosawit Subur – Buatan I POM implemented Mass Balance supply chain system.</p> <p>PT. Inti Indosawit Subur only claimed the FFB proportion from certified supply bases which comprise of company-own estate, and scheme smallholder cooperatives. The other supply base, coming from third party contractors/collectors as non-certified FFB source.</p>
E.2 Explanation	
<p>E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p>	<p>Buatan I POM demonstrates the estimate of certified CPO and PK products. BSI verifies the estimate of CPO and PK products during each assessment. The projection for certified FFB and production of certified CPO and PK in PT Inti Indosawit Subur – Buatan I POM has been recorded in BSI’s public summary report and registered in RSPO IT Platform.</p> <p>During this assessment, the actual of production CPO and PK is recorded in daily, monthly and yearly basis.</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 Inti Indosawit Subur– Buatan I POM has met registration and reporting requirement as it has been registered in RSPO IT Platform (PalmTrace) with ID number RSPO_PO100000021.</p>
E.3 Documented procedures	
<p>E.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all</p>	<p>PT Inti Indosawit Subur – Buatan I POM can demonstrates:</p> <ol style="list-style-type: none"> 1. 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

<p>the elements in these requirements;</p>	<p>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"> a. SOP AA-MPM-OP-1400.02.R2, dated 1 September 2011, Stasiun Penerimaan (FFB Receiving Station) b. SOP AA-MPM-OP-1400.03.R1, dated 1 February 2009, Stasiun Rebusan (Sterilizer) c. SOP AA-MPM-OP-1400.04.R1, dated 1 February 2009, Stasiun Pemisahan Berondolan (Loose Fruit Separation) d. SOP AA-MPM-OP-1400.05-R1, dated 1 February 2009, Stasiun Pengadukan dan Pengempaan (Pressing Station) e. SOP AA-MPM-OP-1400.06-R1, dated 1 February 2009, Stasiun Pemurnian (Clarification) f. SOP AA-MPM-OP-1400.07-R1, dated 1 February 2009, Stasiun Pemisahan Nut dan Fiber (Nut and Fiber separation) g. SOP AA-MPM-OP-1400.08-R1, dated 1 February 2009, Stasiun Kernel (Kernel Station) h. SOP AA-MPM-OP-1400.09-R1, dated 1 February 2009, Stasiun Boiler i. SOP AA-MPM-OP-1400.10-R1, dated 1 February 2009, Stasiun Engine Room j. SOP AA-MPM-OP-1400.11-R1, dated 1 February 2009, Stasiun Water Treatment k. SOP AA-MPM-OP-1400.12-R1, dated 1 February 2009, Laboratorium
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	<p>l. SOP AA-MPM-OP-1400.13-R1, dated 1 February 2009, Stasiun Pengelolaan Limbah (Palm Oil Mill Effluent Treatment)</p> <p>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)</p> <p>n. SOP AA-MPM-OP-1400.15-R1, dated 1 February 2009, Perawatan (Preventive Maintenance and Repair)</p>
<p>b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</p>	<p>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. Helsin, was able to demonstrate sufficient knowledge and understanding on RSPO supply chain implementation for palm oil mill.</p>
<p>E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBS.</p>	<p>PT Inti Indosawit Subur – Buatan I Palm Oil 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>E.4 Purchasing and goods in</p>	
<p>E.4.1 The site shall verify and document the volumes of certified and non-certified FFBS received.</p>	<p>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"> • Name of Estate, Division and Block (Sources of certified FFB) • Date of harvesting • Certificate Number <p>Sample taken during audit:</p> <p>Certified FFB received from own certified estate:</p> <ul style="list-style-type: none"> - Weighbridge Ticket No. PBSA118202850 dated 23/07/2018, commodity: certified FFB; source: Kebun Buatan Afdeling I; to Buatan I Palm Oil Mill; net weight: 7,070 kg; amount: 248 bunch; Block: A90B, A91A; RSPO Cert: RSPO 638918; Transporter: Internal; Vehicle: BM8898T1; Driver: Baharudin; Batch number: 13-100-16462017-

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	<p>10065631.</p> <ul style="list-style-type: none"> - Weighbridge Ticket No. PBSA118202837 dated 23/07/2018, commodity: certified FFB; source: Kebun Buatan Afdeling II; to Buatan I Palm Oil Mill; net weight: 6,370 kg; amount: 221 bunch; Block: B89A, B90A; RSPO Cert: RSPO 638918; Transporter: Internal; Vehicle: BM8186TC; Driver: Jeremian; Batch number: 13-100-16462017-10065639. - Weighbridge Ticket No. PBSA118202832 dated 23/07/2018, commodity: certified FFB; source: Kebun Buatan Afdeling III; to Buatan I Palm Oil Mill; net weight: 6,790 kg; amount: 198 bunch; Block: C90C, Cert: RSPO 638918; Transporter: Internal; Vehicle: BM9934TB; Driver: Ade Candra; Batch number: 13-100-16462017-10065535. <p>Non-certified FFB received:</p> <ul style="list-style-type: none"> - Surat Pengantar No. 001 dated 09/07/2018 from CV Putra Kembar Sentosa to PT Inti Indosawit Subur – Buatan I POM; amount: 437 bunch, Truck No. BM 8615 SU, Driver: Remen - Weighbridge Ticket No. PBSA1518206339 dated 10/07/2018, commodity: outside FFB; source: CV Putra Kembar Sentosa; ID: ST00053; to PT IIS-Buatan I Palm Oil Mill; net weight: 8,106 kg; amount: 437 bunch; Transporter: general; Vehicle: BM 8615 SU; Driver: Remen. - Surat Pengantar No. 045 dated 10/07/2018 from Asosiasi Petani Karya Bhakti Mandiri to PT IIS-Buatan I POM; amount: 523 bunch, Truck No. BM 8966 SE, Driver: Ren - Weighbridge Ticket No. PBSA1518206389 dated 10/07/2018, commodity: outside FFB; source: Asosiasi Petani Karya Bhakti Mandiri; ID: ST00027; to PT IIS-Buatan I Palm Oil Mill; net weight: 9,063 kg; amount: 523 bunch; Transporter: general; Vehicle: BM 8966 SE; Driver: Ren.
<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</p>

	<p>October-December each year. Head of Environment and Sustainability will inform to Certification Body in the case of projected overproduction. Until this 3rd annual surveillance audit, there is no overproduction reported to CB.</p>
<p>E.5 Record keeping</p>	
<p>E.5.1 a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. (b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)</p>	<p>PT Inti Indosawit Subur – Buatan I 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. Records and report verified are as follows:</p> <ul style="list-style-type: none"> • Laporan Harian Pabrik (Mill Daily Report); dated 31/12/2017 and 31/07/2018. • Book Keeping – Mass Balance – CPO and PK period of January – March 2017, April – June 2017, July – September 2017, October – December 2017, January – March 2018; April – June 2017. • Kartu Timbangan (Weighbridge Ticket) FFB; • Kartu Timbangan (Weighbridge Ticket) CPO; • Kartu Timbangan (Weighbridge Ticket) PK;
<p>E.5.2 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement</p>	<p>No outsourcing</p>

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Supply Chain Declaration *(Applicable For Appendix E)*

A. Monthly Records of Certified and Uncertified FFB Received since the last audit (Aug 2017 – July 2018)				
No.	Month - Year	Volume of FFB from certified supply bases (MT)	Volume of FFB from uncertified supply bases (MT)	Total FFB/Month (mt)
1	August 2017	9,261	20,501	29,762
2	September 2017	8,514	23,565	32,079
3	October 2017	7,545	20,661	28,206
4	November 2017	7,653	19,023	26,676
5	December 2017	7,817	20,066	27,883
6	January 2018	9,566	18,016	27,582
7	February 2018	8,853	15,185	24,038
8	March 2018	7,588	16,691	24,279
9	Apr 2018	8,221	15,350	23,571
10	May 2018	9,238	16,852	26,089
11	June 2018	9,809	16,257	26,066
12	July 2018	10,509	22,345	32,854
TOTAL		104,574	224,512	329,085

B. Monthly Records of Certified CPO & PK since the last audit (Aug 2017 – July 2018)			
No.	Month - Year	Certified CPO (MT)	Certified PK (MT)
1	August 2017	1,736	465
2	September 2017	1,600	439
3	October 2017	1,398	387
4	November 2017	1,451	403
5	December 2017	1,455	396
6	January 2018	1,809	485
7	February 2018	1,708	417
8	March 2018	1,447	383
9	Apr 2018	1,554	419
10	May 2018	1,731	486
11	June 2018	1,882	510
12	July 2018	2,044	554
	TOTAL	19,815	5,344

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C. Records of Certified CPO & PK Sold under PalmTrace to Buyers since the license period (Sept 2017 – Aug 2018)				
No.	Buyers Name	Palmtrace Trading No	Certified CPO Sold (MT)	Certified PK Sold (MT)
1	Buatan I KCP	TR-fae59737-7e63		3.06
2	Buatan I KCP	TRa1ead6ac-4c41		350.88
3	Buatan I KCP	TR-fae8c479-4313		326.85
4	Buatan I KCP	TR-44110e85-d2a6		606.45
5	Buatan I KCP	TR-c8f9b399-d7ce		471.71
6	Buatan I KCP	TR-9d158f01-8166		398.22
7	Buatan I KCP	TR-763bd04a-6c90		513.49
8	Buatan I KCP	TR-f07314d0-9578		118.23
9	Buatan I KCP	TR-7aa29e28-40f3		123.29
10	Buatan I KCP	TRd7232994-e37e		185.76
11	Buatan I KCP	TRb4440686-76fa		299.33
12	Buatan I KCP	TR-2271d622-ff62		
13	Wilmar Trading Pte Ltd	TR-5ff52f8e-f71e	227.56	
14	PT Sari Dumai Sejati	TR-2271d622-ff62	297.2	
Total			524.76	3,397.27

D. Records of CPO & PK Sold under other schemes to Buyers since the license period (Sept 2017 – Aug 2018)				
No.	Buyers Name	Scheme Name	CPO Sold (MT)	PK Sold (MT)
1	Classified	ISCC	19,043	0

E. Records of CPO & PK Sold as conventional to Buyers since the license period (Sept 2017 – Aug 2018)			
No.	Buyers Name	CPO Sold (MT)	PK Sold (MT)
		n/a	
		n/a	

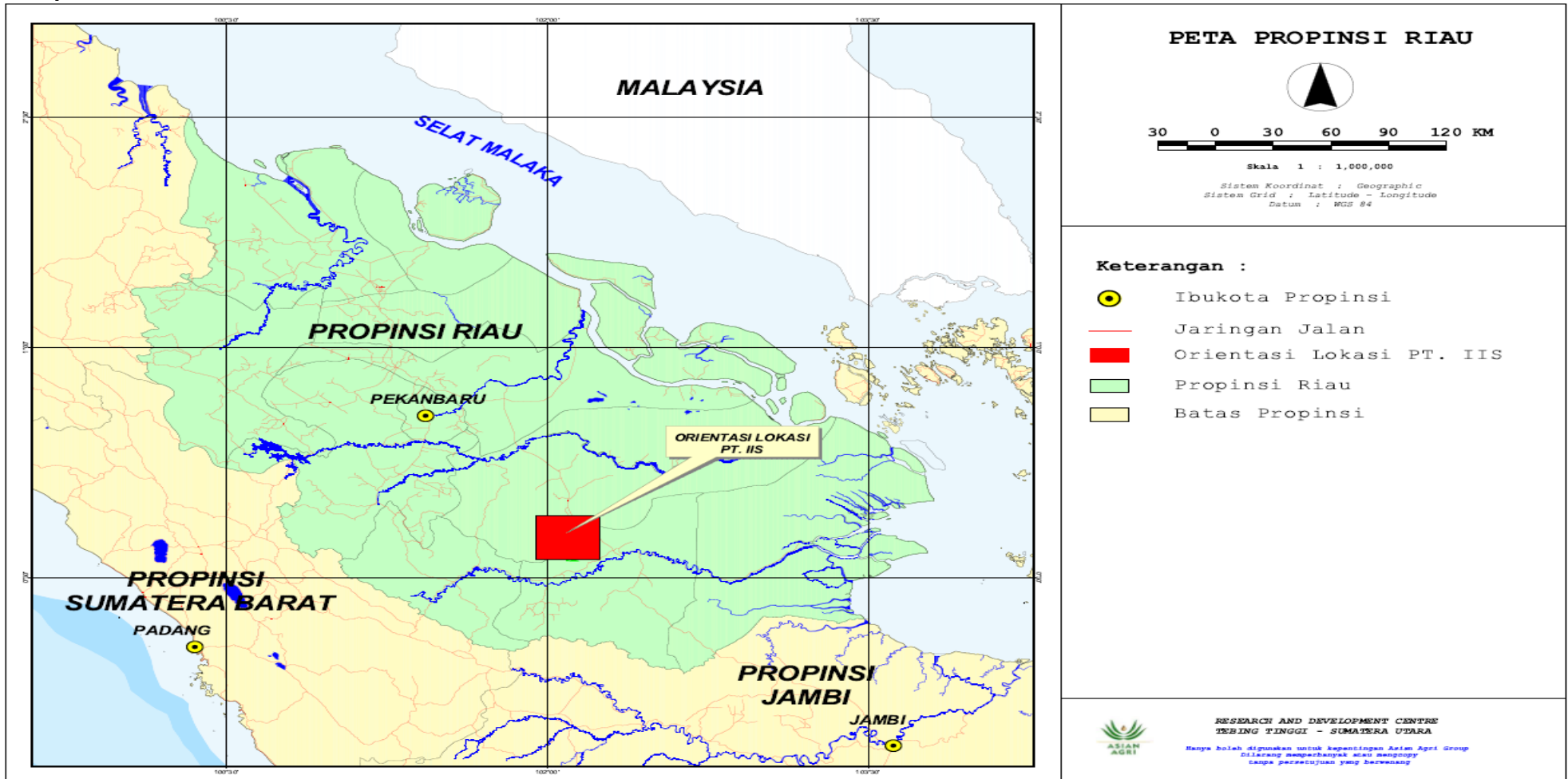
F. Records of Certified CPO Sold under RSPO Credits to Buyers since the license period (Sept 2017 – Aug 2018)			
No.	Buyers Name	PalmTrace Trading No	RSPO Credits of Certified CPO Sold (MT)
		n/a	
		n/a	

Appendix F: Location Map of Certification Unit and Supply bases

Map 1. Location of PT. Inti indosawit Subur – Buatan I POM in Indonesia



Map 2. Location of PT. Inti indosawit Subur – Buatan I POM in North Sumatera Province, Indonesia.



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Appendix H: List of Smallholder Sampled

Total Smallholder member was 1,097. Smallholder sampled: $0.8\sqrt{1,097} \times 1.4 = 37$ sample.

Location	KUD	HAMPARAN /KT (Block)	Name of Smallholder	Kavling/Plot	Land Title (SHM) number
SP 3	BHAKTI MANDIRI	32	Sutikar	729	420
			Gino	742	421
			Sodikin	741	418
			Sutiran	726	424
			Sugeng K/Sugiyono	704	008
		51	Yohanes Tulus/Misnatun	1302	518
			M. Sarjan	1379	506
			Uyub/Legimin	1301	501
			Safari/Kelik	1380	522
		161	Mudianto	1272	1206
			Sulaiman	1273	1215
			Saronzi	1274	1214
SP 4	JAYA MAKMUR	42	Sari	945	586
			Ngalwan	944	585
			Riswoyo R/Joko Jumpat	976	593
			Sarman	975	009
		99	Tumin	1720	747
			Slamet	1719	749
			Irharsyah	1678	235
		166	Ritorus/Mat Jahri	1679	745
			Sopia	1890	1312
		97	Ngadio	1923	1301
			Wiranto	1571	701
		SP 6	SEJAHTERA	75	Pawidi
Asep R/Ade Suryana	2491				458
Udin Samsudin	2512				474
Sunardi	2509				459
106	H.Musa			2331	908
	Ahmad Toha			2330	903
	Purwanto			2332	907
168	Mardi			1790	1356
	Jamhari			1858	1342
	Kota Raja			1841	1353
171	Budiono			2645	1405
	Suhadi Harjo			2644	1412
	Wardi			2646	1404
	Sarwono			2640	1408

Appendix I: List of Abbreviations

BOD	Biochemical Oxygen Demand
CB	Certification Bodies
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CSPO	Certified Sustainable Palm Oil
CSPKO	Certified Sustainable Palm Kernel Oil
EFB	Empty Fruit Bunch
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
FPIC	Free, Prior, Informed and Consent
GAP	Good Agricultural Practice
GHG	Greenhouse Gas
GMP	Good Manufacturing Practice
GPS	Global Positioning System
HCV	High Conservation Value
IPM	Integrated Pest Management
IP	Identity Preserved
IS - CSPO	Independent Smallholder Certified Sustainable Palm Oil
IS – CSPKO	Independent Smallholder Certified Sustainable Palm Kernel Oil
IS – CSPKE	Independent Smallholder Certified Sustainable Palm Kernel Expeller
ISCC	International Sustainable Carbon Certification
LD50	Lethal Dose for 50 sample
MB	Mass Balance
MSDS	Material Safety Data Sheet
MT	Metric Tonnes
OER	Oil Extraction Rate
OSH	Occupational Safety and Health
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
P&C	Principles & Criteria
RTE	Rare, Threatened or Endangered species
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure