

**RSPO ANNUAL SURVEILLANCE ASSESSMENT (ASA - 1)**

**TANJUNG SELAMAT PALM OIL MILL  
(PT. INDO SEPADAN JAYA)  
AND ITS SUPPLY BASE**

**Office:  
JI MH Thamrin No 31 Jakarta 10230**

**Location:  
Kampung Padang Village, Bilah Hilir District,  
Labuhan Batu Regency,  
North Sumatera**

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## Section 1. Scope of the Certification Assessment

1.1. Company Details			
<b>RSPO Membership Number</b>	1-0022-06-000-00 (PT. Inti Indoswait Subur)	<b>Date</b>	05 <sup>th</sup> February 2006
<b>Company Name</b>	PT Indo Sepadan Jaya		
<b>Address</b>	<b>Head Office:</b> Jl MH Thamrin No 31 Jakarta 10330  <b>Location:</b> Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera		
<b>Subsidiary of (if applicable)</b>	PT Inti Indosawit Subur		
<b>Contact Name</b>	Ms. Asrini Subrata		
<b>Website</b>	<a href="http://www.asianagri.com">www.asianagri.com</a>	<b>E-mail</b>	<a href="mailto:Asrini_subrata@asianagri.com">Asrini_subrata@asianagri.com</a>
<b>Telephone</b>	+62-21 2301119	<b>Facsimile</b>	+62-21 2301120

1.2. Certification Information			
<b>Certificate Number</b>	SPO 620704	<b>Date</b>	26 <sup>th</sup> May 2015
<b>Scope of Certification</b>	Production of CPO and PK of PT. Indo Sepadan Jaya (Tanjung Selamat Palm Oil Mill) and its supply base.  Mill capacity of Tanjung Selamat POM is 45 tonnes FFB/hour.		
Other Certifications			
<b>Certificate Number</b>	Standard(s)	Certificate Issued by	Expiry Date
ID05/65250	ISO 14001	SGS Indonesia	10 May 2017
EU-ISCC-Cert-DE100-20152328	ISCC	SGS Indonesia	07 July 2016

1.3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Northing	Easting
Tanjung Selamat Mill	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera	02° 07'44" N	100° 00'32" E
Tanjung Selamat Estate	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera	02°07'17" - 02°10'15" N	100°00'28" - 100°07'32" E
Kebun Pangkatan	Sennah Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera	02°10'19" - 02°15'27"N	99°57'10" - 100°01'55"E

1.4. Description of Supply Base						
Estate	Mature (ha)	Immature*) (ha)	Infrastructure & Other (ha)	Total Planted (ha)	Total Hectareage	% of Planted
Tanjung Selamat	1,203	2,750	66	3,953	4,019	98.36 %
Pangkatan	3,347	293	696	3,640	4,336	83.95 %
<b>Total</b>	<b>4,550</b>	<b>3,043</b>	<b>762</b>	<b>7,593</b>	<b>8,355</b>	<b>90.88 %</b>

\*) Immature area is replanting

1.5. Plantings & Cycle									
Estate	Age (Years) in Ha						Tonnage / Year		
	0 – 3*	4 – 10*	11 - 20	21 - 25	26 - up	Total	Estimated (2015)	Actual (2015)	Forecast (2016)
<b>I. Supply Base from own estate</b>									
1. Tanjung Selamat Estate	2,750	0	554	649	0	3,953	29,328	31,579	40,324
2. Pangkatan Estate	293	38	2,493	816	0	3,640	76,729	68,185	52,166
<b>Total Certified FFB</b>	<b>3,043</b>	<b>38</b>	<b>3,047</b>	<b>1,465</b>	<b>0</b>	<b>7,593</b>	<b>106,057</b>	<b>96,764</b>	<b>92,490</b>
<b>Supply Base from independent third parties/Middle man</b>									<b>40,000</b>
<b>TOTAL SUPPLY FFB</b>									<b>132,490</b>

\*) replanting areas

1.6. Certified Tonnage									
Mill	Estimated (2014)			Actual (2014)			Forecast (Next Year)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
<b>Tanjung Selamat</b>	106,057	22,272	6,052	96,764	20,348	5,356	92,490	18,354	4,532

1.7. Actual Certified Palm production			
MILL	Capacity	CPO (tonnes)	PK (tonnes)
Tanjung Selamat POM	45 tonnes FFB/hour	20,348	5,356

1.8. Actual Sales of certified Palm Product			
MILL	Certified CPO Sold	Certified PK Sold	Remarks
Tanjung Selamat POM	512.48	2,624.44	e-trace

<b>1.9. Certified FFB received monthly in previous year (Tonnes)</b>			
<b>Month</b>	<b>Tanjung Selamat Estate</b>	<b>Pangkalan Estate</b>	<b>Total FFB Certified Received</b>
January 2015	1,631	4,619	6,250
February 2015	1,819	4,289	6,108
March 2015	1,979	4,520	6,499
April 2015	2,212	4,542	6,754
May 2015	2,218	4,823	7,041
June 2015	2,735	5,273	8,008
July 2015	3,022	6,803	9,825
August 2015	3,946	8,026	11,972
September 2015	3,252	7,285	10,537
October 2015	3,257	6,853	10,110
November 2015	2,756	5,734	8,490
December 2015	2,752	5,418	8,170
<b>TOTAL</b>	<b>31,579</b>	<b>68,185</b>	<b>99,764</b>

## Section 2. Assessment Process

### 2.1. Certification Body:

**BSI Services Malaysia Sdn Bhd,**  
(ASI Accreditation Number: RSPO-ACC-19)  
Unit 10-03, Level 10, Tower A  
The Vertical Business Suites,  
Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Malaysia  
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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (RSPO-ACC-19) since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Singapore, Jakarta, Bangkok and Australia which involve in RSPO Certification Program.

#### Assessment Methodology, Programme, Site Visits

The objective of the assessment is to conduct a surveillance assessment and look for positive evidence to ensure the elements of the scope of certification and the requirements of the management standard are effectively addressed by the organisation's management system and that the system is demonstrating the ability to support the achievement of statutory, regulatory and contractual requirements and the organisations specified objectives, as applicable with regard to the scope of the management standard, and to confirm the on-going achievement and applicability of the forward strategic plan. Continuing Assessment (Surveillance) was conducted from 29<sup>th</sup> – 31<sup>st</sup> March 2016.

The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

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

Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by visiting to the villages convenient to them to discuss Tanjung Selamat POM Certification Unit's environmental and social performance.

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

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits

were made to each of the local communities to meet with the village head and residents. Company officials

were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E.

The assessment findings for the recertification are detailed in Section 3.3.

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

This report was internally reviewed by Mr. Sabar Kembaren (He is one of the BSI Qualified RSPO Lead Auditor and Internal Reviewer).

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

<b>2.2. Assessment Program</b>					
<b>Name (Mill / Supply Base)</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
	<b>09/2015</b>	<b>03/2016</b>	<b>03/2017</b>	<b>03/2018</b>	<b>03/2019</b>
Tanjung Selamat POM.	x	x	x	x	x
Tanjung Selamat Estate	x	x	x	x	x
Pangkatan Estate	x	x	x	x	x

**Tentative Date of Next Visit: 01/02/2017**

**Total No. of Mandays:** 9 Mandays

**BSI Assessment Team comprises of:**

**Haeruddin – Assessor (Lead Auditor)**

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

**Edy Widodo**

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 joined SAI Global in 2013 as a 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).

**Nanang Muallib - Team member**

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

**Accompanying person: None**

## Section 3. Assessment Findings

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

- ☒ RSPO P&C 2013 Summary of the Assessment – Appendix A
- ☒ PT. Indo Sepadan Jaya Time Bound Plan – Appendix B
- ☒ RSPO Supply Chain Certification Assessment – Appendix F

### 3.2. Progress against Time Bound Plan

PT Inti Indosawit Subur demonstrates a challenging time bound plan to certify its entire mill and supply bases. Most of the palm oil mills been brought forward and audited in 2014. Audit team sees this as a strong commitment from PT Inti Indosawit Subur.

There are a number of changes noted, where KKPA Penarikan and KKPA Gunung Sahilan moved to 2016, from initial plan to be certified in 2014. PT IIS management is able to provide clear justification. PT IIS management reason was to put resources to certify company-owned estate, then only to certify the smallholders. Audit team suggest the management justification for the changes is sufficient, considering the management commitment towards RSPO certification for the entire entities.

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

BSI is in communication with other CB performing certification for PT Inti Indosawit Subur, to understand the partial certification status. BSI assessed PT Inti Indosawit Subur against partial certification requirement and concluded that there is no unresolved significant land disputes, no replacement of primary forest or loss of HCV, no labour disputes that are not being resolved through an agreed process and no evidence of noncompliance with law noted.

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

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

### 3.3. Details of findings

During this surveillance assessment (ASA-1) there were 3 minor nonconformities and 4 (four) observations identified as below

<b>Non-Conformity</b>		
<b>NCR #</b>	<b>Description</b>	<b>Category (Major/Minor)</b>
1307239N3	RSPO Generic Standard 2013 - Indicator 2.2.2 The company is conduct monitoring of legal boundary at least once a year, however based on field verification, it was found that legal boundaries is not visibly maintained in Tanjung Selamat Estate.	Minor
1307239N2	RSPO P & C Generic Standard 2013 - Indicator 4.7.6 Pangkatan Estate has not carried out general medical checkup for all workers once a year at minimum	Minor
1307239N1	RSPO P & C generic Standard, 2013 - Indicator 4.8.2 Training record of each employee is not updated	Minor



Observation was identified during this surveillance audit (ASA-1):

<b>Observation</b>	
<b>OBS #</b>	<b>Description</b>
1	RSPO P & C Generic Standard, 2013 - Indicator 4.7.2: The company need to consider: 1. Determine type of gum-boot using by harvester based on HIRADC. 2. Monitor eye wash and fire-hose regularly. 3. Placing PPE in front of chemical storage.
2	RSPO P & C Generic Standard 2013 - Indicator 5.2.4: It is nice to consider controlling invasive species ( <i>Mucuna bracteata</i> ) in HCV areas - Tanjung Selamat Estate.
3	RSPO P & C Generic Standard 2013 - Indicator 6.9.3: The company need consider improving understanding grievance mechanism of sexual harassment and violence to Gender Committee in Pangkatan Estate.
4	RSPO P & C Generic Standard 2013 - Indicator 6.10.3: The company nice to consider evaluating of obedience contractor against the contract related the social insurance (BPJS Ketenagakerjaan)

<b>Positive Findings</b>	
<b>PF #</b>	<b>Description</b>
1	The company continuing support to the scheme smallholders.
2	Positive comments from stakeholders during this surveillance audit.

<b>Issues Raised by Stakeholders</b>	
<b>Issues #</b>	<b>Description</b>
1	<p><b>Social issues:</b></p> <ul style="list-style-type: none"> <li>- No any land disputes was noted.</li> <li>- Good communication with local communities.</li> <li>- The company providing facilities for their workers, such as housing, electricity, potable water, clinic, school, etc.</li> <li>- CSR program</li> </ul> <p>Management Response: Positive finding</p> <p>Auditor Team Findings: Positive finding</p>
2	<p><b>Labour issues:</b></p> <ul style="list-style-type: none"> <li>- No labour dispute was noted.</li> <li>- No any child labour was noted.</li> <li>- The company providing social and health insurance to all workers (BPJS Kesehatan and BPJS Ketenagakerjaan).</li> <li>- Medical check up for all workers who are worked in risk area and chemist area.</li> </ul> <p>Management Response: Positive finding</p> <p>Auditor Team Findings: Positive finding</p>
3	<p><b>Environmental issues:</b></p> <ul style="list-style-type: none"> <li>- The company submit report of Environmental Management and Monitoring (RKL/RPL) and Hazardous Waste Management to the government regularly and consistently.</li> <li>- No any environmental issue was noted in 2015.</li> </ul> <p>Management Response:</p>

	Positive finding Auditor Team Findings: Positive finding
4	<b>Legal issues:</b> No legal issue was noted during audit Management Response: Positive finding Auditor Team Findings: Positive finding
5	<b>Operational issues:</b> No operational issue was noted during audit Management Response: Positive finding Auditor Team Findings: Positive finding

### 3.4. Status of Nonconformities Previously Identified and Observations

Non-Conformity		
NCR No.	Description	Category (Major / Minor)
1128962M1	<b>Requirements:</b> RSPO Generic Standard, 2013 – Indicator 3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.	Major
	<b>Evidence of Nonconformity:</b> Budget projection	
	<b>Statement of Nonconformity:</b> A business plan is available in place, covering FFB production projected, OER, KER and cost projection in estates, however, it was found no cost production projection and FFB pricing in Tanjung Selamat Mill	
	<b>Action:</b> The company able to show the budget plan for 5 year, covering FFB production, OER, KER, included cost projection, FFB pricing and revenue, both estate and Tanjung Selamat Mill.	
	This NC was closed out on 23 March 2013 <b>Closed? Yes</b>	

Non-Conformity		
NCR No.	Description	Category (Major / Minor)
1128962M2	<b>Requirements:</b> RSPO Generic Standard, 2013 – Indicator 4.7.2 All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.	Major
	<b>Evidence of Nonconformity:</b> Field visit in Mill	
	<b>Statement of Nonconformity:</b> During field visit, it was found that OHS sign board, PPE sign board, risk warning (phisically, elektrik and risk area) is insufficiently, lighting in	


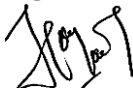
	production area is insufficient, and ladder in Chimney Boiler is broken.	
	<b>Action:</b> The company has erected OHS and PPE signboard in mill sufficiently and food-board in Chimney boiler has been fixed.	
	This NC was closed out on 23 March 2013	
	<b>Closed? Yes</b>	

<b>Non-Conformity</b>		
<b>NCR No.</b>	<b>Description</b>	<b>Category (Major / Minor)</b>
1128962M3	<p><b>Requirements:</b> RSPO Generic Standard, 2013 – Indicator 6.3.1 The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested</p> <p><b>Evidence of Nonconformity:</b> Complain from stakeholders</p> <p><b>Statement of Nonconformity:</b> Record of complaint and response from stakeholders is not recorded appropriately in Tanjung Selamat Mill.</p> <p><b>Action:</b> The company has recorded request information and response appropriately in log book.</p> <p>This NC was closed out on 23 March 2013</p>	Major
	<b>Closed? Yes</b>	

<b>Observation</b>	
<b>OBS #</b>	<b>Description</b>
1	<p><b>RSPO Generic Standard, 2013 – Indicator 5.3.3:</b> It is nice to consider displaying POME sign board, maintenance effluent pipe, and road access in POME area</p> <p>Corrective Action: The company has erected POME sign board and replace effluent pipe was broken and continuing pipe maintenance regularly and improving road acces to the effluent pond area.</p>

**3.5. Status of Non Conformities**

<i>Reference</i>	<i>Category</i>	<i>ISSUED</i>	<i>CLOSED</i>
1128962M1	Major NC	08/12/2014	23/03/2015
1128962M1	Major NC	08/12/2014	23/03/2015
1128962M1	Major NC	08/12/2014	23/03/2015
1307239N3	Minor NC	31/03/2016	"Open"
1307239N2	Minor NC	31/03/2016	"Open"
1307239N1	Minor NC	31/03/2016	"Open"

<b>Assessment Conclusion and Recommendation</b>	
<p>The auditors conclude that Tanjung Selamat Palm Oil Mill and its supply base are complying with the RSPO certification system 2007, RSPO Generic Standard 2013 and RSPO SCCS 2014.</p> <p>Its recommend to extend the RSPO certificate for Tanjung Selamat Palm Oil Mill and and its supply base</p>	
<b>Acknowledgement of Assessment Findings by PT. Indo Sepadan Jaya – Tanjung Selamat POM</b>	<b>Report Prepared by</b>
<b>Name:</b> Mr. Welly Pardede	<b>Name:</b> Haeruddin
<b>Company name:</b> PT. Indo Sepadan Jaya (Tanjung Selamat POM)	<b>Company name:</b> PT. BSI Indonesia
<b>Title:</b> Head of Environment & Sustainability	<b>Title:</b> Lead Auditor
<b>Signature:</b>  <b>Date:</b> 31 May 2016	<b>Signature:</b>  <b>Date:</b> 30 <sup>th</sup> April 2016

**Appendix "A"**  
**Summary of Finding**

Criterion / Indicator	Assessment Findings	Compliance
<b>PRINCIPLE 1: COMMITMENT TO TRANSPARENCY</b>		
<b>Criterion 1.1:</b> Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
1.1.1	<p>There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.</p> <p>- Minor compliance -</p> <p>The company has made a mechanism for request information no.: AA-GL-5008.1-R1 dated on 22<sup>nd</sup> 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<sup>th</sup> September 2014 that covered:</p> <ul style="list-style-type: none"> <li>a. Legal Documents               <ul style="list-style-type: none"> <li>1. a copy of SK HGU (Land Title)</li> <li>2. a copy of AMDAL (Social and Environmental Impact Assessment)</li> </ul> </li> <li>b. Environment Documents               <ul style="list-style-type: none"> <li>1. Waste management plans</li> <li>2. Report of waste water</li> <li>3. Report of water management</li> <li>4. Report of river water quality</li> <li>5. Report of air quality.</li> <li>6. Report of RKL (Environmental Management Plan) – RPL (Environmental Monitoring Plan).</li> <li>7. Report of Hazardous Waste</li> </ul> </li> <li>c. Social Activity Documents</li> <li>d. Employment Documents               <ul style="list-style-type: none"> <li>1. Jamsostek</li> <li>2. HSE management programmes</li> </ul> </li> </ul>	Yes

Criterion / Indicator		Assessment Findings	Compliance
1.1.2	<p>Records of requests for information and responses shall be maintained.</p> <p>- Major compliance -</p>	<p><b>Tanjung Selamat Estate and Mill:</b>  Request Information record from Stakeholder has been documented into "Agenda Surat Masuk" log book, it was noted, there were 31 letters/information from Stakeholder and in 2016, there were 9 letters/information was received. All information/incoming letters from stakeholder has been responded timely manner, e.g. Visiting DPRD Komisi "B" on 01 March 2016 related labour situation and it has been response by the company.</p> <p><b>Pangkalan Estate:</b>  Request Information record from Stakeholder has been documented into "Agenda Surat Masuk" log book, it was noted, there were 24 letters/information from Stakeholder and in 2016, there were 2 letters/information was received. All information/incoming letters from stakeholder has been responded timely manner, e.g. request from FC. FSP-PP-SPSI no. 940/ORG/PC FSP.PP-LBR/I/2016, dated 23 January 2016 related information labour union membership.</p>	Yes
<p><b>Criterion 1.2:</b>  Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p>			

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

<b>Criterion / Indicator</b>		<b>Assessment Findings</b>	<b>Compliance</b>
1.3.1	<p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>- Minor compliance -</p>	<p>The company has code ethical conduct policy that has been published "Company policy" dated 01<sup>st</sup> December 2014 which also covering ethics in business that stated that "ethical behavior, prohibition of all forms of corruption, bribery in the conduct or transaction of business practices and fraudulent use of funds".</p> <p>That policy has been informed to all employees and it also has been posted in public area, e.g. Tanjung Selamat Estate: Socialization of ethical conduct was conducted on 19<sup>th</sup>, 22<sup>nd</sup>, 23<sup>rd</sup> and 24<sup>th</sup> March 2016, attended 165 workers and socialization in Tanjung Selamat mill on 30<sup>th</sup> March 2016, attended 14 workers</p>	Yes
<b>PRINCIPLE 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS</b>			
<b>Criterion 2.1</b>			
There is compliance with all applicable local, national and ratified international laws and regulations.			



2.1.1	Criterion / Indicator	Assessment Findings	Compliance
	<p>Evidence of compliance with relevant legal requirements shall be available.</p> <p>- Major compliance -</p>	<p>There is no update or renewal legal permit during 2015. All legal requirement 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> <ol style="list-style-type: none"> <li>1. Izin Lokasi (<i>Location Permit</i>) form North Sumatera Governor no. 7550/Sekr/Tahun 1988 (<math>\pm</math> 3,885 Ha) and no. 593.41/2834/K, year 1989, dated 8 November 1989 (<math>\pm</math> 4,500 ha) for Tanjung Selamat estate and no,593.41/2834/K, year 1989, dated 8 November 1989 (<math>\pm</math> 4,500 Ha) for Pangkatan Estate.</li> <li>2. Izin Lokasi (<i>Location permit</i>) from Bupati Labuhan Batu SK No. 503.593/35/Ptnh/2014, dated 14 February 2014 tentang Pemberian Ijin Lokasi Penggunaan Tanah untuk keperluan usaha perkebunan kelapa sawit kepada PT Indo Sepadan Jaya yang terletak di desa Kampung Padang Kecamatan Pangkatan, Kabupaten Labuhan Batu dengan luas <math>\pm</math> 118,4 H</li> <li>3. Izin Usaha Perkebunan (<i>Operational Business Permit</i>) from Agriculture Ministry No. HK.350/E4.242/03.89, dated 28<sup>th</sup> March 1989, renewal no. HK.350/M4.338/04.90, dated 10<sup>th</sup> April 1990 "Perubahan dan Perpanjangan Persetujuan Prinsip Usaha Perkebunan menjadi Kelapa Sawit seluas <math>\pm</math> 3,500 Ha di Kota Bilah hilir, Kab.Labuhan Batu, Provinsi Sumatera Utara" for Tanjung Selamat Estate and No. HK.350/ E4.236/03.89, dated 23 March 1989 and renewal IUP from rubber to oil palm plantation no. HK.350/E4.329/04/90 dated 10 April 1990 "perihal Perubahan dan Perpanjangan Persetujuan Prinsip Usaha Perkebunan menjadi Kelapa Sawit seluas <math>\pm</math> 3,150 Ha di Kecamatan Bilah Hilir, Kab. Labuhan Batu, Sumut" for Pangkatan estate.</li> <li>4. Renewal IUP in 2013 for Tanjung Selamat estate from Governor of North Sumatera no. 522.2/87/BPPTSU/ 2/1.3/IX/2013, dated 9<sup>th</sup> September 2013 for <math>\pm</math> 3,885 Ha dan Mill capacity 45 tonnes FFB/hour.</li> <li>5. IUP no. 522.2/186/BPPTSU/2/1.2/X/2015, dated 30<sup>th</sup> October 2015 tentang Izin Perluasan Usaha Perkebunan PT. Indo Sepadan Jaya for area 118.4 ha.</li> <li>6. Risalah Pemeriksaan Tanah "B" No. 67/PPT/a/1989, dated on 24<sup>th</sup> November 1989, issued by "Kanwil BPN" North Sumatera Province (<math>\pm</math> 3,885 Ha) for Tanjung Selamat Estate; and re-cadastral in 2014 with "Peta Bidang Tanah" no. 12/12/2014, August 2014 (3,347.01 ha) and no. 12A/12/2014, August 2014 (531.72 ha).</li> </ol>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
	<ol style="list-style-type: none"> <li>7. Hak Guna Usaha (HGU)/Land title SK BPN no. 5/HGU/BPN/90, dated 13 March 1990 (4,336 Ha) with land certificate no. 3, year 1993 for Pangkatan estate.</li> <li>8. Renewal Hak Guna Usaha (HGU) from Kepala BPN no. 125/HGU/BPN/2004, tentang Pemberian Perpanjangan Jangka Waktu dan Pembaharuan HGU Atas Tanah Terletak di Kabupaten Labuhan Batu, Propinsi Sumatera Utara (4,336 ha) with Land Certificate (Sertifikat) no. 3, year 1993 (Valid until 31 December 2080)</li> <li>9. AMDAL (SEIA) - Studi Evaluasi Lingkungan (SEL), approved by Komisi Pusat AMDAL, Agriculture Ministry no. RC.220/385/B/II/94 dated 28<sup>th</sup> February 1994 for Tanjung Selamat Estate and no. RC.220/383/B/II/94, dated 26<sup>th</sup> February 1994 for Pangkatan Estate.</li> <li>10. Discharge effluent into the watercourse permit from Bupati Labuhan Batu no. 503.660/279/BLH/WAS/2013, dated 17<sup>th</sup> September 2013, valid until 17 September 2018.</li> <li>11. Ground water usage permit from Bupati Labuhan Batu no. 503.547/185/DBM-IV/2012, dated 18<sup>th</sup> June 2012 and no. 503.547/ 184/DBM-IV/2012, dated 18<sup>th</sup> June 2012.</li> <li>12. Surface water usage permits from "Badan Pelayanan Perijinan terpadu Prov. Sumatera Utara no. 610/115/BPPTSU/2/12.1/X/2014, dated 14<sup>th</sup> October 2014 (valid until 14<sup>th</sup> October 2017).</li> <li>13. Izin Penyimpanan Limbah B3 PT. Rantau Sinar Karsa from Bupati Labuhan Batu no. 503/660/324/BLH-LB/WAS/2014, dated 30<sup>th</sup> December 2014 (Valid until 30<sup>th</sup> December 2019)</li> <li>14. Izin Penyimpanan Limbah B3 PT. Rantau Sinar Karsa from Bupati Labuhan Batu no. 503/660/323/BLH-LB/WAS/2014, dated 30<sup>th</sup> December 2014 (Valid until 30<sup>th</sup> December 2019)</li> </ol>	<p style="text-align: center;">Yes</p>

Criterion / Indicator		Assessment Findings	Compliance																																																				
		<p>15. Izin Penyimpanan Limbah B3 PT. Rantau Sinar Karsa from Bupati Labuhan Batu no. 503/660/199/BLH-LB/WAS/2015, dated 29<sup>th</sup> June 2015 (Valid until 29<sup>th</sup> June 2019)</p> <p>16. The company has established fire mitigation officer as described in organizational chart "Struktur Organisasi Personil Tanggap Darurat" approved by Kepala Dinas Tenaga Kerja dan Transmigrasi Kabupaten Labuhan Batu No. Kep.28/P2k3/DSTKT-4/2014, dated 28<sup>th</sup> February 2014 and no. Kep.702/P2K3/DSTKT-4/2014, dated on 15<sup>th</sup> September 2014 as regulated in Permenaker No. 186, year 1999</p> <p>17. Machinery permit in Mill is available in "Pemeriksaan Berkala Mesin Mesin dan Pesawat, Bejana Bertekanan, 2016 – Tanjung Selamat Palm Oil Mill, as below:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Description</th> <th>Izin Akte</th> <th>The last inspection</th> <th>The next inspection</th> </tr> </thead> <tbody> <tr> <td>Boiler 1</td> <td>02/J.0186.A</td> <td>18/04/15</td> <td>18/04/17</td> </tr> <tr> <td>Boiler 2</td> <td>678/36-11/2005</td> <td>11/05/14</td> <td>11/05/16</td> </tr> <tr> <td>Sterilizer 1</td> <td>02/J.0196 A</td> <td>18/04/15</td> <td>18/04/19</td> </tr> <tr> <td>Sterilizer 2</td> <td>02/J.0197.A</td> <td>11/05/14</td> <td>11/05/18</td> </tr> <tr> <td>Sterilizer 3</td> <td>02/J.0195.A</td> <td>18/04/15</td> <td>18/04/19</td> </tr> <tr> <td>Sterilizer 4</td> <td>02/F.010 A</td> <td>16/07/14</td> <td>16/07/18</td> </tr> <tr> <td>Back Pressure vessel (Bejana Uap)</td> <td>02/J.0198.A</td> <td>10/04/13</td> <td>10/04/17</td> </tr> <tr> <td>Bejana Tekan 1</td> <td>560/05/DSTKT-4/2011</td> <td>29/11/11</td> <td>29/11/15</td> </tr> <tr> <td>Bejana Tekan 2</td> <td>1650/BT-KOMP/W2/1996</td> <td>29/11/11</td> <td>29/11/16</td> </tr> <tr> <td>Genset 1</td> <td>344/PTP/W2/1996</td> <td>18/04/15</td> <td>18/04/16</td> </tr> <tr> <td>Genset 2</td> <td>342/PTP/W2/1996</td> <td>19/04/15</td> <td>18/04/19</td> </tr> <tr> <td>Turbine 1</td> <td>343/PTP/W2/1996</td> <td>18/04/15</td> <td>18/04/16</td> </tr> </tbody> </table>	Description	Izin Akte	The last inspection	The next inspection	Boiler 1	02/J.0186.A	18/04/15	18/04/17	Boiler 2	678/36-11/2005	11/05/14	11/05/16	Sterilizer 1	02/J.0196 A	18/04/15	18/04/19	Sterilizer 2	02/J.0197.A	11/05/14	11/05/18	Sterilizer 3	02/J.0195.A	18/04/15	18/04/19	Sterilizer 4	02/F.010 A	16/07/14	16/07/18	Back Pressure vessel (Bejana Uap)	02/J.0198.A	10/04/13	10/04/17	Bejana Tekan 1	560/05/DSTKT-4/2011	29/11/11	29/11/15	Bejana Tekan 2	1650/BT-KOMP/W2/1996	29/11/11	29/11/16	Genset 1	344/PTP/W2/1996	18/04/15	18/04/16	Genset 2	342/PTP/W2/1996	19/04/15	18/04/19	Turbine 1	343/PTP/W2/1996	18/04/15	18/04/16	
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2.1.2	<p>A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>- Minor compliance -</p>	List of laws are available and being evaluated regularly. Last updated on 02 <sup>nd</sup> february 2016.	Yes																																																				

Criterion / Indicator		Assessment Findings	Compliance
2.1.3	A mechanism for ensuring compliance shall be implemented.  - Minor compliance –	List of laws are available and being evaluated regularly, last updated on 02 <sup>nd</sup> February 2016 as documented in "Status Evaluasi kepatuhan Hukum per tanggal 02 february 2016"	Yes
2.1.4	A system for tracking any changes in the law shall be implemented.  - Minor compliance –	Legal requirement-evaluation and fulfilment mechanism regulated under "SOP Pemenuhan Peraturan Perundang-undangan dan Perubahannya" (No. SOP; AA-GL-5001.1-RO) dated 5 <sup>th</sup> December 2009. The procedure explains the stages for evaluation applicable legal requirements, person in charge for evaluation and ensures implementation of such requirement.  Legal requirement has been implemented, such as: 1. Permenaker no. 9, year 2016 tentang K3 di "Pekerjaan Ketinggian". 2. SK. Gubernur Sumatera Utara No. 188.44/69/KPTS/2015 tentang UMSP Labuhan Batu Sektor Kelapa sawit.	Yes
<b>Criterion 2.2</b> The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.			

Criterion / Indicator	Assessment Findings	Compliance
2.2.1 Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.  - Major compliance -	<p>PT Indo Sepadan Jaya (Tanjung Selamat Estate) is in the process of obtaining land use rights/land title (HGU) which starts from:</p> <ol style="list-style-type: none"> <li>1. Initially, PT Indo Sepadan Jaya has got Location Permit issued by the Governor of North Sumatra No. 7550/Sekr/1988; about: Determination of Location and area for business requirements in Development of Rubber, Chocolate and Coconut Plantation in May 1988 covering an area of 3,885 hectares in the district of Labuhan Batu.</li> <li>2. In 1989, PT Indo Sepadan Jaya has done <i>Risalah Pemeriksaan Tanah "Panitia B"</i> No. 67 / PPT / a / 1989 dated 24 November 1989 by BPN Regional Office of North Sumatra Province on the land area of 3,885 Ha.</li> <li>3. After that period, the filing of the concession can not be processed due to claims from other companies (PT Cipta Jaya Raya) on the land in question until the settlement in court. The Court's decision last received from the Supreme Court of Cassation PT Cipta Jaya Raya, in accordance with the contents of the Decision of the Supreme Court No. 2236K/Pdt/2007 by Medan District Court, dated 8 May 2009: states that the Supreme Court Refuses Request Cassation PT Cipta Jaya.</li> <li>4. In processing of the concession after the Supreme Court decision, the company has to obtain a location as follows;               <ul style="list-style-type: none"> <li>- Location Permit issued by the Regent of Labuhan Batu accordance with Decree No. 503 593/34 / Ptnh / 2011, dated February 10, 2011: on the Issuance of Land Use Permit Area for the purpose of oil palm plantations to PT Indo Sepadan Jaya is located in the village of Kampung Padang District of Pangkatan, Labuhan Batu District with an area of ± 3,358 Ha.</li> </ul> </li> </ol>	Yes

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> <li>- Location Permit issued by the Regent South Labuhanbatu accordance with Decree No. 503 556 / BPPTPM / 2012 dated 16 August 2012 on Principles Area Land Use Permit for the purpose of oil palm plantations to PT Indo Sepadan Jaya in the village of Kampung Tanjung Selamat District of the People, South Labuhan Batu district with an area of ± 701 Ha.</li> <li>- The extension of the Location Permit issued by the regent Labuhan Batu accordance with Decree No. 503 593/34 / Ptnh / 2011 dated 10 February 2011 are set forth in Decree No. 503 593/79 / Ptnh / 2014 dated 20 March 2014 in on the Issuance of Extension of Term Land Use Permit Area for the purpose of oil palm plantations to PT Indo Sepadan Jaya is located in the village of Kampung Padang District of Pangkatan, Labuhan Batu District with an area of ± 3358.12 Ha.</li> <li>- In the year 2014 has been re-cadastral measurements, by BPN Regional Office of North Sumatra province as outlined in the "Peta Bidang Tanah" no. 12/12/2014, August 2014 (3,347.01 ha) and no. 12A / 12/2014, August 2014 (531.72 ha)</li> </ul> <p>Based on information management and document Risalah Panitia B on 1989 stating that there are no traditional rights of people in the working area of PT Indo Sepadan Jaya (Tanah Negara Bebas) so there is no process of compensation to other parties, including the public. Based on interviews with the local community stating that the company does not undertake compensatory land because it was considered a land of the Free State so no need for compensation.</p>	
2.2.2	<p>Legal boundaries shall be clearly demarcated and visibly maintained.</p> <ul style="list-style-type: none"> <li>- Minor compliance –</li> </ul> <p>Companies already have documents and Care Inspection Report Stakes Limit created in February 2016 of the report showed that all measurement results cadastral boundary markers be in place in 2014, although the condition and cleanliness of the area around the paint need attention. Based on the results of the field in the boundary markers kunjuungan section III, Block C14f indicate that these markers are not available anywhere while the boundary markers in Block D13K and C14K show that the identity of the stakes had not read clearly. (See NCR No. 1307239N3)</p> <p>The company has made a trench along the boundary boundry PT Indo Sepadan Jaya.</p>	No

Criterion / Indicator	Assessment Findings	Compliance
2.2.3 Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).  - Minor compliance –	Tanjung Selamat Estate Based on information management, verification of documents "Risalah Panitia B" No. 67/PPT/a/1989 dated 24 November 1989 by BPN Regional Office of North Sumatra province and also Hectare Statement mentions an indication that there is no land dispute between the company and the community. However, land disputes have occurred between PT Indo Sepadan Jaa with another company (PT Cipta Jaya Raya) that have been resolved through legal channels in accordance with the contents of the Decision Notice Relas Supreme Court No. 2236K/Pdt/2007 by Medan District Court dated 8 May 2009 stating that the Supreme Court Refuses Request Cassation PT Cipta Jaya Raya.  Pangkatan Estate: No any land dispute was noted	Yes
2.2.4 There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.  - Major compliance –	Based on the verification of documents and interviews with stakeholders showed that there is currently no land dispute at PT Indo Sepadan Jaya and PT Rantau Sinar Karsa however, the company has a good record of land dispute resolution recordings in previous years, for example: a. Land dispute between PT Indo Sepadan Jaya and PT Cipta Jaya Raya is resolved through legal avenues and has received Court Decision of Cassation Court of Agus on PT Cipta Jaya Raya in accordance with the contents of the Decision Notice Supreme Court RI No. 2236K/Pdt/2007 by Medan District Court dated 8 May 2009 stating that the Supreme Court Refuses Request Cassation PT Cipta Jaya Raya. b. Land dispute between PT RSK Farmers Group Teluk Lesung which claims an area of 2,000 ha located in the concession area of PT RSK and has no administrative court ruling Medan in 1994 with the issuance of Decision on Case No. 39/Bdg-G.Mdn/PT.UN-MDN/1994 dated 23 March 1995 (Appeal Decision).	Yes

<b>Criterion / Indicator</b>		<b>Assessment Findings</b>	<b>Compliance</b>
2.2.5	<p>For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable).</p> <p>- Minor compliance –</p>	<p>Currently, no any land dispute was noted.</p> <p>Based on the verification of documents and interviews with stakeholders showed that there is currently no land dispute at PT Indo Sepadan Jaya and PT Rantau Sinar Karsa however, the company has a good record of land dispute resolution recordings in previous years, for example:</p> <p>a. Land dispute between PT Indo Sepadan Jaya and PT Cipta Jaya Raya is resolved through legal avenues and has received Court Decision of Cassation Court of Agus on PT Cipta Jaya Raya in accordance with the contents of the Decision Notice Supreme Court RI No. 2236K/Pdt/2007 by Medan District Court dated 8 May 2009 stating that the Supreme Court Refuses Request Cassation PT Cipta Jaya Raya.</p> <p>b. Land dispute between PT RSK Farmers Group Teluk Lesung which claims an area of 2,000 ha located in the concession area of PT RSK and has no administrative court ruling Medan in 1994 with the issuance of Decision on Case No. 39/Bdg-G.Mdn/PT.UN-MDN/1994 dated 23 March 1995 (Appeal Decision).</p>	Yes
2.2.6	<p>To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p> <p>- Major compliance -</p>	<p>Currently, no any land dispute was noted.</p> <p>Based on the verification of documents and interviews with stakeholders showed that there is currently no land dispute at PT Indo Sepadan Jaya and PT Rantau Sinar Karsa however, the company has a good record of land dispute resolution recordings in previous years, for example:</p> <p>a. Land dispute between PT Indo Sepadan Jaya and PT Cipta Jaya Raya is resolved through legal avenues and has received Court Decision of Cassation Court of Agus on PT Cipta Jaya Raya in accordance with the contents of the Decision Notice Supreme Court RI No. 2236K/Pdt/2007 by Medan District Court dated 8 May 2009 stating that the Supreme Court Refuses Request Cassation PT Cipta Jaya Raya.</p> <p>b. Land dispute between PT RSK Farmers Group Teluk Lesung which claims an area of 2,000 ha located in the concession area of PT RSK and has no administrative court ruling Medan in 1994 with the issuance of Decision on Case No. 39/Bdg-G.Mdn/PT.UN-MDN/1994 dated 23 March 1995 (Appeal Decision).</p>	Yes
<p><b>Criterion 2.3</b>            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>			



Criterion / Indicator	Assessment Findings	Compliance
<p>2.3.1</p> <p>Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p> <p>- Major compliance –</p>	<p><b>Tanjung Selamat Estate</b></p> <p>Based on the verification of legal documents and the results of public consultation with BPN and Communities around the state that no traditional rights in the work area of Tanjung Selamat Estate.</p> <p>In 2014 cadastral measurements have been carried out by Badan Pertanahan Kanwil Sumatera Utara and recorded on the Peta Bidang Tanah/Land Area Map;</p> <p>a. Land Area Map No. 12/12/2014, scale 1:20.000; on August 2014, covering area 3.347,01 Ha, location at Labuhan Batu Regency on the location permit No. 503.593/79/Ptnh/2014, dated 20 March 2014.</p> <p>b. Land Area Map No. 12A/12/2014, scale 1:10.000; on August 2014, covering area 531,72 Ha, location at Labuhan Batu Regency on the location permit No. 503.593/79/Ptnh/2014, dated 20 March 2014.</p> <p>Pangkalan Estate: Based on Land Title / HGU map, it was noted no any customary rights or user rights within Pangkatan Estate.</p>	<p>Yes</p>

	<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
2.3.2	<p>Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p> <ul style="list-style-type: none"> <li>a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</li> <li>b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</li> <li>c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</li> </ul> <p>- Minor compliance –</p>	<p>It was noted that no any land compensation was made due to no customary land or legal rights within the company areas. There is claimed from Farmer group "TL" and it has been solved by the Court decision (see 2.2.3)</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.  - Minor compliance –	It was noted that no any land compensation was made due to no customary land or legal rights within the company areas. It was noted that no any land compensation was made due to no customary land or legal rights within the company areas. There is claimed from Farmer group "TL" and it has been solved by the Court decision (see 2.2.3)	Yes
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 coimpliance -	It was noted that no any land compensation was made due to no customary land or legal rights within the company areas. There is claimed from Farmer group "TL" and it has been solved by the Court decision (see 2.2.3)	Yes
<b>PRINCIPLE 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY</b>			
Criterion 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.			

Criterion / Indicator	Assessment Findings	Compliance																																																																		
<p>3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.</p> <p style="text-align: center;">- Major compliance -</p>	<p>A business plan is available in "Mill Projection" for 6 year (2016 – 2021), covering FFB production projected per each estate, OER, KER, CPO and PK pricing and cost projection per tonnes FFB, CPO and PK.</p> <p>The company produced detail budget annually, such as</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Description</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td style="text-align: right;">90,130</td> <td style="text-align: right;">87,609</td> <td style="text-align: right;">92,664</td> <td style="text-align: right;">114,442</td> <td style="text-align: right;">136,111</td> </tr> <tr> <td>CPO</td> <td style="text-align: right;">18,354</td> <td style="text-align: right;">17,886</td> <td style="text-align: right;">19,943</td> <td style="text-align: right;">24,550</td> <td style="text-align: right;">29,953</td> </tr> <tr> <td>PK</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>OER (own)</td> <td style="text-align: right;">20.36</td> <td style="text-align: right;">20.42</td> <td style="text-align: right;">21.04</td> <td style="text-align: right;">21.45</td> <td style="text-align: right;">22.01</td> </tr> <tr> <td>OER (Third party)</td> <td style="text-align: right;">17.75</td> <td style="text-align: right;">18.00</td> <td style="text-align: right;">18.00</td> <td style="text-align: right;">18.00</td> <td style="text-align: right;">18.00</td> </tr> <tr> <td>KER (own)</td> <td style="text-align: right;">5.03</td> <td style="text-align: right;">4,90</td> <td style="text-align: right;">4,90</td> <td style="text-align: right;">4,90</td> <td style="text-align: right;">4,90</td> </tr> <tr> <td>KER (Third Party)</td> <td style="text-align: right;">4.90</td> <td style="text-align: right;">4,90</td> <td style="text-align: right;">4,90</td> <td style="text-align: right;">4,90</td> <td style="text-align: right;">4,90</td> </tr> </tbody> </table> <p>Monitoring of yield and expenses for 2015 is available.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Description</th> <th>Budget (2015)</th> <th>Actual (2015)</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td style="text-align: right;">106,057</td> <td style="text-align: right;">96,764</td> </tr> <tr> <td>CPO</td> <td style="text-align: right;">22,272</td> <td style="text-align: right;">20,348</td> </tr> <tr> <td>PK</td> <td style="text-align: right;">6,052</td> <td style="text-align: right;">5,295</td> </tr> <tr> <td>OER</td> <td style="text-align: right;">21.00</td> <td style="text-align: right;">21.03</td> </tr> <tr> <td>KER</td> <td style="text-align: right;">5.71</td> <td style="text-align: right;">5.47</td> </tr> </tbody> </table>	Description	2016	2017	2018	2019	2020	FFB	90,130	87,609	92,664	114,442	136,111	CPO	18,354	17,886	19,943	24,550	29,953	PK						OER (own)	20.36	20.42	21.04	21.45	22.01	OER (Third party)	17.75	18.00	18.00	18.00	18.00	KER (own)	5.03	4,90	4,90	4,90	4,90	KER (Third Party)	4.90	4,90	4,90	4,90	4,90	Description	Budget (2015)	Actual (2015)	FFB	106,057	96,764	CPO	22,272	20,348	PK	6,052	5,295	OER	21.00	21.03	KER	5.71	5.47	<p>Yes</p>
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3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. - Minor compliance –	<p>The company has set a replanting program Pangkatan Estate and Tanjung Selamat Estate Year 2012-2018 covering 7.609 ha, respectively Pangkatan Estate area of 3.656 ha and 3.953 ha area of Tanjung Selamat Estate. Realization replanting until 2015 is an area of 3,043 hectares, and Pangkatan Estate area of 293 hectares and Tanjung Selamat Estate area of 2,750 Ha. Replanting program as below:</p> <p><b>Tanjung Selamat Estate</b>  <b>Rencana dan Realisasi replanting tahun 2012-2018</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Program</th> <th>Realisation</th> </tr> </thead> <tbody> <tr> <td>2012</td> <td>464</td> <td>464</td> </tr> <tr> <td>2013</td> <td>985</td> <td>985</td> </tr> <tr> <td>2014</td> <td>826</td> <td>826</td> </tr> <tr> <td>2015</td> <td>475</td> <td>475</td> </tr> <tr> <td>2016</td> <td>591</td> <td>-</td> </tr> <tr> <td>2017</td> <td>303</td> <td></td> </tr> <tr> <td>2018</td> <td>309</td> <td></td> </tr> <tr> <td><b>Total</b></td> <td><b>3,953</b></td> <td><b>2,750</b></td> </tr> </tbody> </table>	Year	Program	Realisation	2012	464	464	2013	985	985	2014	826	826	2015	475	475	2016	591	-	2017	303		2018	309		<b>Total</b>	<b>3,953</b>	<b>2,750</b>	Yes
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<p><b>PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS</b></p>																													
<p>Criterion 4.1            Operating procedures are appropriately documented, consistently implemented and monitored.</p>																													

Criterion / Indicator	Assessment Findings	Compliance
<p>4.1.1 Standard Operating Procedures (SOPs) for estates and mills shall be documented.</p> <p>- Major compliance -</p>	<p>The company has procedures from land preparation up to despatch CPO PK, such as:</p> <ol style="list-style-type: none"> <li>1. SOP AA-APM-OP-1100.01. R1 (Seedling).</li> <li>2. SOP AA-APM-OP-1100.02. R1 (SOP of Land Preparation).</li> <li>3. SOP AA-APM-OP-1100.03. R1 (SOP of Roads &amp; Bridges Construction and Maintenance).</li> <li>4. SOP AA-APM-OP-1100.05. R1 (Soil &amp; Water Conservation)</li> <li>5. SOP AA-APM-OP-1100.06. R1 (Planting Legium Cover Crops)</li> <li>6. SOP AA-APM-OP-1100.07-R1, last revision no. 02/HP/MEMO/FEB/13, (Planting).</li> <li>7. SOP AA-APM-OP-1100.08. R1 (Weeding control)</li> <li>8. SOP AA-APM-OP-1100.09. R1 (Fertilization)</li> <li>9. SOP AA-APM-OP-1100.10. R1 (Pests &amp; Disease Control)</li> <li>10. SOP AA-APM-OP-1100.11. R1 (Pesticide Control)</li> <li>11. SOP AA-APM-OP-1100.14. R1 (Census)</li> <li>12. SOP AA-APM-OP-1100.18. R1 (Harvesting)</li> <li>13. SOP AA-APM-OP-1100.19. R1 (FFB Transport)</li> </ol> <p>SOP of the processing in PKS from FFB Receiving up to despatch of CPK / PK (SOP AA-MPM-OP-1400.03-RI untill SOP AA-MPM-OP-1400.14-RI)            Prosedur best paractice mill has been recorded in Mill Policy manual.</p> <p>There Fertilization SOP changes, ie: SOP AR-APM-OP-1100.09. R3 (Fertilization), April 20, 2015. All proisedur recorded in the book "Agricultural Policy Manual".</p> <p>The activities are monitored every month and reviewed by the Estate Manager, recorded in the Report Period Unit Estate in February 2016.</p>	<p>Yes</p>
<p>4.1.2 A mechanism to check consistent implementation of procedures shall be in place.</p> <p>- Minor compliance –</p>	<p>The company has well implemented internal checking and monitoring processes that check and report on the implementation of the Management Guidelines. These include independent checks of the Estates by the corporate internal audit by R &amp; D (Mr. Zulkarnaen Sinuraya) is performed once a year. The last audit agronomi (Visit Audit) on 8 – 12 September 2015 in Tanjung Selamat Estate and on 22 – 26 September 2015 in Pangkatan Estate.</p> <p>In Tanjung Selamat Mill internal audit (Visit Engineering) was conduct 21 – 23 October 2015. Visiting Agronomy and Visiting Enginer reports are available, it was noted that correction action was done.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate.  - Minor compliance -	Records of the results of the visit in the form of internal audit reports Agronomy Visit to visit to the Estate and Visit Reports Engineering for a visit to the Mill. The last report was made, dated 8 October 2015. A planned visit by Actionb Management Plan is in September 2016.	Yes
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).  - Major compliance -	The record of FFB from outgrower receipt is recorded in "Laporan Harian PKS", The FFB from outgrower coming from supplier, e.g. from supplier 'Roma', UD. Ula Tersia, Anugerah Sawit and PT. Golden Permata Elaeis in 2015.	Yes
<b>Criterion 4.2</b>			
Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			
4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible.  - Minor compliance -	The company has established procedure soil fertility in "SOP AA-APM-OP-1100.09. R1" - SOP Pemupukan, consist of type and recommendation of fertilizer for immature and mature areas, cycle, dosage and when fertilizer is applied. To maintain soil fertility inorganic fertilizer companies perform regularly (annually), and it is also carried out by using organic fertilizer, that is by placing midrib on path and mechanisms set up in the harvest procedure. Fertilizer is applied to maintain and increase soil fertility, fertilizer applied follow the fertilizer recommendation which created based on soil and leaf analyisi. Fertilizing record in "Monthly Manuring Program".	Yes
4.2.2	Records of fertiliser inputs shall be maintained.  - Minor compliance -	Each estate (Tanjung Selamat and pangkatan Estate) maintains a complete record of fertilizer inputs by anorganic. The fertilizer application based on annual fertilizer recommendation, cascaded and detailed up to nutrition requirement (and fertilizer type per planting year, per palm) per plantation block for each semester. Recomendation of fertilizer in 2016 is as follows: ZA 1.0 kg/palm, Rock Phosphate 0.5 kg/palm, Dolomit 2-3 kg/palm, HGFB 0.2 kg/palm, Cu EDTA 0.04 kg/palm and Zn EDTA 0.04 kg/palm. Monitoring carried out by using the "Monthly manuring Programme 2015" (the last month of October 2015) and realization is 100%. Monitoring carried out by using the "Monthly manuring Programme 2015" (the last month of October 2015) and realization is 100%.	Yes



Criterion / Indicator		Assessment Findings	Compliance
4.2.3	<p>There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.</p> <p>- Minor compliance -</p>	<p>Fertilization recommendations based on the results of leaf and soil sampling (conducted in the previous year or in 2015). The sampling procedure leaves and soil set in SOP fertilization. The company has done leaf and soil analysis regularly for basic fertilizer recommendation. Leaf analysis is conducted annually by PT Nusa Pusaka analytical &amp; QC Laboratory. The last survey for leaf sampling conducted on 5 June 2015 in Tanjung Selamat Estate and Pangkatan Estate on 15 May 2015. The results of leaf and soil analysis have been verified. The results of this analysis are the basic fertilizer recommendation in 2016.</p> <p>Soil analysis is conducted every 6 years, the last soil analysis in May 2013 by "Research and Development Department".</p>	Yes
4.2.4	<p>A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting.</p> <p>- Minor compliance -</p>	<p>There is no manuring by application of empty bunch, and effluent. In addition the company also made observations concerning the application of organic fertilizer using a bunch ash (abu janjang) doses 1.5 kg/palm.</p>	Yes
<p><b>Criterion 4.3</b>            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>Based on soil survey, it was found that mostly PT Indo Sepadan Jaya areas is peat soil, Map of peat soil is available in place with scale 1 : 20.000, including:</p> <ol style="list-style-type: none"> <li>1. Peta kerja kebun Pangkatan dan Tanjung Selamat, memuat no. blok, afdeling, luasan, jaringan jalan, sungai, kompleks perumahan,</li> <li>2. Peta citra landsat tahun 2002.</li> <li>3. Peta kelerengan: 0 – 8% (3.855 ha)</li> <li>4. Peta topografi/Ketinggian dari muka laut: 2,5 meter – 12,5 meter</li> <li>5. Peta Tanah dan Kesusuain Lahan;               <ol style="list-style-type: none"> <li>a. Gambut &lt; 1 meter: 1.602 ha</li> <li>b. Gambut 1 – 3 meter: 2.101 ha</li> <li>c. Gambut &gt; 3 meter: 152 ha</li> </ol>               Total areal: 3.855 ha             </li> <li>6. Peta Seri Tanah</li> </ol>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.3.2	A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific).  - Minor compliance –	All of flat areas in the company that have slope 0 – 8% proven to have no sign of land erosion.	Yes
4.3.3	A road maintenance programme shall be in place.  - Minor compliance –	Road maintenance programme available detailing on planning and realization of both main and collection road and its cost which were included in budget. Road maintenance program has been made in the annual budget and the realization of road maintenance up to Februari 2016 both of PT Indo Sepadan Jaya as follows: - Tanjung Selamat Estate: road maintenance (main and collection road) by road maual maintenance is 58,812 meters and hardening of road use the mountain stone 18,990 meters. - Pangkatan Estate: road maintenance (main and collection road) by motor grader is 179,400 meters and spot hardening of road use the mountain stone 175,545 meters.	Yes
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.  - Major compliance –	The company has a set of procedure for water management (for peat soil), in line with Indonesia's guideline for peat management. Water management procedure for peat land is available in implemented, the company has installed water gate, main drain gate, peat subsidence monitoring, and washing drainage regularly, also monitoring of water level, main gate water lever, peat subsidence level. It was found that water level in maintained in 50 – 70 cm. Actual water level on February - March 2016: Tanjung Selamat Estate - Afdeling I: date 23/3/2016, blok M95a in level 70 cm - Afdeling II: date 24/3/2016, blok F14c in level 60 cm - Afdeling III: date 26/3/2016, blok A14f in level 55 cm - Afdeling IV: date 26/3/2016, blok B13i in level 60 cm Pangkalan Estate - Afdeling I: date 27/2/2016, blok I92a in level 95 cm, water gate is open. - Afdeling II: date 27/2/2016, blok K14i in level 70 cm - Afdeling III: date 27/2/2016, blok D93a in level 60 cm - Afdeling IV: date 27/2/2016, blok A92ga in level 92 cm, water gate is open.	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.3.5	Drainability assessments shall be required prior to replanting on peat to determine the longterm viability of the necessary drainage for oil palm growing.  - Minor compliance –	Both of Tanjung Selamat and Pangkatan Estate implemented water management and has done well, i.e. by making the water gate, groundwater level monitoring (every month) and subsidence of peat (every 6 months)and also monitoring of flood areas by creating a map and setting the floodgates/water gate in the area.	Yes
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).  - Minor compliance –	No others fragile soil within the company areas, except peat soil.	Yes
<b>Criterion 4.4</b> Practices maintain the quality and availability of surface and ground water.			
4.4.1	An implemented water management plan shall be in place.  - Minor compliance –	<b>Estates and Mill:</b> Water management plan is documented in Praktek praktek Mempertahankan Kualitas dan Ketersediaan Air permukaan dan Air tanah – Water Sustainable” covering: water sources (Surface and ground water sources), monitoring of efficiency (install flow meter, retribusi pemakaian and monitoring of water usage), renewable water sources, avoidance of contamination)	Yes
4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated.  - Major compliance -	The water used for domestic purposes comes from the "reservoir" then pumped into the tank and supplied to the employee residences. To maintain the water source, the company have been planted the native trees around the "reservoir" and along rivers.  SOP for maintaining riparian zone is under SOP AA-APM-OP-1100.05. R1 "Konservasi Tanah dan Air", it is stated that at during land clearing area along the river shall be conserved.	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.4.3	<p>Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6).</p> <p>- Minor compliance -</p>	<p>The company has obtained a permit to discharge waste water into water sources at the mill (PKS) PT Indo Sepadan Jaya, Desa Aek Nauli, District Pangkatan, Labuhan Batu regency based SK Bupati Labuhan stone, no. 503 660/279 / BLH / NAS / 2013 dated September 19, 2013.</p> <p>Tanjung Selamat Mill has 11 waste ponds that periodically testing waste water. Last monitoring of wastewater by Liquid Waste Management Implementation Report Period IV / 2015 (October-December 2015) no. 088 / K / AL / 01/2016, dated January 4, 2016 report, the test results as follows: pH: 8.8 (std: 6-9), BOD: 55.77 (std 100) and COD: 175 ( std: 300).</p> <p>Based on these test results of BOD parameters are still below the quality standard in accordance PERMEN-LH No. KEP-51 / MENLH / 10/1995, Appendix B IV (100 mg / L). The BOD level in effluent is monitored monthly.</p>	Yes
4.4.4	<p>Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored.</p> <p>- Minor compliance -</p>	<p>The use of water for the production process contained in section Quality &amp; Process Control. Water usage data for FFB processed (M3 / tonne of FFB) in January - March 2016 in average of 1.21 M3 / Tonnes</p>	Yes
<p><b>Criterion 4.5</b>  Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>			
4.5.1	<p>Implementation of Integrated Pest Management (IPM) plans shall be monitored.</p> <p>- Major compliance -</p>	<p>The company has Integrated Pest Management and its implemented, such as:</p> <ol style="list-style-type: none"> <li>1. Planting "Beneficial Plant" such as: Cassia cobanensis, Antigonon leptosus and Tunera subulata were recorded every month in the "Monitoring Host plant", e.g. planting Cassia cobanensis 400 holes, Antigonon leptosus: 120 holes up to March 2016.</li> <li>2. Install barn owl and barn owl census every month, e.g. report in November 2015, number of barn owl is 89 units, good condition 78 units and occupied 37 units in Pangkatan estate (ratio 1 unit = 56.6 ha).</li> <li>3. Census nettle worm (ulat api) in Tanjung Selamat Estate in February 2016: the type of S. Nitens, Setosea asigna , however in Pangkatan Estate: conduct census of rat on November 2015: blok F92f the level of attacks by 0.21%, and the block A92d attack rate of 0.3% or still below the threshold.</li> <li>4. Census of Leaf Eating Caterpillar conducted every month.</li> </ol>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance –	Training records Plant Pests and Diseases Control (IPM) is as follows: 1. Records and certificates owned by employees of pelatiha herbicide spray is limited to the Moon November 2015, followed by all sprayer employees of Tanjung Selamat and Pangkatan Estate. 2. Handling Training spray equipment and pesticides, on 23 November 2015 Pangkatan Estate and dated December 10, 2015 in Tanjung Selamat Estate. 3. Refresh Training OPT (Silkworm Pockets and Oryctes), dated 24 April 2015, attended by 14 participants 4. Fogging The use training tool, dated 12.03.2016, followed by 56 employees. 5. Pealtihan Use of Herbicides Limited, on 07.10.2014, followed by 131 employees 6. Herbicides Handling Training Limited, dated 21.08.2015, followed by 25 people by Syngenta.	Yes
<b>Criterion 4.6</b>			
Pesticides are used in ways that do not endanger health or the environment.			
4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	The use of pesticides has been described in the pest control procedures, including the type of target (pests and weeds) that corresponds to the type of active ingredient and the dosage that has been done justification by R&D. Agrochemicals use was well recorded in "Recapitulation of agrochemical use" including active ingredients used, area treated, amount applied per ha and number of applications. The documents were also recorded dosage of agrochemical use, target species. It was noted that dosage applied and application rotation was in accordance to budget. Justification doses of pesticides and other toxic materials recorded in SOP Pest and Disease (AA-APM-OP-1100.10-R4).	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>4.6.2</p> <p>Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided.</p> <p>- Major compliance -</p>	<p>List of used pesticides:</p> <ul style="list-style-type: none"> <li>- Agronil (a.i. Klorotakonil), valid up to January 9<sup>th</sup> 2017.</li> <li>- Amcothene (a.i. Asefat), valid up to October 17<sup>th</sup> 2017</li> <li>- Dithane – M45 (a.i. mankozeb) valid up to June 23<sup>th</sup> 2016</li> <li>- Elang 480 SL (ai. Glyphosat), valid up to January 9<sup>th</sup> 2017.</li> <li>- Metsulindo Plus (ai. 2.4 D Natrium) valid up to October 17<sup>th</sup> 2017 .</li> <li>- Metsulindo 20 WP (ai. Metil Metsulfuron) – valid up to June 23<sup>rd</sup> 2016</li> <li>- Lindomin 865 SL (2.4 dimetil amina) valid up to June 23<sup>th</sup> 2016,</li> <li>- Kenso Indo (Floroksipil 200g/l,</li> <li>- Polydor (ai. Dellametrin) – valid up to December 9<sup>th</sup> 2018</li> <li>- Turicide (ai. Dellametrin) – valid up to January 9<sup>th</sup> 2017</li> <li>- Amcochene 75 SF (ai. Asefat) – valid up to October 17<sup>th</sup> 2017 etc</li> </ul> <p>Based on the verification that showed that all of pesticides has been registered and till valid up to its end of license dates.</p>	<p>Yes</p>
<p>4.6.3</p> <p>Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines.</p> <p>- Major compliance -</p>	<p>There is no used of prophylactic use of pesticides throughout the company.</p>	<p>Yes</p>

<b>Criterion / Indicator</b>		<b>Assessment Findings</b>	<b>Compliance</b>
4.6.4	<p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p>- Minor compliance -</p>	<p>The company not use pesticides categories class IA and 1B, only using pesticides with active ingredient Paraquat Dichloride, the record shown that Paraquat usage is decline significantly in a few years and it was verified during audit.</p>	Yes
4.6.5	<p>Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>- Major compliance -</p>	<p>Up to date records of training are kept in each estate for the following:</p> <ul style="list-style-type: none"> <li>- Limited pesticides (Pelatihan Pestisida terbatas)</li> <li>- Handling of pesticides</li> <li>- Integrated Pest Management Pesticide Mixers</li> <li>- Pesticide Sprayers</li> <li>- Any pesticide handlers in stores</li> </ul> <p>The training data is also maintained to show the nature and content of the training covered.</p> <p>Material Data Safety Sheets (MSDS) are obtained for all chemicals used and are available at the storage and areas of mixing.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>4.6.6 Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -</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"> <li>- Permanent Buildings,</li> <li>- A good ventilation,</li> <li>- Permanent floor is cemented, the floor of the mixing of pesticides using ceramics, and equipped with a "spillage trap",</li> <li>- eye wash shower, first aid box, PPE and Fire extinguisher are provided.</li> <li>- PPE room</li> </ul> <p>Ijin Penyimpanan Limabah Beracun dan Berbahaya (LB3), berdasarkan SK Bupati Labuhan Batu tanggal 30 Desember 2015, no. 503.660/324/BLH-LB/WAS/2015</p> <p><b>Operation control:</b></p> <ul style="list-style-type: none"> <li>- MSDS are available for all types of existing pesticides</li> <li>- The pesticide management and safety instructions are available</li> <li>- A package management/ used pesticide package is available</li> <li>- Water wash of pesticides containers collected in "spillage trap"</li> <li>- The flow of waste water is channeled and stored so that it is not discharged into the environment. The water used is used for its dilution.</li> </ul> <p><b>A package management / used pesticide package:</b></p> <ul style="list-style-type: none"> <li>- Pesticide packages were clean washed in a wash basin, then, it was dried in a provided place.</li> <li>- Dried packages were stored in temporary warehouse before being taken / sent by a third party who has a license.</li> </ul> <p>The company had a SOP of waste pesticide management which is SOP of hazardous waste management No. AA-KL-06-EFP.</p> <p>There is agreemeent between company and PT Shali Riau Lestari for disposed hazardous waste no. 032/SRL-PKU/MOU/III/2016, dated 9 Februari 2016. PT Shali Riau Lestari is one of company who has approval from Environmental Ministry of Republic indonesia no. B-14559/DEP.IV/LH/PDAL/12/2015, dated 29 September 2015.</p> <p>The company disposed their hazardous waste, included empty container pesticides to the approval company (PT Shali Riau Lestari), e.g. delivered empty container pesticides 2 drums, used oil 3 drums, contaminated goods 5 drums, and used accu 6 pcs on 9 February 2016.</p>	<p>Yes</p>



Criterion / Indicator		Assessment Findings	Compliance
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	Based on filed visit and interviews with workers who are involved in pesticide, e.g. Sprayers found that they apply pesticides in the right way according to the instructions on the label and guidelines as contained in the procedure. The method of mixing and counting calibration herbicide use (the use of a blanket dose by 25%) Paraquat, methyl 20%.	Yes
4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.  - Major compliance -	No any pesticides applied aerially	Yes
4.6.9	Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated; including provision of appropriate information materials (see Criterion 4.8).  - Minor compliance -	The company is providing training for pesticide storekeepers and sprayers team, e.g. handling of limited pesticides on 23th October 2014.  MSDS and emergency procedures is available in premises	Yes
4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).  - Minor compliance -	Based on interviews with workers who are involved in handling of hazardous waste, it was found that they understood and able to demonstrate handling of hazardous waste as regulated in the company's procedures.	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.6.11	<p>Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.</p> <p>- Major compliance -</p>	<p>The company conduct medical surveillance for workers who are involved in chemical substances and risk areas, included for spraying team at least annually, the last Medical surveillance for 97 workers in Pangkatan Estate and also 97 workers in Tanjung Selamat estate in November – December 2015, e.g. Mrs T, Mrs. YG, Mrs WI (Spraying Team) and Mr. DD (Fertilizer team), audigram test for operators, e.g. Mr. M (Genset operator)</p> <p>Based on doctor’s analysis, there was found that all workers are normal condition.</p>	Yes
4.6.12	<p>No work with pesticides shall be undertaken by pregnant or breast-feeding women.</p> <p>- Major compliance –</p>	<p>List of menstruated female workers was established and monitored. 2 days-off are given to those women in the list without any salary deduction. Pesticide female workers are checked periodically and recorded in the medical record. Pesticide female workers are prohibited to do their job during pregnancy as stated in company policy while no mother with breast feeding period was identified during the audit. In that case, those workers are relocated to another job station with low risk level. No negative case was found in regard with reproduction rights of female workers during past years as interviewed with female workers and gender committee.</p> <p>Based on interview with female worker, its confirmed that no pregnant and/or breast-feeding involved in chemical/pesticides, they are transferred to other duties.</p>	Yes
<p><b>Criterion 4.7</b>            An occupational health and safety plan is documented, effectively communicated and implemented.</p> <p><i>Specific Guidance for 4.7.7: The National Interpretation will define the metrics for LTA. For countries where there are no national interpretations, the growers will determine their own metrics.</i></p>			

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.1 A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p>- Major compliance -</p>	<p>It was a good system when auditor team provided an OHS induction by Safety Officer. With this induction, auditor team was made aware on the situation of mill and estates, the risk may exist, the basic OHS rules at mill and estate and emergency preparedness and response procedure, etc. Audit was then performed both on documentations/records and site visit/observations.</p> <p>Occupational health and safety policy has been established by respective Mill Manager and Estate Managers. The policy was displayed at strategic locations of Mill and Estates and communicated to employees including contractor workers. The company has "Health and Safety", OHS plan is implemented where the company has OHS committee, Ahli K3 (OHS trained).</p> <p>The procedure for critical activities was established, SOP/PSMK3/SMART/LH-21. The procedure was covering OHS control for working in confined space (e.g. cleaning of storage tank), working at height and welding. Work permit system was established and implemented for these works. It was noted that measurement of adequacy of oxygen and availability of dangerous gas were required before entering confined space and it was mentioned in the work permit; the portable gas detector was sighted during this audit. The company also has reviewed the OHS regularly in in "Rapat Tinjauan Manajemen K3", e.g. review on 29 December 2015.</p> <p>In general, housekeeping at Mill and Estates (office estate, storage, and workshop) was good. Access for workers to workplace in general also good e.g. stair was provided with hand rail and platform at height was provided with border to prevent fall risk. Vertical stair in general has been provided with cover as well, e.g. chimney vertical stairs at mill and water torn vertical stair at estates.</p>	<p>Yes</p>
	<p>Noise level has been measured by third party and used as justification for using ear plug/muff (mill, generator set area). It was noted that noise level at mill and generator set area was generally higher than TLV. Safety sign for using PPE was provided at these areas. It was noted here that workers appear to have a good discipline in wearing this PPE. Chemical factors measurement at workplace has been measured for mill; the sample taking location was properly performed. Chemical factors measurements for estates have been performed e.g. chemical store and fertilizer store.</p>	

Criterion / Indicator		Assessment Findings	Compliance
4.7.2	<p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>- Major compliance -</p>	<p>Hierarchy of control was considered for planning of risk control. According to the procedure, at least OHS risk assessment document must be reviewed once a year. OHS risk assessment records 2015-2016 were sighted for all Mill and Estates. Some activities were examined in regard to risk assessment including for boiler operation, sterilizer operation, generator set operation, loading ramp activity, cleaning of CPO storage tank, chemical mixing, fertilizer warehouse, herbicide and pesticide sprayer, harvesting, road maintenance, waste water treatment, etc. The company has conducted HIRADC for all areas and it was observed that the workers understood MSDS.</p> <p>As a precaution of disease and accidents, the company has set operation control by making procedures, providing appropriate training, provides adequate PPE to all relevant employees. The company also monitored the effectiveness of its implementation in the field.</p> <p>Engineering control was implemented to prevent hearing loss, e.g. install noise reduction agent and administrative by erected signboard of noise area, as described in Risk Assessment, updated January 2016.</p>	No
4.7.3	<p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Major compliance -</p>	<ol style="list-style-type: none"> <li>1. First Aider Training followed by Sdn. Often Pearls on 3-4 February 2014,</li> <li>2. Training Heavy Equipment Operators / Excavator followed by Ermen on 15 - May 17, 2013,</li> <li>3. Road Grader Operator Training followed by Br. Marihot Silaban on 15 - May 17, 2013,</li> <li>4. Training of Interpreters Las followed by Mr Hariadi on January 29-February 1, 2014 and</li> <li>5. Tractor Operator Training followed by Br. Risro Sian on February 1 to 8, 2014.</li> <li>6. Pelatihan B3 Waste Handling and chemicals, followed by 85 staff and non-staff, on March 2016</li> <li>7. Fire Basic Training, followed by 57 staff and non-staff, on 2-3 February 2016</li> </ol> <p>Tarining is documented in "Rekaman Pelatihan".</p> <p>During field visit, it was seen that, the workers use PPE appropriately in all operation units, such as: operator in mill (Helmet, safety shoes, ear plug, glove, mask, and goggle for welder; in estate for sprying team, e.g. mask, glove, goggle, apron, and boot shoes. Based on documents review that all operators have trained and had "SIO – Operator license), e.g. Mr. Esbin Tamba (Excavator operator), license valid until 07 June 2018, Mr. Parulian Simamora (Compactor operator), license valid until 07<sup>th</sup> March 2019, Mr. Digo Sabarani (Electrician) license valid until 27<sup>th</sup> February 2017.</p> <p>OHS for handling and application of pesticides included in procedure "Penanganan Limbah" no. AA-KL-06-EFP</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.4</p> <p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>- Major compliance -</p>	<p>The company has formed a Committee of Safety and Health at Work (P2K3). P2K3 company has been approved by the Decree of the Head of Department of Labor and Transmigration Labuhan Batu District No. Kep.28/P2K3/DSTKT-4/2014 dated February 28, 2016 on the Ratification Committee of Occupational Safety and Health (P2K3) in PT Inti Sepadan Jaya with the following composition:</p> <ol style="list-style-type: none"> <li>1. Chairman: Ir. Khairil Azmal</li> <li>2. Vice-Chairman; Frank Nadeak Secretary; Joni Joseph Manurutng (Expert AK3 General by decree of the minister No. KEP.4280 / M / DJPPK / XII / 2013 dated December 16, 2013 on Appointment of General K3 expert on behalf of Br. Joni Joseph Manurung in PT Indo Sepadan Jaya with a validity period of 3 years, AK3 General certificate No. 8631/PK3/AJ/12/2013/PO dated December 16, 2013)</li> <li>3. Members: 10</li> </ol> <p>The meeting was planned once in a month. Every 3 months the safety committee Reported safety performance to the local authority. The reports were evident; quarterly (quarterly) report, P2K3 Pangkatan and Tanjung Selamat Mill Estate and Tanjung Selamat period October-December, 2015.</p>	<p>Yes</p>
<p>4.7.5</p> <p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>- Minor compliance -</p>	<p>Accidents and emergency procedures no. AA-EMS-446-PR (operation control), AA-EMS-447-PR (Emergency preparedness), AA-EMS-001-FM (Emergency plan), AA-EMS-003-FM (Emergency incident), and AA-EMS-004-FM (Emergency incident Reporting).</p> <p>Those procedures is socialized and available in notice board in site, during interviewed with workers, it was seen that they understood the emergency and accident procedures. Emergency call phone also is available in all site operation.</p> <p>Assigned trained in First Aid sighted present with First Aid Kit available in various workplace. Records of accidents were found well-kept and presented to the board during the monthly notice board.</p> <p>Saverity rate on period 2015 is 10.68 hours and Lost day rate about 14 man hour/year or 2 lost days. Work incident on 2015 about 16 cases male and 25 cases female.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
4.7.6	<p>All workers shall be provided with medical care, and covered by accident insurance.</p> <p>- Minor compliance –</p>	<p>All workers for both mill and estates were provided by accident insurance from government. Regular health surveillance health surveillance was conducted for employee once in a year. The last surveillance for mill and both of estate (tanjung Selamat and Pangkatan) was period November – December 2015, for all workers with results: all workers were in healthy condition.</p> <p>Based on document review confirmed that the company has registered all their employees in social insurance program, namely BPJS. Payment social insurance (BPJS-Kesehatan) is paid to the "BPJS" monthly, verified; payment February 2016.</p>	Yes
4.7.7	<p>Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.</p> <p>- Minor compliance –</p>	<p>The company maintained all of the records regarding the works accident included nearmiss and lost time accident (LTA) in some documents, such as:</p> <ol style="list-style-type: none"> <li>a. Incident Log; contains the victim data, employees grade, works, incident information (time, date, month, year, and location), part of bodies injured, incident description, actions taken, incident categories, numbers of absences and etc.</li> <li>b. Incident Report; contains summary dari incident log, recaped every month. The incident report for January – December 2015, as follows:               <ul style="list-style-type: none"> <li>- Fatality: 0 (nil)</li> <li>- Permanent disable: 0 (nil)</li> <li>- Lost Time Incident: 0 (nil)</li> <li>- Fire: 0 (nil)</li> <li>- Properties Damage: 0 (nil)</li> <li>- Medical Aids: 25 cases</li> <li>- First Aid: 16 cases</li> </ul> </li> <li>c. Nearmiss Log; contains names, areas, dates, reporter, incident description, causes, categories, preventive actions, PIC, targets and prevetive actions status.</li> <li>d. Nearmiss Report; contains summary of Nearmiss Log recaped every month. The nearmiss report of Plantation B for January – December 2015.</li> </ol>	Yes
<p><b>Criterion 4.8</b>            All staff, workers, smallholders and contract workers are appropriately trained.</p>			

Criterion / Indicator	Assessment Findings	Compliance
<p>4.8.1</p> <p>A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme.</p> <p>- Major compliance –</p>	<p>The company has its own training institution assigned to arrange its training programmes. The training is created annually.</p> <p><b>Tanjung Selamat and Pangkatan Estate:</b></p> <p>Training program 2015 is documented in "Program pelatihan Environment and Sustainability – Kalender pelatihan Tahun 2015", such as:</p> <ul style="list-style-type: none"> <li>- Sustainability Awareness RSPO P &amp; C</li> <li>- Alat Fogging</li> <li>- HCV</li> <li>- Basic Fire</li> <li>- Basic Safety</li> <li>- OHS</li> <li>- Pestisida Terbatas, etc.</li> </ul> <p>Actual training for 2015, such as:</p> <ul style="list-style-type: none"> <li>- Pelatihan Alat Fogging was conducted on 03 December 2016, attended 56 workers.</li> <li>- Refresh training "Ulat kantong + Oryctes" was conducted on 24<sup>th</sup> April 2015, attended 14 workers.</li> <li>- Training basic fire was conducted on 19 May 2015, attended 24 workers.</li> <li>- Training Refresh Ahli K3 Umum was conducted on 04 – 05 February 2016, attended 20 workers.</li> <li>- First Aiders was conducted on 17<sup>th</sup> September 2015, attended 41 workers.</li> <li>- Pestisida Terbatas was conducted on 21<sup>st</sup> August 2015, attended 25 workers.</li> <li>- First Aider training on 17<sup>th</sup> September 2015, attended 41 workers.</li> <li>- Basic Fire training on 18<sup>th</sup> and 21<sup>st</sup> May 2015, attended 49 workers.</li> <li>- HCV refresh training on 22<sup>nd</sup> October 2015, attended 68 workers.</li> </ul>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p><b>Tanjung Selamat Mill:</b>            Training program 2015 is documented in "Program pelatihan Environment and Sustainability – Kalender pelatihan Tahun 2015", such as: Sustainability Awereness RSPO P &amp; C, HCV, Evaluasi Aspek – Dampak, First Aid, Basic Fire, Basic Safety, Traceability and Mass Balance, OHS, and Handling of hazardous waste</p> <p>Actual training for 2015, e.g.:</p> <ul style="list-style-type: none"> <li>- First Aider training on 17<sup>th</sup> September 2015, attended 41 workers, included mill workers.</li> <li>- Basic Fire training on 18<sup>th</sup> and 21<sup>st</sup> May 2015, attended 49 workers.</li> <li>- HCV refresh training on 22<sup>nd</sup> October 2015, attended 68 workers.</li> </ul> <p>The company has created Training Program 2016 as documented in "Program Pelatihan Environment and Sustainability - Kalender pelatihan Tahun 2016"</p>	
4.8.2	Records of training for each employee shall be maintained. - Minor compliance –	Training records consist of the certificates, attendances and training materials were kept in the individual operating units	Yes
<b>PRINCIPLE 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY</b>			
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	An environmental impact assessment (EIA) shall be documented.  - Major compliance -	<p>The company has identified environmental aspects and effects that being well-documented. The identification covered all activities/processes/ products/wastes in every piece of work.</p> <p>AMDAL (SEIA) - Studi Evaluasi Lingkungan (SEL), approved by Komisi Pusat AMDAL, Agriculture Ministry no. RC.220/385/B/II/94 dated 28<sup>th</sup> February 1994 for Tanjung Selamat Estate and no. RC.220/383/B/II/94, dated 26<sup>th</sup> February 1994 for Pangkatan Estate.</p>	Yes



Criterion / Indicator	Assessment Findings	Compliance
5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons.  - Minor compliance –	Company has prepared report on Environmental Management and Monitoring implementation (Laporan RKL-RPL) and submit to the government regularly (per semester), e.g RKL-RPL report semeseter II 2015 (Period June – December 2015) "Laporan Pelaksanaan Izin lingkungan"  The evidence of submitted report to the government is available, e.g. - Acceptance RKL / RPL report in BLH Kab. Labuhan Batu on 22/03/2016, by BLH officer, namely Amida - Acceptance RKL / RPL report in Dinas Perkebunan Kab. Labuhan Batu on 22/03/2016, by officer, namely Nursiam  The management plan incorporated in the "Rencana Pengellolaan Lingkungan", consist of: 1. Soil Phisically - Maintain water level. 2. Peat water management plan: - "Cuci parit". - Water control in drain gate. 3. Water quality - Water usage efficiency. - POME 4. Air quality	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>5.1.3</p> <p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>- Minor compliance -</p>	<p>Company has prepared report on Environmental Management and Monitoring implementation (Laporan RKL-RPL) and submit to the government regularly (per semester), e.g RKL-RPL report semeseter II 2015 (Period June – December 2015) "Laporan Pelaksanaan Izin Lingkungan"</p> <p>The company also has conducted monitoring of environmental impact, such as:</p> <ol style="list-style-type: none"> <li>1. Monitoring kedalaman parit is conducted monthly.</li> <li>2. Monitoring of in peat water level weekly.</li> <li>3. Monitoring peat subsidence every 6 months.</li> <li>4. Effluent monitoring is conducted monthly, the parameters tested are pH, BOD, COD, Minyak dan lemak, TSS and N-Total, conducted by Balai Teknik Kesehatan lingkungan dan Pengendalian Penyakit, kelas I Medan, kemenkes RI; the resul was seen comply wiyh Kepmen LH no. 51, year 1995, e.g. BOD level in January 2015 (40.5 mg/L), February 2015 (31.5 mg/L), March 2015 60 mg/L, April 2015 (42 mg/L), May 2015 (64 mg/L), June 2015 (73 mg/L), July 2015 (70 mg/L), August 2015 (74 mg/L), September 2015 (76 mg/L), October 2015 (81 mg/L), November 2015 (38 mg/L), December (80.96 mg/L) The national regulation is &lt; 100 mg/L for effluent discharged to the water course.</li> <li>5. Air emission in "Incinearator" testing is conducted twice a year, e.g. the last testing was conducted in June 2015 by UPT Laboratorium Lingkungan, BLH, Provinsi Sumatera Utara , the testing result is complying with "Permen LH No. 07/2007".</li> <li>6. Air emmission in Boiler" testing is conducted twice a year, e.g. testing was conducted in June 2015 by BTKLPP Kelas I Medan, the testing result is complying with "Permen LH No. 07/2007".</li> <li>7. Analisa Kebauan is conducetd every 6 months; e.g testing result in June 2015 is conducted by UPT. Lingkungan Hidup BLH Prov. Sumut complying with Kepmen LH no. 11, year 1996.</li> </ol>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>8. Uji Kebisingan dan getaran dan suhu is conducted every 6 month, e.g. the testing result is conducted by BTKLPP Kelas I Medan, Dirjen Pengendalian penyakit dan Penyehatan Lingkungan in November 2015.</p> <p>9. Water quality testing for domestic consuption is conducted twice a year, e.g. the last testing was conducted in January 2016 by Balai Teknik Kesehatan lingkungan dan pengendalian penyakit, Kelas I Medan Dirjen Pengendalian penyakit dan penyehatan lingkungan, Kemekes RI, the testing result is complying with "Permenkes no. 492/MENKES/Per/IV/2010 tentang Persyaratan kualitas Air Minum.</p> <p>10. Water quality tested in water course (upstream and downstream river) is conducted yearly, the last water tested in January 2015 seen that all parameter is comply with PP no. 82, year 2001, e.g. Upstream – Downstream Sungai Kalundang was conducted by Balai teknik Kesehatan lingkungan dan pengendalian Penyakit (BTKLPP) Kelas I Medan, Direktur Jenderal Pengendalian Penyakit dan Penyehatan Lingkungan in June 2015, all parameters is complying with PP. no. 82, year 2001.</p> <p>11. Udara ambient dan Kebisingan at surrounding Tanjung Selamat palm oil Mill (Pos security Sungai Kalundang and Perumahan penduduk Dusun lestari) was conducted by BTKLPP in November 2015, all paramaters (SO<sub>2</sub>, NO<sub>2</sub>, Hydrocarbhone, pH, Pb, CO, TSP and noise) complying with PP. no. 41 tentang Pengendalian dan Pencemaran Udara</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.

Criterion / Indicator	Assessment Findings	Compliance
<p>5.2.1 Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>- Major compliance -</p>	<p><b>PT Indo Sepadan Jaya</b>  Identification of HCV by consultant "Bogor Agriculture University – IPB" in April 2013. HCV were identified in HCV 1.3 and 4.1 (110.87 ha) and HCV 6 (0.04 ha). HCV Identification is conducted based on Indonesian Toolkit – 2008</p> <p>The company also has done monitoring of HCV et least 6 months, the last monitoring "period July – December 2015".</p> <p>Based on monitoring in 2015, there is no found RTEs species.</p> <p><b>PT Rantau Sinar Karsa</b>  The company has conducted HCV identification with collaborated IPB (Bogor Agriculture University) in 2013 as documented in "Laporan Akhir Kajian Penuh (Full Assessment) Identifikasi dan Analisis Keberadaan Nilai Konservasi Tinggi (NKT) di Areal PT Rantau Sinar Karsa – Kebun Pangkatan tahun 2014.</p> <p>It was identified HCV area, such as: HCV 1.3 and HCV 4.1 (110,87 Ha) as well as HCV 6 (0,04 Ha)</p> <p>Assessor team consist of Dr. Ir. H. Nyoto Santoso, MS (Team Leader/RSPO HCV Assessor), Ahmad Faisal, Shut, MSI (Member /RSPO HCV Assessor), Eko Adhiyanto, S.Hut (Member); Sutopo S.Hut (Member /RSPO HCV Assessor); Rae Birumbo (Member), Arif Prasetyo, S.Hut (Member).</p> <p>Peer Review by Mr Rachmad Hermawan (Independent Consultant/RSPO HCV Assessor) in January 2014.</p>	<p>Yes</p>
<p>5.2.2 Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan.</p> <p>- Major compliance -</p>	<p>The company has made "Conservation Management Plan" to manage and to monitor of RTE's. There was found RTEs as per PP No. 7, year 1999, such as: Kucing kuwuk (<i>Prionailurus Bengalensis</i>), Burung Madu kelapa (<i>Anthreptes Malacensis</i>), Elang Brontok (<i>Nisaetus Cirrhatus</i>), Kuntul kecil (<i>Egretta garzeta</i>) and etc.</p> <p>The company also has done monitoring of HCV et least 6 months, the last monitoring "period July – December 2015", based on this monitoring, it was no found RTEs.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
5.2.3	<p>There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance –</p>	<p>The company also educate their workforce and erected signages in public area, e.g. socialization HCV to employees on 22<sup>th</sup> October2015, attended 89 participants and socialization HCV to employees on 27<sup>th</sup> November 2015, attended 28 participants.</p>	Yes
5.2.4	<p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> <li>• The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>• Outcomes of monitoring shall be fed back into the management plan.</li> </ul> <p>- Minor compliance –</p>	<p>The company has conducted monitoring of HCV, i.e. monitoring of wild animal / RTEs every six months, e.g. report of RTEs monitoring in July – December 2015, based on this monitoring, it was no found RTEs.</p>	Yes
5.2.5	<p>Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>- Minor compliance –</p>	<p>All HCV and conservation areas within the company areas.</p>	Yes

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

<b>Criterion / Indicator</b>		<b>Assessment Findings</b>	<b>Compliance</b>
5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance –</p>	<p>The company has identified waste of product and source of pollutions then documented it into "Identifikasi Aspek dan Dampak Lingkungan", updated on 02<sup>nd</sup> february 2016 in each unit operation, such as: estate and mill.</p>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>5.3.2 All chemicals and their containers shall be disposed of responsibly.</p> <p>- Major compliance -</p>	<p>The company has obtained for hazardous waste temporary storage from Bupati Labuhan Batu no. 503/660/324/BLH-LB/WAS/2014, dated 30<sup>th</sup> December 2014 (Valid until 30<sup>th</sup> December 2019) for PT. Indo Sepadan Jaya and no. 503/660/323/BLH-LB/WAS/2014, dated 30<sup>th</sup> December 2014 (Valid until 30<sup>th</sup> December 2019) for PT. Rantau Sinar Karsa.</p> <p>The hazardous waste is disposed to the register collector (PT. Shali Riau Lestari), the company has stored the hazardous waste based on storage period time permit as above and disposed regularly e.g. hazardous Waste,  Sampel taken:  <b>Pangkalan Estate</b>  Date: 03<sup>rd</sup> February 2016:</p> <ul style="list-style-type: none"> <li>- Manifest no. 0005992 (Empty container pesticide: 15 drum)</li> <li>- Manifest no. 0005993 (Used accu: 230 kg)</li> <li>- Manifest no. 0005994 (medical waste: 7.5 ons)</li> <li>- Manifest no. 0005963 (used filter: 2 drum)</li> <li>- Manifest no. 0005964 (used oil: 6 drums)</li> </ul> <p>Tanjung Selamat Mill:  Date: 06<sup>th</sup> February 2016:</p> <ul style="list-style-type: none"> <li>- Manifest no. 0006225 (Medical waste: 0.5 drum)</li> <li>- Manifest no. 0006226 (Used glove contaminated: 1 drum)</li> <li>- Manifest no. 0006227 (Used filter: 1 drum)</li> <li>- Manifest no. 0006228 (Used oil: 300 litres)</li> <li>- Manifest no. 0006229 (Used accu: 5 pcs)</li> <li>- Manifest no. 0006260 (Chemical empty containers: 5 Drums)</li> </ul> <p>The hazardous waste also is recorded and reported to the government body every 3 months, e.g. the last report in October – December 2015 in "Laporan Penyimpanan Sementara Limbah B3".</p>	<p>Yes</p>

	<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
5.3.3	<p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>- Minor compliance –</p>	<p>Waste management plan is documented in "Rencana pengelolaan Limbah". Waste management consists of medical waste, domestic waste, and hazardous waste to reduce pollution into the environment.</p> <p>Hazardous and medical waste is disposed to the register collector; while domestic waste disposed to the landfill, organic and anorganic waste is separated in linesite, organic waste to the landfill and some of anorganic waste is collected for re-cycle.</p>	Yes



Criterion / Indicator	Assessment Findings	Compliance
<b>Criterion 5.4</b> Efficiency of fossil fuel use and the use of renewable energy is optimised.		
5.4.1	<p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>- Minor compliance -</p> <p>The company has calculated formula of comparing using fossil fuel and renewable energy in "All energy used in "Analisa perbandingan biaya pengolahan TBS kapasitas 45 ton/jam dengan menggunakan fossil fuel versus renewable energy.</p> <p>Fossil fuel and renewable energy is monitored and recorded under document of "<i>Pemakaian Energi 2015</i>". Energy use records include accurate measurements of renewable energy use per tonne of FFB processed. Company already maximise the renewable energy use. All the shell and fibre is consumed internally as boiler fuel.</p> <p>The company uses fibre and other material to power the boiler which produces steam Which drives electricity-generating turbines - the use of renewable energy is consistent in the percentage against non – renewable energy. Records of both monitoring of kilowatt hours per tonne of palm product (FFB and CPO)</p> <p>Calorie value fibre: 2,710 Kcal/kg (13 % of FFB processed)            Calorie value Shell: 4,120 Kcal/kg (6 % of FFB processed)</p> <p>Detail of efficiency renewable energy in 2015 as below:</p> <ol style="list-style-type: none"> <li>1. FFB processed: 143,983 tonnes</li> <li>2. CPO produced: 27,954 tonnes</li> <li>3. Fossil fuel usage: 37,725 litres</li> <li>4. KWh turbine: 2,858,251 KWh</li> <li>5. KWh Genset: 109,290 KWh</li> <li>6. KWh turbine/ton FFB: 19.85 KWh/tones FFB (96 %)</li> <li>7. KWh Genset/ton FFB: 0.76 KWh/tones FBB (4 %)</li> </ol> <p>Fossil fuel usage is recorded for operational purpose, including the efficiency analysis.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 5.5</b>			
Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.			
5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -	No open burning was noted during field visit and interviewed with local communities and workers	Yes
5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -	No any open burning was noted for land preparation	Yes
<b>Criterion 5.6</b>			
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions; particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	The company has conducted assessment of polluting activities as documented in "Mitigasi GRK" and "Evaluasi Aspek – Dampak Lingkungan", updated 02 <sup>nd</sup> February 2016 in estate and 22 <sup>nd</sup> January 2016 in Tanjung Selamat Mill.	Yes
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance -	Identification of pollutant and GHG, such as: usage of anorganic fertilizer, pesticide, fossil fuel usage, peat land, and POME.  The company also has minimized pollutant and GHG through using EFB as organic fertilizer, implementing IPM to reduce pesticides usage, using fibre and sell for boiler, etc..	Yes

<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
<p>5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.</p> <p>- Minor compliance –</p>	<p>Emission monitoring system by using "RSPO PalmGHG" system calculation. Emission from estate and mill operation was calculated and monitored, emission reduction achieved.</p> <p>"RSPO PalmGHG" calculation 2015</p> <ul style="list-style-type: none"> <li>- Total field emissions: 902,582 tCO<sub>2</sub>e</li> <li>- Total mill emissions: 11,584 tCO<sub>2</sub>e</li> <li>- Final emission value: 25.63 tCO<sub>2</sub>e/ton product CPO/PK.</li> </ul> <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 government body every 6 month.</p> <p>Monitoring and measurement has been done as follow:</p> <ul style="list-style-type: none"> <li>- Hazardous waste: oil waste, wet battery, lightbulb, filter waste, contaminated packaging, cartridge, fertilizer sack and other contaminated waste. All hazardous waste disposal recorded in monthly basis in the waste balance report as stated in the report of 'RKL/RPL'.</li> <li>- Replanting process monitoring for zero burning activity.</li> <li>- Boiler emission with parameters: SO<sub>2</sub>, NO<sub>2</sub>, HCL, Cl<sub>2</sub>, NH<sub>3</sub>, HF, particle, and opacity. None of above parameters out of threshold limits value.</li> <li>- Generator set emission for generator for SO<sub>2</sub>, NO<sub>2</sub>, CO, Particle and opacity, All parameters measured in the threshold limit value as seen in the "laporan hasil pengujian udara emisi" by 'Balai Laboratorium Kesehatan"</li> </ul>	<p>Yes</p>
<p><b>PRINCIPLE 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLERS</b></p>		

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 6.1</b> Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	PT Indo Sepadan Jaya Social Impact Assessment was conducted as documented in "Study Evaluasi Lingkungan" which covering social impact assessment. This SEL has been approved by Ministry Agriculture no. RC.220/385/B/II/94.  PT Rantau Sinar Karsa Social Impact Assessment was conducted as documented in "Study Evaluasi Lingkungan" which covering social impact assessment. This SEL has been approved by Ministry Agriculture no. RC.220/383/B/II/94 dated 26 February 1994.	Yes
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties.. - Major compliance -	The process was involving various stakeholders including impact on plasma development. During the process for the document and social impact management actively involving community participation through interview and stakeholders meeting	Yes
6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	Within the SEL document, the negative and positive impact of oil palm development has been explained. The environmental management and monitoring plan document has lined out effort that company should carry out in order to minimize negative impact and promote positive impact from oil palm development.  The SEL document has explained the recommendation that should be done by company to minimize negative impact and promote positive impact from social impact management.	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.  - Minor compliance –	No any changes of practices since SEL approved, however the company reported social impact regularly through the RKL – RPL every six month to the government.	Yes
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).  - Minor compliance –	No scheme smallholders managed by company.	Yes
<b>Criterion 6.2</b> There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.			
6.2.1	Consultation and communication procedures shall be documented. - Major compliance -	Company has developed a communication procedure under “Mekanisme Penanganan Permintaan Informasi Stakeholder “(No. SOP; AA-GL-5008.1-R1) dated 22 <sup>nd</sup> 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.	Yes
6.2.2	A management official responsible for these issues shall be nominated. - Minor compliance -	The company has appointed officers responsible to carried out communication and consultation with local communities is Public Relations Department.	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance -	The company has updated list of stakeholder on 02 <sup>nd</sup> February 2016, list of stakeholders consist of Bupati Labuhan Batu, Badan Lingkungan Hidup, Dinas Sosial & Tenaga Kerja Kabupaten Labuhan Batu, Camat Pangkatan, Kepala Desa Kp. Padang dan Kades Tg. Selamat.  Record of communication and consultation with stakeholders is documented in "Buku Agenda Surat Masuk", where noted 9 letters coming from stakeholders, e.g. Letter from "Komisi C DPRD Kabupaten Labuhan Batu Selatan" dated 11 <sup>th</sup> February 2016 perihal Kunjungan Kerja.	Yes
<b>Criterion 6.3</b> There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.			
6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. - Major compliance -	Company has 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 Bulian Jaya village head, Karya Mukti village head, Gender committee leader and worker union leader; they understood the procedure and mechanism to communicating complaint and/or grievance to company.	No
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance -	Company is recording each complaint and response provided in the Logbook, where from complaint from external is documented in "Buku agenda Surat Masuk" and complaint from internal is documented in "Keluhan karyawan per afdeling", there were noted 6 complaint from internal at Afdeling IV in 2016, e.g. complaint from Mr. Suratno (Harvester) on 1 <sup>st</sup> March 2016 and it has been responded by company on 2 <sup>nd</sup> March 2016 related maintenance of housing.	Yes
<b>Criterion 6.4</b> Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions..			

Criterion / Indicator		Assessment Findings	Compliance
6.4.1	<p>A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.</p> <p style="text-align: center;">- Major compliance –</p>	<p>Mechanism to identify and calculate fair compensation or loss of legal or customary rights to land set out in the standard operating procedure (SOP) No. AA-GL-5003-1-R1, dated 5<sup>th</sup> December 2009 and has undergone first revisions on 22<sup>nd</sup> August 2011. The mechanism described is similar to conflict resolution procedures involving community representatives and others stakeholders.</p> <p>There is no negotiation/compensation payment currently. The company has settled all land compensation since at the beginning of land preparation process.</p>	Yes
6.4.2	<p>A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.</p> <p style="text-align: center;">- Minor compliance –</p>	<p>Mechanism to identify and calculate fair compensation or loss of legal or customary rights to land set out in the standard operating procedure (SOP) No. AA-GL-5003-1-R1, dated 5<sup>th</sup> December 2009 and has undergone first revisions on 22<sup>nd</sup> August 2011.</p>	Yes
6.4.3	<p>The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.</p> <p style="text-align: center;">- Major compliance –</p>	<p>As an output of dispute settlement process, all of those are documented into agreement between both of parties by involving other related parties or even a copy of court decision for its dispute settlement in case if solved in a court or by law.</p>	Yes
<p><b>Criterion 6.5</b>            Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>			

Criterion / Indicator	Assessment Findings	Compliance																												
6.5.1 Documentation of pay and conditions shall be available. - Major compliance -	<p>The company determines minimum wages based on the Government regulation every year, the minimum wages in 2014 as regulated in "Surat keputusan Gubernur of North Sumatera no. 188.44/69/KPTS/Tahun 2015, dated 30<sup>th</sup> January 2015 for Agriculture sector in Labuhan Batu District is Rp. 2,012,500,-/month (Rp. 80,500/day) and minimum wages 2016 no. 188.44/639/KPTS/Tahun 2015, dated 30<sup>th</sup> December 2015 for Agriculture sector in Labuhan Batu District is Rp. 2,085,050,-/month for temporary workers.</p> <p>Surat edaran BKS-PPS (Badan Kerjasama – Perusahaan Perkebunan Swasta) no. 14/BKS-PPS/2015, dated 27<sup>th</sup> January 2015 prov. Sumatera Utara is Rp. 1.952,640 + Rice allowance 15 kg + 9 kg (wife) and 7.5 kg untuk sampai anak ketiga for permanent workers</p> <p><b>December 2015:</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Term and Condition</th> <th style="text-align: center;">Kasmino (Harvester – Temporary workers)</th> <th style="text-align: center;">Joko Sari (Harvester- SKU H)</th> <th style="text-align: center;">Rospita (Sprayer-BHL)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Basic Salary</td> <td style="text-align: center;">25 days (Rp. 80.500)</td> <td style="text-align: center;">(23 working days and 2 days absent)= 23 days x Rp. 65,088 = Rp 1,866,417</td> <td style="text-align: center;">13 days @ Rp. 80,500 = Rp. 1,046,500</td> </tr> <tr> <td style="text-align: center;">Rice Allowance</td> <td style="text-align: center;">0</td> <td style="text-align: center;">15 kg</td> <td style="text-align: center;">0</td> </tr> <tr> <td style="text-align: center;">BPJS Ketenagakerjaan</td> <td style="text-align: center;">16,906</td> <td style="text-align: center;">94,371</td> <td style="text-align: center;">16,906</td> </tr> <tr> <td style="text-align: center;">BPJS Kesehatan</td> <td style="text-align: center;">74,800</td> <td style="text-align: center;">74,800</td> <td style="text-align: center;">74,800</td> </tr> <tr> <td style="text-align: center;">BPJS Pensiun</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td style="text-align: center;">OT/premi</td> <td style="text-align: center;">1,282,924</td> <td style="text-align: center;">695,384</td> <td style="text-align: center;">65,000</td> </tr> </tbody> </table>	Term and Condition	Kasmino (Harvester – Temporary workers)	Joko Sari (Harvester- SKU H)	Rospita (Sprayer-BHL)	Basic Salary	25 days (Rp. 80.500)	(23 working days and 2 days absent)= 23 days x Rp. 65,088 = Rp 1,866,417	13 days @ Rp. 80,500 = Rp. 1,046,500	Rice Allowance	0	15 kg	0	BPJS Ketenagakerjaan	16,906	94,371	16,906	BPJS Kesehatan	74,800	74,800	74,800	BPJS Pensiun	0	0	0	OT/premi	1,282,924	695,384	65,000	Yes
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6.5.2	<p>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>- Major compliance -</p>	<p>Each employee has been signed contract, e.g. working contract for Mr. Aros Hura no. EST.KPT/SPK-HL/I/2016, dated 01<sup>st</sup> January 2016. The company and Labour Union has "Worker Agreement/Perjanjian Kerja Bersama (PKB)" antara Badan Kerja Sama Perusahaan Perkebunan Sumatera (BKS-PPS) or company and Pengurus Pusat Federasi Serikat Pekerja Pertanian dan Perkebunan Serikat Pekerja Seluruh Indonesia (2015 – 2017) is referred in working regulation, Worker Agreement was registered by Dirjen Pembinaan Hubungan Industrial dan Jaminan Sosial Tenaga Kerja on 21<sup>st</sup> April 2015.</p> <p>Based on document review, it was noted that 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 all workers.</p>				Yes																				

Criterion / Indicator		Assessment Findings	Compliance
6.5.3	<p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>- Minor compliance –</p>	<p>The company has prepared facilities for their workers, such as: housing, school, polyclinic, mosque, church, sport facilities, school bus, electricity, water supply, etc.</p> <p>Sample taken:  Pangkalan Estate:  - Housing for employees  - Elementary School (1 unit)  - Clinic (1 unit)  - School Bus (2 unit)  - Ambulance (1 unit)  - Creche (3 units)  - Mosque (3 unit)  - Church (2 unit)</p> <p>Tanjung Selamat Mill:  - Housing for employees (99 units)  - Clinic (1 unit)  - Mosque (1 unit)</p>	Yes
6.5.4	<p>Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance –</p>	<p>The market is nearby the company site and company also provide minimarket, namely "Waserda Bina Mandiri"</p>	Yes
<p><b>Criterion 6.6</b>  The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>			
6.6.1	<p>A published statement in local languages recognising freedom of association shall be available.</p> <p>- Major compliance –</p>	<p>Freedom of association policy, dated 26<sup>th</sup> November 2012, written in Bahasa Indonesia, this policy has been informed to all employees and being placed into public area easlily accessed.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented.  - Minor compliance –	Meeting between company management with labour union (PC FSP.PP-SPSI) in 20 <sup>th</sup> March 2016 and meeting on 27 <sup>th</sup> June 2015, attended by 15 representatives of PUK SPSI. , minutes of meeting and attendance list is available	Yes
<b>Criterion 6.7</b> Children are not employed or exploited.			
6.7.1	There shall be documentary evidence that minimum age requirements are met.  - Major compliance –	The company has own policed signed by management on “Company policy” dated 01 <sup>st</sup> 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, interview with workers and obervation during field visit, it was no found workers hired under 18 years, the youngest worker in Pangkatan estate is Ardianto; date of birth 4 <sup>th</sup> March 1996 and hired on 1 <sup>st</sup> November 2014 (18 years, 8 months) and the youngest workers in Tanjung Selamat Mill is Hendrik Boby Arifin; date of birth 08 <sup>th</sup> April 1996 and hired on 01 <sup>st</sup> September 2015 (19 years, 5 months)	Yes
<b>Criterion 6.8</b> Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.			
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.  - Major compliance –	The company has policy “Pemberian kesempatan yang sama”, 2012 stated that: treat all employees equally and fairly in terms of recruitment, assessment, condition and working environment as well as ethnics, grades/levels, citizenship, religios views, impairments, gender, sexual orientation, unios membership, political affiliation and or age.	Yes
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against.  - Major compliance –	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 and interview with workers did not find any evidence of discrimination	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.8.3	<p>It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.</p> <p>- Minor compliance –</p>	<p>The company has 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.</p>	Yes
<p><b>Criterion 6.9</b>            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 implemented and communicated to all levels of the workforce.</p> <p>- Major compliance –</p>	<p>The company has implemented policy on prevention of sexual harassment and violence against women, the policy is prominently displayed on notice boards at the Mills and the Estates muster areas. Interviews of female staff, workers and union representatives confirmed that the company implemented the sexual harassment policy.</p>	Yes
6.9.2	<p>A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.</p> <p>- Major compliance –</p>	<p>As it is found in company policy that's signed by Managing Director (Mr. Kelvin Tio) on November 26th 2012 and on one part of the policies stated that: "To prevent any sexual or physical abuses happen to women as well as to protect their reproductive rights".</p> <p>There is a gender committee actively meets and discussing general agenda and other issue related to handling sexual harassment, dissemination of sexual harassment prevention.</p> <p>Based on interview with Gender Committee, company has implemented the protection of women reproductive rights, in form of maternal leave, period leave, regular pregnancy check for female sprayers and strictly prohibit pregnant and/or breastfeeding female worker applying pesticides.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.9.3	<p>A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.</p> <p>- Minor compliance –</p>	<p>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 complaint submitter was found in company policy's draft as in one of points of this policies stated that:</p> <p>"To provide appropriate information for those who inquiry it and to proted 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>	Yes
<b>Criterion 6.10</b>			
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>	The company has displayed the FFB price in Mill's notice board and smallholders able to access the FFB price by phone.	Yes
6.10.2	<p>Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation)</p> <p>- Major compliance -</p>	The company has provided FFB pricing formula and communicated to the FFB supplier, so far no complaint was noted regarding FFB price.	Yes
6.10.3	<p>Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> <p>- Minor compliance -</p>	Based on document review that agreement between company and local contractors confirmed that contract is made fairly, legal and transparent, e.g. Contract no. 166/MM-AAS/EXT/04/15, with UD. Dharma Putera (Supplier petrun stone).	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	Evidence of payment is reviewed and it was seen paid timely manner, the total payment to the contractor on 8 <sup>th</sup> September 2015 is Rp. 315,036,068 and 25 September 2015 is Rp. 477,376,620.	Yes
<b>Criterion 6.11</b> Growers and millers contribute to local sustainable development where appropriate			
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.  - Minor compliance -	The companies have CSR program, consist of: 1 = Kemitraan Usaha 2 = Pengembangan Ekonomi 3 = Pendidikan 4 = Kesehatan 5 = Karikatif/Donasi  PT. Indo Sepadan Jaya: In 2015, there are 8 programmes with budgeted Rp. 255,000,000,- and actual until the end of 2015 was Rp. 238,000,000,-.  CSR programmes in 2016, consist of 4 programmes with budgeted Rp. 162,000,000,-  PT. Rantau Sinar karsa: In 2015, there are 8 programmes with budgeted Rp. 250,000,000 and actual until the end of 2015 was Rp. 225,000,000,-.  CSR programmes in 2016, consist of 7 programmes with budgeted Rp. 162,000,000,-	Yes
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity.  - Minor compliance -	No scheme smallholders.	Yes
<b>Criterion 6.12</b> No forms of forced or trafficked labour are used.			

Criterion / Indicator		Assessment Findings	Compliance
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used.  - Major compliance -	No any form or trafficked labour was noted during assessment.	Yes
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance –	Based on document review and interview with workers and labour union, confirmed that no contract substitution was noted.	Yes
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented.  - Major compliance –	The agreement for temporary workers is available and signed by workers. There is no migrant worker.	Yes
<b>Criterion 6.13</b>			
<b>Growers and millers respect human rights</b>			
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1).  - Major compliance -	The company has established human rights policy, 2014, its has been communicated to the workforce.	Yes
<p><b>PRINCIPLE 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS</b>            Planting age 0 – 3 years for 2,568 ha and 4 – 10 years for 120 ha are replanting,</p> <p>The auditor conclude that no any new planting since 2005.</p> <p><b>(N/A – No any new planting)</b></p>			

Criterion / Indicator	Assessment Findings	Compliance	
Planting age 0 – 3 years for 2,568 ha and 4 – 10 years for 120 ha are replanting, The auditor conclude that no any new planting since 2005. <b>(N/A – No any new planting)</b>			
<b>PRINCIPLE 8: COMMITMENT TO CONTINUAL IMPROVEMENT IN KEY AREAS OF ACTIVITY</b>			
<b>Criterion 8.1</b>			
Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			
8.1.1	<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of pesticides (Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);</li> <li>• Optimising the yield of the supply base;</li> </ul> <p>- Major compliance –</p>	<p>A continuous improvement plan has been prepared and internal audit conducted to identify environmental and social activities, such as:</p> <ul style="list-style-type: none"> <li>- Applied EFB ashes as fertilizer, fibre and shell are burned in boiler for electricity.</li> <li>- Planting beneficial plant (cassia Tora) host plant for natural predator.</li> <li>- CSR program</li> <li>- Reserve HCV areas</li> <li>- Etc.</li> </ul>	Yes



**Appendix "B"**  
**Time Bound Plan**

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

Gunung Melayu II	GontingMahalaVillage, Bandar Pulau District, Asahan Regency, North Sumatra	2017	Certified on 8 <sup>th</sup> July 2015
Negri Lama I	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2018 to 2013	Certified on 6 <sup>th</sup> April 2015
Negri Lama II	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	2018	Certified on 3 <sup>rd</sup> December 2015
Buatan	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Certified on 16 September 2010
Ukui & Soga	Ukui Village, Ukui District, Pelalawan Regency, Riau	2011	Certified on 1 March 2011
Buatan (Plasma)	Kerinci Kanan, Pangkalan Kerinci, Dayun Village, Siak & Pelalawan Regency, Riau	2011	Certified on 13 March 2012
Ukui (Plasma)	Ukui & Lubuk Batu Jaya District, Pelalawan & Inhu Regency, Riau	Brought forward from 2012 to 2011	Certified on 11 June 2012
Tungkal Ulu	Pulau Pauh/Penyabungan/Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2011	Certified on 15 August 2012
Muara Bulian	Singoan/Bukit Sari/ Bulian Jaya Village, Muara Bulian/Pemayang 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 January 2013
Tungkal Ulu (Plasma)	Renah Mendalo, Merlung, Muara Papalik District, Tanjung Jabung Barat Regency, Jambi	2012	Certified on 11 July 2013
Muara Bulian (Plasma)	Maro Sebo Ilir District, Batanghari Regency, Jambi	2012	Certified on 12 July 2013
Muara Bulian (KKPA)	Maro Sebo Ilir District, Batanghari Regency, Jambi	2012	Certified on 12 July 2013
Topaz & Seed Garden	Petapahan Village, Tapung District, Kampar Regency, Riau	2013	Certified on 30 March 2015
Taman Raja & Badang	Lubuk Bernai / Kampung Baru / Pelabuhan Dagang / Pematang Pauh Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2013	Certified on 20 February 2015
Segati	Langkan / Penarikan / Tambak / Sotol Village, Langgam District, Pelalawan Regency, Riau	2014	Public Notification conduct in October 2014. Main Audit in Dec 2014
Penarikan & Gondai	Pangkalan Sarik / Baru Village, Langgam / Siak Hulu District, Pelalawan / Kampar Regency, Riau	2014	Main Audit in December 2014

Penarikan (KKPA)	Pangkalan Sarik / Baru Village, Langgam / Siak Hulu District, Pelalawan / Kampar Regency, Riau	2014	Moved to 2016
Gunung Sahilan (KKPA)	Gunung Sahilan Village, Lipat Kain District, Pelalawan Regency, Riau	2014	Moved to 2016
Bahilang	Bahilang Village, Tebing Tinggi District, Serdang Bedagai Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified 18 <sup>th</sup> May 2015
Tanah Datar	Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified 18 <sup>th</sup> May 2015
Aek Nabara	S1-S3 / Sukadame Village, Bilah Hulu / Kota Pinang District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified on 6 March 2015
Teluk Panjie	Teluk Panjie Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified on 21 April 2015
Peranap	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	Brought Forward from 2016 to 2013	Certified on 7 January 2015
Bungo Tebo	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	Brought Forward from 2016 to 2014	Certified 3 <sup>rd</sup> December 2015
Peranap (Plasma)	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	2016	Audited in November 2015
Bungo Tebo (Plasma)	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	2016	-
Tanjung Selamat	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 26 <sup>th</sup> May 2015
Pangkalan	Sennah Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 26 <sup>th</sup> May 2015
Sentral & Batu Anam	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 8 <sup>th</sup> July 2015
Pulau Maria	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 7 <sup>th</sup> September 2015
Negri Lama	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2018 to 2013	Certified on 6 April 2015
Aek Kuo	Aek Korsik Village, Aek Natas District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2016 to 2013	Certified on 6 April 2015

**Appendix "C"**  
**RSP0 Certificate Details**

Tanjung Selamat POM  
 PT. Indo Sepadan Jaya  
 Jl. MH. Thamrin No. 31  
 Jakarta 10230  
 INDONESIA

Registered Activities: Palm Oil Mill which produced CPO and PK

RSP0 membership No. 1-0022-06-000-00, dated 05<sup>th</sup> February 2006

Certificate Number : SPO 620704  
 Date of Certificate : 26<sup>th</sup> May 2015  
 End of certificate : 25<sup>th</sup> May 2020

Applicable Standards: RSP0 Principles & Criteria, Generic Standard, 2013;  
 RSP0 SCCS Standard, 2014 - Supply Chain Certification requirement for CPO Mills  
 Module E – Mass balance (MB)

<b>TANJUNG SELAMAT PALM OIL MILL AND SUPPLY BASE</b>				
Location Address		Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera, Indonesia		
GPS Location		100° 00'32" E - 02°07'44" N		
CPO Tonnage Total		25,453 MT		
PK Tonnage Total		6,493 MT		
CPO Tonnage Certified		18,354 MT		
PK Tonnage Certified		4,532 MT		
Own estates FFB Tonnage		92,490 MT		
Non-company Suppliers FFB Tonnage *)		-		
<b>Estates</b>	<b>Mature (ha)</b>	<b>Immature (ha)</b>	<b>Total land-use titles (ha)</b>	<b>Annual FFB Production (mt)</b>
Tanjung Selamat	1,203	2,750	4,019	40,324
Pangkalan	3,347	293	4,336	52,166
<b>Total</b>	<b>4,550</b>	<b>3,043</b>	<b>8,355</b>	<b>92,490</b>

**Appendix "D"**  
**Assessment Plan**

Date	Time	Subjects	Haeruddin	Eddy Widodo	Nanang Mualib
			PRSCO LA	PRSCO-OHS/EMS	PRSCO-SA
Monday, 28/03/2016	05.35 – 08.00	Flight Jakarta – Medan by GA 180	√	√	√
	10.37 – 16.14	Travelling Medan – Rantau Prapat by train Sribilah	√	√	√
	16.30 – 17.30	Rantau Prapat - Estate	√	√	√
Tuesday, 29/03/2016	08.00 – 08.30	<b>Opening Meeting:</b> Presentation by PT. Indo Sepadan Jaya Presentation by BSI Indonesia	√	√	√
	08.30 – 12.00	<b>Field Visit: Tanjung Selamat Estate</b> Herbicide application programmes, harvesting, fertilising operations, terracing, road maintenance, Barn owl, beneficial plant, etc (including interview with sprayer team and harvester).		√	
		<b>Field Visit: Tanjung Selamat Estate</b> Boundary stones, HCV areas, riparian zone, Landfill, housing complex, Storage, workshop, diesel tanks, clinic, and other facilities in line-site, (Tempat Penitipan Anak, school, school bus, etc),	√		
		<b>Field Visit: Tanjung Selamat Estate</b> Interview with local communities.			√
	12.00 – 14.00	Lunch			
	14.00 – 17.00	<b>Document Review: Tanjung Selamat Estate</b>	√	√	
		<b>Document Review: Tanjung Selamat Estate +</b> Interview with labour union, Gender committee, local contractors.			√
Wednesday, 30/03/2016	08.00 – 12.00	<b>Field Visit: Pangkatan Estate</b> Herbicide application programmes, harvesting, fertilising operations, terracing, road maintenance, Barn owl, beneficial plant, etc (including interview with sprayer team and harvester).		√	

Date	Time	Subjects	Haeruddin	Eddy Widodo	Nanang Mualib
			PRSP0 LA	PRSP0-OHS/EMS	PRSP0-SA
		<b>Field Visit: Pangkatan Estate</b> Landfill, housing complex, Storage, workshop, diesel tanks, clinic, and other facilities in line-site, (Tempat Penitipan Anak, school, school bus, etc),	√		
		<b>Field Visit: Pangkatan Estate</b> Boundary stones, HCV areas, riparian zone, and interview with labour union, Gender committee and local contractors.			√
	12.00 – 14.00	Lunch			
	14.00 – 17.00	<b>Document Review: Pangkatan Estate</b>	√	√	√
Thursday, 31/03/2016	08.00 – 12.00	<b>Document Review: Tanjung Selamat Mill</b> General information, time bound plan and partial certification verification, RSPO P & C and RSPO SCCS	√	√	
		<b>Stakeholder Interview:</b> Interview with local government (BLH, BPN, Disnakertrans and Dinas Perkebunan)			√
	12.00 – 13.00	Lunch			
	13.00 – 16.00	<b>Field Visit: Tanjung Selamat Mill</b> Clinic, PPE, safe working environment, walk ways, signs, EFB. POME treatment, emissions, diesel tanks, fire extinguishers, first aiders and boxes, workshop, storage, etc	√		
		<b>Field Visit: Tanjung Selamat Mill</b> Worker and staff interviews (OSH, contract, salary), housing complex, etc		√	
	16.00 – 16.30	<b>Preparing Closing Meeting</b>	√	√	√
	16.30 – 17.00	<b>Closing Meeting</b>	√	√	√
Friday, 01/04/2016	08.40 – 14.25	Travelling Labuhan Batu – Medan by Train (Sribilah)	√	√	√
		Stay overnight in Medan	√	√	√
Saturday, 02/04/2016	09.00 – 11.25	Flight Medan – Jakarta (GA 183)	√	√	√

**Appendix "E"**  
**Stakeholder Contacted**

<b>No.</b>	<b>Institution</b>
1	Badan Lingkungan Hidup (BLH) Kabupaten Labuhan Batu / <i>Environmental Department of Labuhan batu Regency.</i>
2	Badan Pertanahan Nasional Kantor Kabupaten Labuhan Batu / <i>Land Authority of Labuhan Batu Regency</i>
3	Gender Committee of PT. Indo Sepadan Jaya and PT. Rantau Sinar Karsa
4	Labour union of SPP – SPSI PUK PT. Indo Sepadan jaya and PT. Rantau Sinar Karsa
5	Contractor's workers of PT. Bahtera Mulia Lestari (Chipping Contractor for Land Clearing)
6	Perangkat Desa Tanjung Selamat

**Appendix "F"**  
**RSPO SCCS, 2014 – FOR CPO Mills (MODULE E): MASS BALANCE**

<b>Criterion E.1. Definition</b>			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
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.	Based on procedure "Traceability" no. AA-MPM-OP-1400.17-R4 updated 23 <sup>rd</sup> April 2015 and "Book Keeping" no. AA-MPM-OP-1400.18-R4 updated 23 <sup>rd</sup> April 2015 described that FFB received from certified areas will be marked "Sustainable FFB" and FFB from non certified area is marked as "Non certified FFB" and only claim as "MB" in supply chain model.	Yes

<b>Criterion E.2. Explanation</b>			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
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.	The projection of CPO and PK product from Tanjung Selamat POM is recorded by CB in the public summary report and RSPO certificate. The actual CPO and PK produced verified during each subsequent visit to ensure that certified mill only deliver the allowed tonnage for the year.  During this assessment, the actual of production CPO and PK is reorded in daily, monthly and yearly basis as mentioned in section 1.4 – 1.9 above	Yes
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).	The company has registered and projected volume and sold out of product is registered in e-trace.	Yes

<b>Criterion E.3. Documented procedures</b>			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
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 the elements in these requirements	The premise has implemented a supply chain and traceability procedure under "Traceability" no. AA-MPM-OP-1400.17-R4 and "Book Keeping" no. AA-MPM-OP-1400.18-R4, updated 23 <sup>rd</sup> April 2015. The procedure explains in all aspects of	



		supply chain and traceability scope in Tanjung Selamat POM, starting from FFB harvesting, FFB delivery to Palm Oil Mill; FFB receiving and processing in Palm Oil Mill, CPO and PK production and reporting; CPO and PK dispatch from Palm Oil Mill and receiving in storage tank for export, Shipping instruction and preparation, CPO stock balancing post-shipping.	
	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.	Based on Prosedur "Traceability" no. AA-MPM-OP-1400.17-R4, updated 23 <sup>rd</sup> April 2015, the company has appointed the responsible person for handling supply chain along their supply chain is Mill Manager.	Yes
E.3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	Supply chain and traceability procedure under "Traceability" no. AA-MPM-OP-1400.17-R4 and "Book Keeping" no. AA-MPM-OP-1400.18-R4, updated 23 <sup>rd</sup> April 2015	Yes

<b>Criterion E.4. Purchasing and goods in</b>			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
E.4.1	The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.	<p>Sample taken:</p> <p>FFB Received:</p> <p>Own certified estate (Tanjung Selamat Estate)</p> <ol style="list-style-type: none"> <li>1. Surat Pengantar (Delivery Order of FFB from Field): <ul style="list-style-type: none"> <li>- SP. No: 76056.</li> <li>- Date: 02/01/2016</li> <li>- Truck: DT.17 (9684 YI)</li> <li>- Quantity: 268 bunches</li> <li>- Sustainable Product.</li> </ul> </li> <li>2. Wight Bridge: <ul style="list-style-type: none"> <li>- Ticket No.: A116100009</li> <li>- Date: 2/01/2015</li> <li>- Origin: Tanjung Selamat Estate</li> <li>- Quantity: 4,100 kg</li> <li>- RSPO Certified</li> <li>- SP. No. 76056</li> </ul> </li> </ol> <p>FFB from supplier as non certified product</p> <p>Sample taken:</p> <p>From Supplier Wah jami Sari Dewi on 07<sup>th</sup> January 2016:</p> <ol style="list-style-type: none"> <li>1. Surat Pengantar <ul style="list-style-type: none"> <li>- SP. No: 17/07/WJD</li> <li>- Truck: BK 8931 MB</li> <li>- Quantity: 230 bunches</li> </ul> </li> </ol>	Yes

		<ul style="list-style-type: none"> <li>- FFB Non Certified Product</li> <li>1. Wight Bridge: <ul style="list-style-type: none"> <li>- Ticket No.: PTSA516100082</li> <li>- Date: 07/01/2016</li> <li>- Origin: Wah Juma sari dewi</li> <li>- Quantity: 3,8966 kg</li> <li>- Non certified Product.</li> </ul> </li> </ul>	
E.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	This has been regulated in procedure "Book Keeping" no. AA-MPM-OP-1400.18-R4, updated 23 <sup>rd</sup> April 2015, 6.5. "Head of Environment and sustainability akan memberikan informasi kepada Badan Sertifikasi jika ada proyeksi produksi melebihi target"	Yes

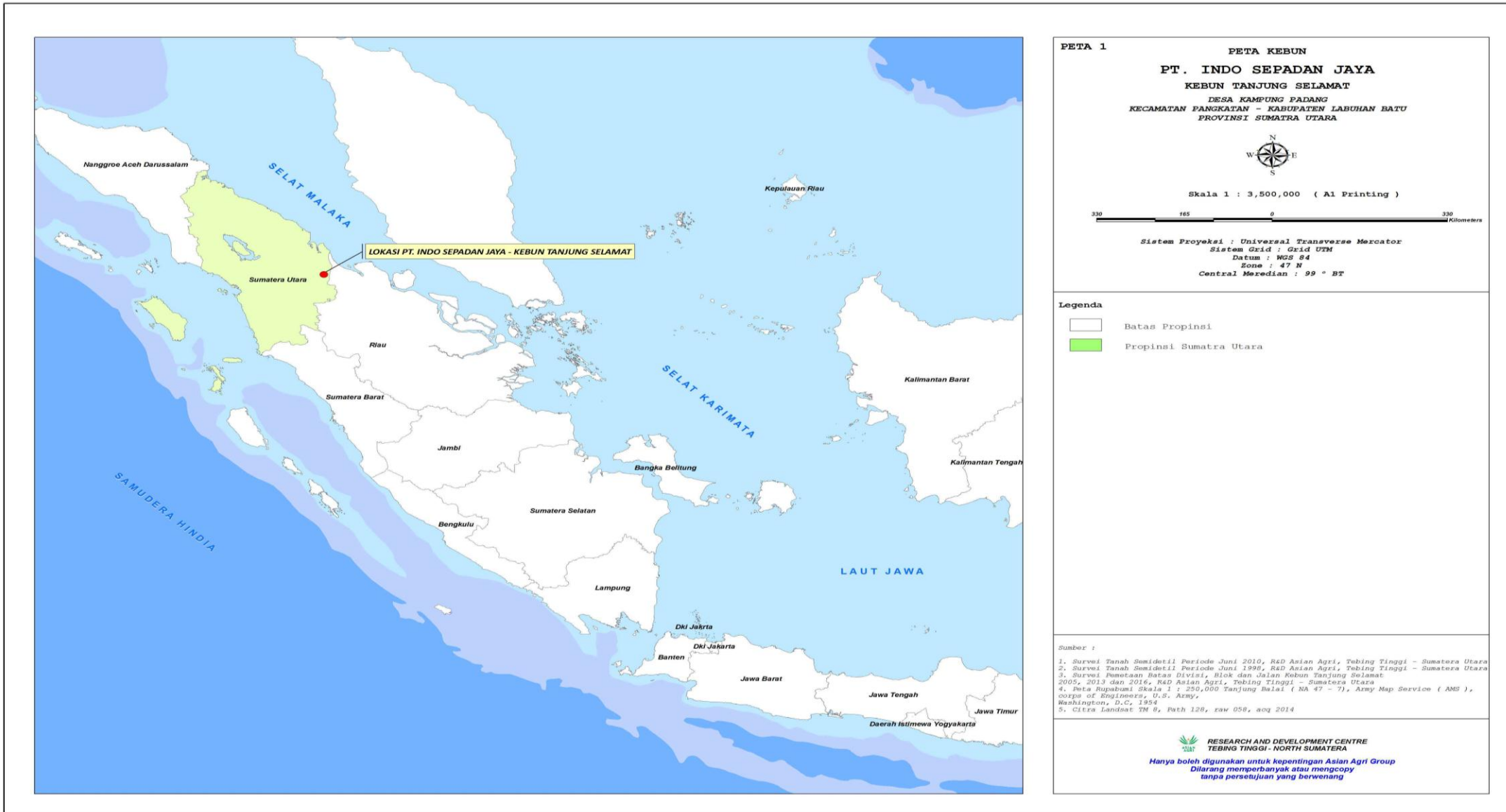
<b>Criterion E.5. Record keeping</b>			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
E.5.1	a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	<p>The company has documented FFB certified and non-certified received based, CPO and PK produced and CPO/PK despatch both claimed as certified and non non certified three monthly basis as documented in "CPO/PK Production and sales balance".</p> <p>Sampel taken: 3 monthly basis report (October – December 2015)</p>	Yes
	b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.	<p>FFB received, CPO/PK produced and CPO/PK despatch is recorded in daily basis (Processing daily Report), monthly report (Production and Despatch Report), 3 monthly basis (CPO/PK Production and sales balance"</p> <p>Delivered CPO Certified Product:</p> <ul style="list-style-type: none"> <li>- WB no.: C115100973</li> <li>- Origin: PMKS Tanjung Selamat</li> <li>- Name of product: Crude Palm Oil (CPO)</li> <li>- Receiver: Pt. Sari Dumai Sejati Dumai</li> <li>- Date: 05/12/2015</li> <li>- Quantity: 25,520 kg</li> <li>- CPO Certified RSPO – MB</li> </ul> <p>Delivered CPO as "Non Certified Product":</p> <ul style="list-style-type: none"> <li>- Ticket no.: PTSC116100014</li> <li>- Origin: PMKS POM</li> <li>- Name of product: Crude Palm Oil</li> <li>- Receiver: PT. Indo Sepadan Jaya - Dumai</li> <li>- Date: 08/10/2015</li> <li>- Quantity: 26,550 kg</li> </ul>	Yes

		<ul style="list-style-type: none"> <li>- CPO Non Certified</li> </ul> <p>Delivered PK Certified Product:</p> <ul style="list-style-type: none"> <li>- SP no.: PTSC 216100002</li> <li>- Origin: PMKS Tanjung Selamat</li> <li>- Name of product: Palm Kernel</li> <li>- Receiver: PT. Sari Dumai Sejati</li> <li>- Date: 04/01/2016</li> <li>- Quantity: 19,910 kg</li> <li>- PK Certified RSPO – MB</li> </ul> <p>Delivered PK as “Non Certified Product”:</p> <ul style="list-style-type: none"> <li>- SP No. PTSC210100013</li> <li>- Origin: PMKS Tanjung Selamat</li> <li>- Name of product: Palm Kernel (PK)</li> <li>- Receiver: PT. Hari Sawit Jaya.</li> <li>- Date: 12/01/2016</li> <li>- Quantity: 6,720 kg</li> <li>- PK Non Certified.</li> </ul>	
	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.)	Based on review 3 monthly baisi, no any delivery mass balance from negative stock.	Yes
E.5.2	In cases where a mill outsources activities to an independent (not owned by the same organization) 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.	No outsourcing	N/A

**Appendix "G"**

**Location Map of PT. Indo Sepadan Jaya**

**Figure 1.** Location of Tanjung Selamat POM and its supply base in Indonesia



**Figure 2. Location of Tanjung Selamat POM and its supply base in North Sumatera Province, Indonesia.**

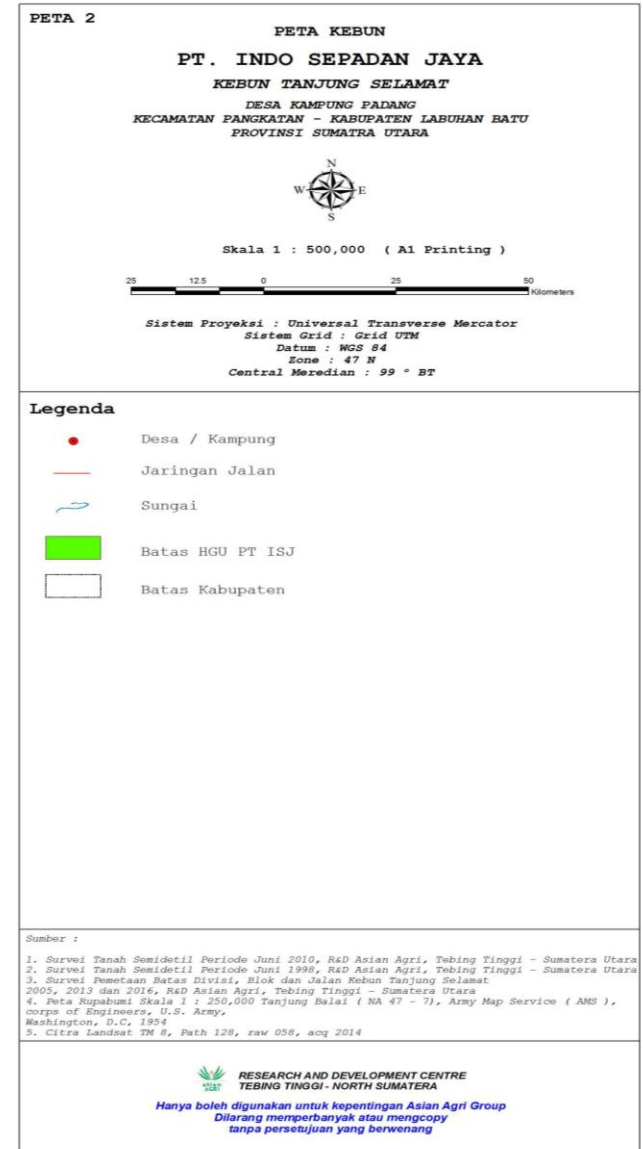
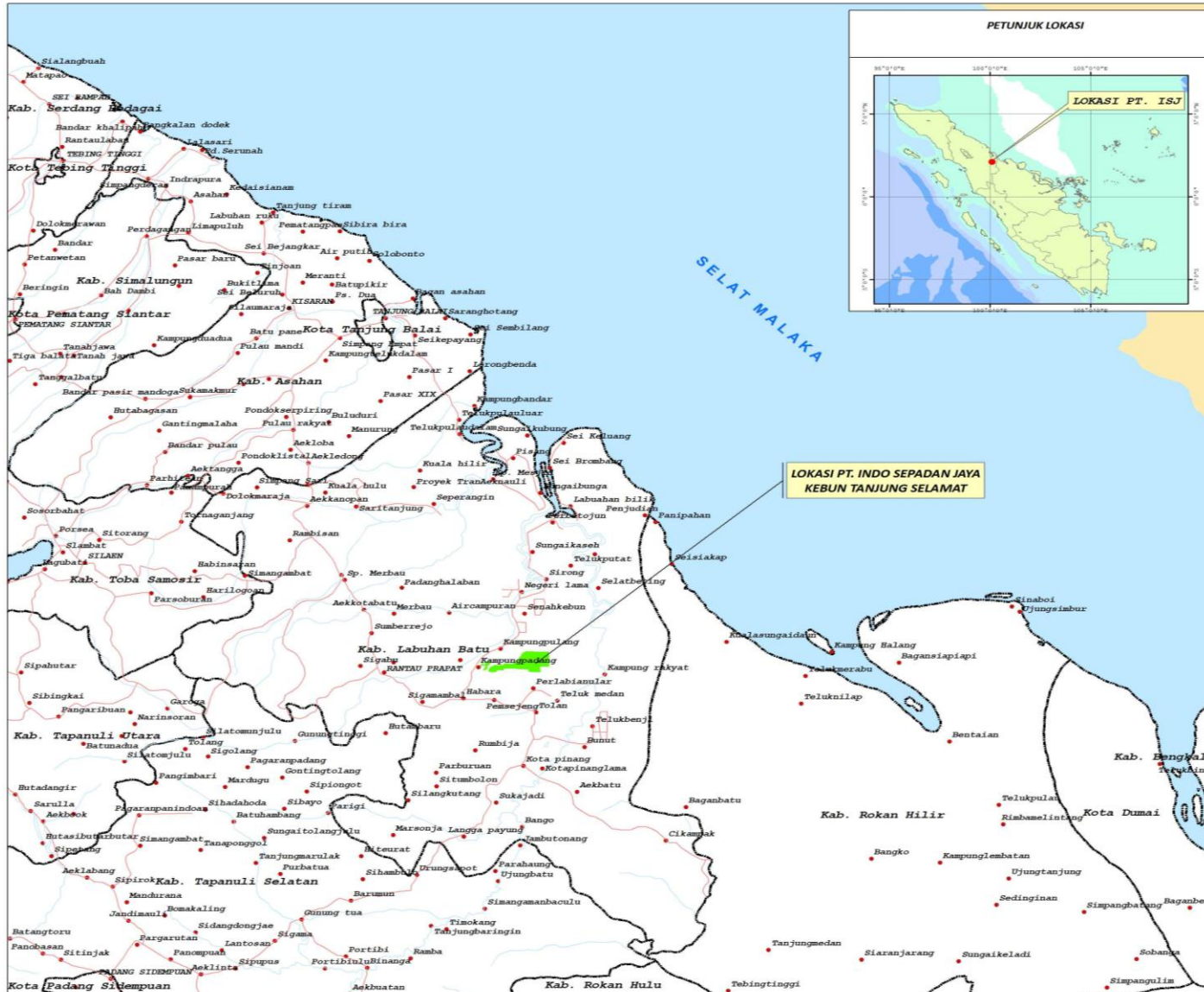
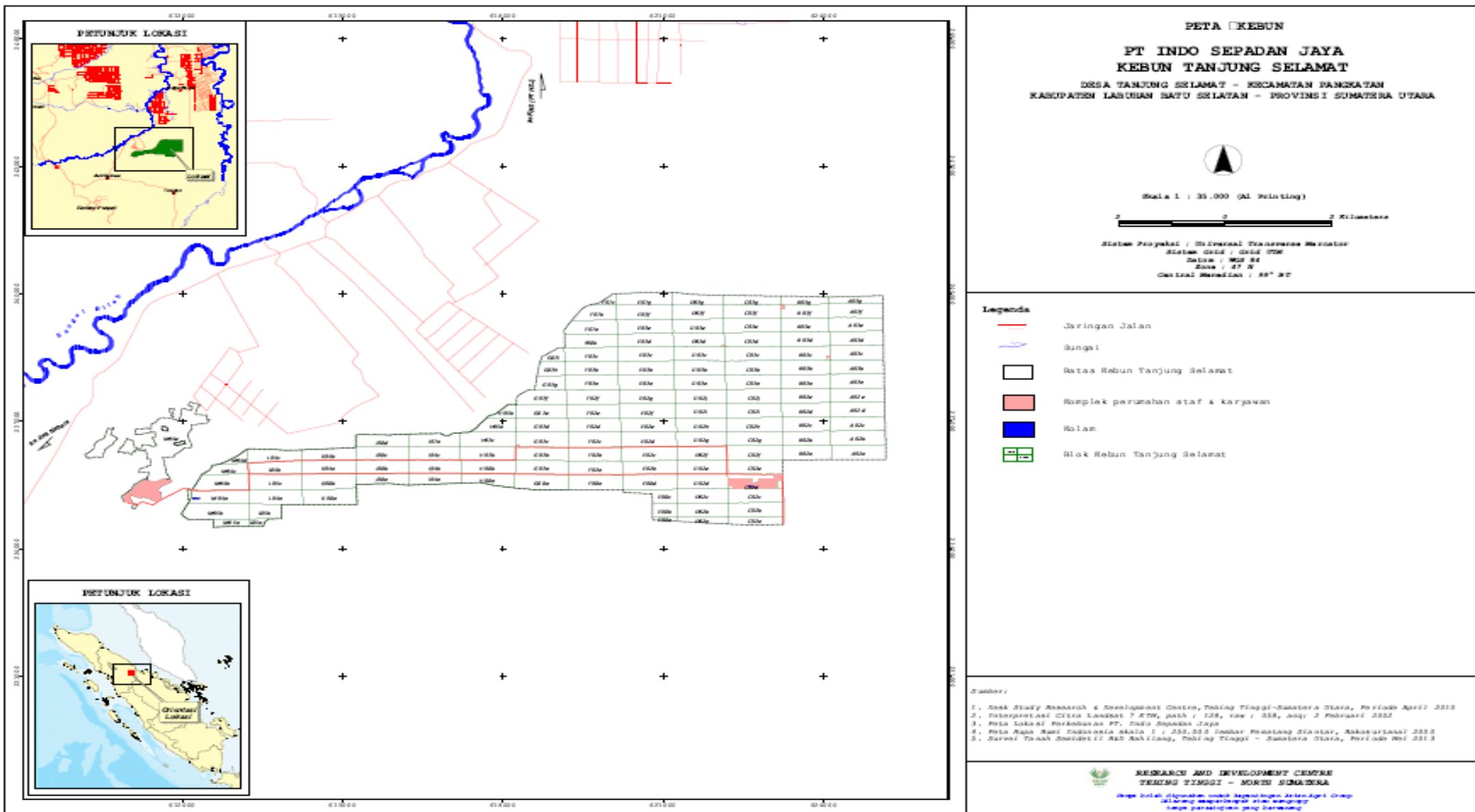
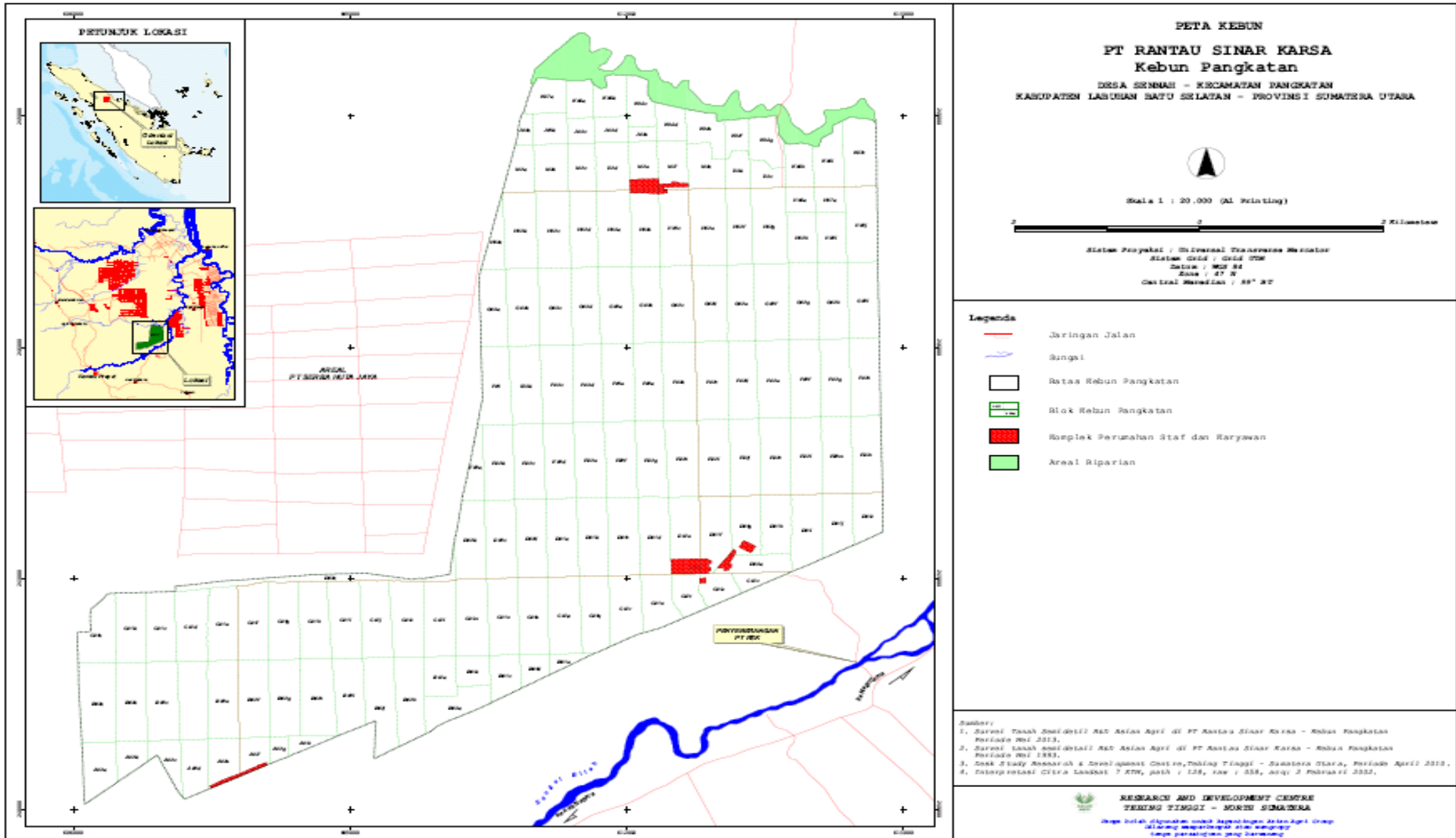


Figure 3a. Location of PT. Indo Sepadan Jaya (Tanjung Selamat Estate) as supply base Tanjung Selamat POM and neighbouring entities



**Figure 3b.** Location of PT. Rantau Sinar Karsa (Pangkalan Estate) as supply base Tanjung Selamat POM and neighbouring entities



**Appendix "H"**  
**Abbreviation used**

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