

**RSPO PRINCIPLE AND CRITERIA
– ANNUAL SURVEILLANCE 1-2 ASSESSMENT
Public Summary Report**

PT. Inti Indosawit Subur Buatan I Palm Oil Mill and Its Supply Bases
Client company Address: Jl. M.H Thamrin No.31 Jakarta 10230, Indonesia
Certification Unit: Buatan I Palm Oil Mill Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau Province, Indonesia

TABLE of CONTENTS

Page N°

Section 1: Scope of the Certification Assessment.....	3
1. Company Details	3
2. Certification Information.....	3
3. Location(s) of Mill & Supply Bases	4
4. Description of Supply Base	Error! Bookmark not defined. 4
5. Plantings & Cycle.....	5
6. Certified Tonnage.....	5
7. Non Certified Tonnage of FFB.....	5
 Section 2: Assessment Process	 6
1. Assessment Program.....	6
Section 3: Assessment Findings	9
3.1 Details of audit results are provided in the following Appendix:	9
3.2 Progress against Time Bound Plan	9
3.3 Details of findings.....	111
3.3.1 Status of Nonconformities Previously Identified and Observations.....	34
3.3.2 Summary of the Nonconformities and Status.....	43
Assessment Conclusion and Recommendation:	4444
Acknowledgement of Assessment Findings	4444
Appendix A: Summary of Findings.....	4545
Appendix B: Approved Time Bound Plan	175
Appendix C: Certification Unit RSPO Certificate Details.....	178
Appendix D: Assessment Plan.....	179
Appendix E: Stakeholders Contacted	182
Appendix F: CPO Mill Supply Chain Assessment Report (Module E - CPO Mills: Mass Balance) ...	183
Appendix G: Location Map of Certification Unit and Supply bases.....	188
Appendix H: Estate Field Map	190
Appendix I: Smallholder List.....	191
Appendix J: GHG Reporting Executive Summary.....	192
Appendix K: List of Abbreviations Used.....	194

Section 1: Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	No.1-0022-06-000-00	Date	6 th February 2006
Company Name	PT Inti Indosawit Subur		
Address	Head Office: Jl. M.H Thamrin No.31 Jakarta 10230, Indonesia Site Location: Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau Province, Indonesia		
Subsidiary of (if applicable)	None		
Contact Name	Putu Grhyate Yonata Aksa		
Website	www.asianagri.co.id	E-mail	Putu_aksa@asianagri.com
Telephone	+62 21 230 1119	Facsimile	+62 21 230 1120

2. Certification Information			
Certificate Number	RSPO 638918	Date	16/09/2010
Scope of Certification	Production of CPO and PK of PT. Inti Indosawit Subur – Buatan I Palm Oil Mill and 1 (one) estates as supply base, namely Buatan Estate (Division I, I and III) and 4 KUD (KUD Bhakti Mandiri, KUD Jaya Makmur, KUD Sumber Rejeki, KUD Sejahtera) Mill capacity of Buatan I POM is 90 tonnes FFB/hour.		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
ID05/65250	ISO 14001:2004	SGS	10 June 2017
EU-ISCC-Cert-DE100-20452017	EU-ISCC-Cert-DE100-27292017	SGS	02 February 2018

RSPO Public Summary Report
Revision 4 (November /2016)

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

4.Description of Supply Base							
Estate	Mature (ha)	Immature (ha)	Total Planted (ha)	HCV (ha)	Infras & Other (ha)	Total Hectarage	% of Planted
Buatan Estate (Division I, II, III)	2007	0	2007	27.78	106.22	2,141	93.70
KUD Bhakti Mandiri	980	0	980	0	0	980	100
KUD Jaya Makmur	920	0	920	0	0	920	100
KUD Sumber Rejeki	820	0	820	0	0	820	100
KUD Sejahtera	976	0	976	0	0	976	100
TOTAL	5,703	0	5,703	44.76	106.22	5,837	97.70

Note: HCV area are included in the planted area. Total HCV area in Buatan Estate was 55.56 ha divided in Division I, II and III (Buatan I POM supply base) with area 27.78 ha and in Division IV, V, VI (Buatan II POM supply base) with area 27.78 ha.

RSPO Public Summary Report
Revision 4 (November /2016)

5. Plantings & Cycle								
Estate	Age (Years)					Tonnage / Year		
	0 - 3*	4 - 10*	11 - 20	21 - 25	26 - 30	Estimated Sept 2016 – Aug 2017	Actual Sept 2016 – Aug 2017	Forecast Sept 2017 – Aug 2018
Buatan Estate (Division I, II, III)	0	0	0	676	1,331	52,087	33,450	41,811
KUD Bhakti Mandiri	0	0	0	418	562	23,051	22,679	19,905
KUD Jaya Makmur	0	0	0	622	298	21,427	19,656	16,246
KUD Sumber Rejeki	0	0	0	820		19,650	16,637	18,017
KUD Sejahtera	0	0	0	886		19,953	17,992	19,486
TOTAL	0	0	0	3,512	2,010	136,169	110,414	115,465

6. Certified Tonnage									
Mill	Estimated Sept 2016 – Aug 2017			Actual Sept 2016 – Aug 2017			Forecast Sept 2017 – Aug 2018		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Buatan I Mill	136,169	28,068	6,877	110,414	21,761	5,613	115,465	23,908	5,831
TOTAL	136,169	28,068	6,877	110,414	21,761	5,613	115,465	23,908	5,831
OER (%)		20.61	5.05	110,414	21,761	5,613		20.71	4.66

7. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable			
Independent FFB Supplier	Tonnage / year		
	Estimated Sept 2016 – Aug 2017	Actual Sept 2016 – Aug 2017	Forecast Sept 2017 – Aug 2018
Third party FFB supplier/Collector	100,000	75,333	160,000

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: RSPO-ACC-19)
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
No. 8, Jalan Kerinchi
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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (RSPO-ACC-19) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Singapore, Jakarta, Bangkok and Australia which involve in RSPO Certification Program.

Assessment Methodology, Programme, Site Visits

The on-site 2nd annual surveillance assessment (ASA2) was conducted from 7th – 12th August 2017. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO P&C Indonesia National Interpretation September 2016 and RSPO SCCS 2014 were used as Checklists and questionnaires were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

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

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

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

RSPO Public Summary Report Revision 4 (November /2016)

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.

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

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

This report was internally reviewed by approved Certification Reviewer, prior to certification decision by BSI.

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

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

Tentative Date of Next Visit: August 6, 2018 - August 11, 2018

Total No. of Mandays: 24 manday

BSI Assessment Team:

Mujinius Jalaraya – Lead Assessor

He hold Bachelor degree from Faculty of Forestry, Bogor Agricultural University (IPB) in 2008, Majoring in Forest Resources Conservation and Ecotourism. He has working experiences in palm oil plantations as SHE Assistant at PT. Astra Agro Lestari Tbk in 2008 - 2012 and as Supervisor Sustainability at Teladan Prima Group in 2012 – 2014. He involved in RSPO certification since 2014 as a team member subsequently as a Lead Auditor. He has completed the training, such as: Lead Auditor ISO 9001: 2008 course, Lead Auditor ISPO course, Lead Auditor RSPO endorsed course, RSPO SCCS Lead Auditor endorsed course, HCV Identification and management, Internal Auditor ISO 14001: 2004 Training, Training for Trainers, OHS Expert Training, etc. During this assessment, he assessed on the aspects of Legal, Best Management Practices for Palm Oil Mill and HCV management. He is fluently speaking in English and Bahasa Indonesia.

Edy Widodo – Team Member

Edy Widodo graduated with Bachelor of Agriculture, from Department of Agricultural Technology, University of Padjadjaran, Bandung. Earlier, he worked as an Assistant Estates Manager in PT SMART Tbk. (1999 to 2005). He is 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) and RSPO Lead Auditor 2016 - RSPO Endorsed RSPO Supply Chain Certification Training Course on April 2016. During this assessment, he assessed on the aspects of social and labor as well as stakeholder consultation.

Aswan Hasibuan – Team Member

He graduated from University of Sumatera Utara on 1999, majoring in Industrial Engineering. He involved in RSPO certification since 2012 as a team member subsequently as a Lead Auditor, covering assessment against RSPO P&C in Indonesia, Malaysia, and Ghana. He completed the ISO 9001, ISO 14001, OHSAS 18001 Lead Auditor Course, Indonesia OHSMS (SMK3) Auditor, ISPO Lead Auditor endorsed Course and RSPO P&C and RSPO SCCS Lead Auditor endorsed Courses. During this assessment, he assessed on the aspects of environment, OHS and Smallholder audits. He is fluently speaking in English and Bahasa Indonesia.

Imam Fakhrurozi – Team Member

Imam holds degree in Agriculture Technology and graduated from Gadjah Mada University, Yogyakarta in 2011. He had 2 (two) years working experienced related to oil palm industries i.e. as a sustainability and HSE in oil palm Plantation Company in Indonesia. Several relevant Training he has completed include ISO 9001 and 14001 Lead Auditor, Lead Auditor of SMK3, RSPO P&C Lead auditor endorsed courses. Currently he works for BSI Group based in Jakarta office. He is one of the BSI qualified RSPO auditor. He had been involved in RSPO auditing since 2016. During this assessment, he assessed on the aspects of mill and estate social and labor.

Pratama Agung Sedayu – Team Member

He graduated from University of Jenderal Soedirman on 2008, majoring in Social Economic of Agriculture. He involved in RSPO certification since 2009 as a team member subsequently as a Lead Auditor, covering assessment against RSPO P&C in Indonesia, Malaysia, Thailand, Papua New Guinea, and Liberia. He completed the ISO 9001, ISO 14001, OHSAS 18001 Lead Auditor Course, HCV Identification and Management; ISPO Lead Auditor endorsed Course and RSPO P&C and RSPO SCCS Lead Auditor endorsed Courses. During this assessment, he assessed on the aspects of estate best practices, CPO Mill Supply Chain, and Smallholder audits. He is fluently speaking in English and Bahasa Indonesia.

Accompanying Persons: Mr. Nicholas Cheong (Observer - BSI Services Malaysia) and ASI Auditor team

Section 3: Assessment Findings

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

- PT Inti Indosawit Subur/Asian Agri Time Bound Plan
- RSPO P & C INA-NIWG 2016 Checklist
- RSPO Supply Chain Certification Checklist on November 2014

3.2 Progress against Time Bound Plan

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

**RSPO Public Summary Report
Revision 4 (November /2016)**

statement been produced?		
No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	In area where BSI conducted audit, there are no replacement/conversion of primary forest after November 2005.	Comply
Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	There is new planting after January 1 st , 2010. New planting was performed through conversion from rubber plantation. Company has prepare for NPP submission to RSPO. NPP for conversion area is still in progress including supporting documents (conversion permit, HCV assessment, etc). NPP will be submitted in reference to NPP 2015 as NPP for Conversion of Existing Agricultural land.	in progress
Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	No more land compensation.	Comply
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	No labor dispute noted. This was based on stakeholder interview with worker union in each company. In addition, audit team found the same based on stakeholder interview with "Dinas Tenaga Kerja" on each regency audited.	Comply
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Yes. PT. Mitra Unggul Pusaka – Segati POM conducted internal audit annually. Latest audit performed in April 2017.	Comply
Any Legal non- compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	PT. PT. Mitra Unggul Pusaka – Segati POM has comply with all legal compliance.	Comply

3.3 Details of findings

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

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

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1514963-201708-M1	<p>Requirements: RSPO P & C INA NI 2016 Indicator 2.1.1 Evidence of compliance with relevant legal requirements shall be available.</p>	Major
	<p>Evidence of Nonconformity: Based on document review in Buatan I Mill, it was found the non-compliance against Permenaker No. 100 tahun 2004 article 4-5 regarding "Ketentuan Pelaksanaan Perjanjian Kerja Waktu Tertentu"</p>	
	<p>Statement of Nonconformity: Based on document review in Buatan I Mill, it was found the non-compliance against Permenaker No. 100 tahun 2004 article 4-5 regarding "Ketentuan Pelaksanaan Perjanjian Kerja Waktu Tertentu"</p>	
	<p>Root Cause Analysis: Buatan I POM has proposed PHL/temporary workers promotion to become permanent workers however there is no approval from HRD head office.</p>	
	<p>Corrective Action: Company has made the programme for 3 years to promote the temporary workers to become permanent workers. Total temporary workers 42, company divided into 3 phase to promote as a permanent workers as below:</p> <ul style="list-style-type: none"> - Year 2017 : 10 workers - Year 2018 : 10 workers - Year 2019 : 9 workers <p>13 temporary workers were not eligible to promote as a permanent workers due to the age has over than 35 years old. Company has a policy and regulation that temporary workers whose the age more than 35 years can't promote as permanent workers.</p> <p>Buatan I has issued the Memorandum No. 173/MI-PBS/Memo/VI/2017 dated 21 August 2017 regarding "Pengusulan Kenaikan Golongan Tenaga Kerja dari PHL ke SKU unit PBS". In Memorandum there are 10 temporary workers has been propose to HRD to promote as Permanen Workers, for example:</p> <ol style="list-style-type: none"> 1. Haryanto Sinaga (Helper operator boiler) 2. Budi Darmawan (Helper operator Tippler) 3. Hendra Siswandi (Mechanic) 	

	<p>4. Safta Rifai Ginting (Helper operator Boiler) 5. Monang Butar-butur (mechanic)</p> <p>Company also has ensure that temporary workers are not work continuously more than 21 days a month in 3 month period.</p> <p>While the temporary workers (PHL) propose to promote as permanent workers/SKU, company has renewed the contract of temporary workers (PHL) in Buatan I POM to become contract workers (PKWT – Pekerja Waktu Tertentu) with contract of 1 year. This contract has comply to regulation “UU No. 13 Tahun 2003 tentang ketenagakerjaan”.</p> <p>Assessment Conclusion: The NC Major has been CLOSED on 9 October 2017.</p>	
<p>1514963-201708-M2</p>	<p>Requirements: RSPO P & C INA NI 2016 Indicator 4.1.2 Checking or monitoring of operations procedures is conducted at least once a year.</p> <p>Evidence of Nonconformity: Audit team noted the frond condition, frond staking, deficiency, overgrown weed and blanket spraying which was not consistent with procedure/guideline for smallholder oil palm plantation management. Site visit to smallholder blocks:</p> <ul style="list-style-type: none"> - No.1732, 1741, 1742, 782, 783: frond stacking was not implemented, weed control was not consistent throughout the block; - No.2614: frond stacking in area with slope need improvement, weed have overgrown covering the palm circle and path; - No.2620: frond staking in area with slope was not in line with contour, blanket spraying was noted. - No. 2095: Palm tree deficiency which several trees are yellowing leaves, thin trees and lacking of fruit/ absent; - No.1510: weed have overgrown covering the palm circle and path; There has been no checking and monitoring as well as corrective action for the said condition by ICS; <p>Based on interview with head of KUD Sejahtera and KUD Sumber Rezeki confirmed that spraying activity in the field was not uniform according to the best management practices and guideline which defined by ICS, some of individual member was not applied the upkeep as per recommendation and programme.</p> <p>Statement of Nonconformity: The field condition/implementation of best management practice was not consistent with procedure/guideline for smallholder oil palm plantation management, in addition it has not been checked and monitored by ICS.</p> <p>Root Cause Analysis: Monitoring from smallholder management related to best agriculture practice is still lacking, such as:</p> <ul style="list-style-type: none"> - There is no regular monitoring from ICS Plasma Buatan to check the implementation of best agriculture practises in Smallholder Kavling. - There is no effective coaching as well as reward and punishment for smallholder member to ensure the consistency of best agriculture 	<p>Major</p>

	<p>practise implementation in their kavling.</p> <p>Corrective Action:</p> <ul style="list-style-type: none"> - PT Inti Indosawit Subur – Smallholder has conducted monitoring / checking related to kavling condition regularly. The monitoring was documented in “Monitoring Pemeriksaan Kondisi Kapling” that contain: KUD name, date of checking, kavling number, farmer name, condition of circle, weed, pruning and midrib placement. - “Monitoring Pemeriksaan Kondisi Kapling 2017” mentioned that on 13 September 2017 has been conducted checking of KUD Sumber Rezeki to kavling number 2227 (Arpen Simbolon), 2268 (Sutejo), 2270 (Misla) and 2271 (Buyamin), condition of circle, weed, pruning and midrib placement were good. - PT Inti Indosawit Subur – Smallholder has documented “Monitoring Teguran Lisan” to record if there was kavling which not comply with the SOP of Agronomy or best agriculture practices. On 14 September 2017 it was recorded that verbal warning has been given to farmer of kavling 682 (Jasiran) and 709 (Supono) because the weed condition is bush. - PT Inti Indosawit Subur – Smallholder has determined decree no.009/DOK/SOP/PT.IIS-ICS KLB/2016 dated 2 January 2017 which defined that Group Manager will give verbal warning if there was farmer which not comply with the SOP of Agronomy. If verbal warning is still violated, then it will be given warning letter #1, #2, #3. If until 3rd warning letter is still violated, the manager have the right to remove the farmer from the certification group. <p>Assessment Conclusion: The Major NCR is closed on 9 October 2017.</p>	
<p>1514963-201708-M3</p>	<p>Requirements: RSPO P & C INA NI 2016 Indicator 4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place</p> <p>Evidence of Nonconformity: Based on the semi-detailed soil analysis, there were 85 ha peat soil in Buatan Estate and during field visit in Division I Block confirmed that there were peat soil, however there is no documented water and ground cover management programme.</p> <p>Statement of Nonconformity: A documented water and ground cover management programme was not in place</p> <p>Root Cause Analysis: PT Inti Indosawit Subur – Buatan Estate management perception is that peat area in the estate is only a small part, 85 Ha and the location is scattered.</p> <p>Corrective Action:</p> <ul style="list-style-type: none"> - Company has performed monitoring of water level management based on the existing SOP. PT Inti Indosawit Subur – Buatan Estate has developed SOP for Water Management (AA-SOP-OP-1100.17-R1) dated 23 October 	<p>Major</p>

**RSPO Public Summary Report
Revision 4 (November /2016)**

	<p>2014. SOP has described mechanism to managed water level at peat area, which is by monitoring water level, minimizing subsidence and preventing of fire.</p> <ul style="list-style-type: none"> - PT Inti Indosawit Subur – Buatan Estate has developed subsidence and water level measurement stick and piezometer at Block B91d Afd II Buatan Estate on 20 August 2017. - PT Inti Indosawit Subur – Buatan Estate has conducted water level monitoring in August and September 2017, the result is that water level monitored at 50 to 60 cm. - PT Inti Indosawit Subur – Buatan Estate conducted coordination with R&D department to performed re-analysis of soil in Buatan Estate area to determine whether peat soil is still existed. 	
	<p>Assessment Conclusion: The Major NCR is closed on 10 October 2017</p>	
<p>1514963-201708-M4</p>	<p>Requirements: RSPO P & C INA NI 2016 Indicator 4.6.10 Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated.</p> <p>Evidence of Nonconformity: Based on interview with head of KUDs (Sejahtera and Sumber Rezeki) and smallholders and harvesters, some of individual members are still conduct spraying by themselves. As per information received through interview, the empty chemical containers that produced by the smallholders conducting spraying are buried in the field. As per procedure "Pengendalian Gulma" (No 033/DOK/SOP/PT IIS-ICS.KLB/2017), the empty chemical containers shall be disposed following the Tempat Penyimpanan Semetara Limbah Bahan Berbahaya dan Beracun (TPS LB3).</p> <p>Statement of Nonconformity: The disposal of empty chemical containers by the smallholders are not according to the procedure set by PT Inti Indosawit Subur.</p> <p>Root Cause Analysis: Still lack of knowledge of farmers about handling hazardous material including pesticides and its container, so they conduct pesticides spraying activity by themselves. There is no effective dissemination and awareness from ICS Plasma Buatan to smallholder member to ensure that they understand to handling hazardous material including pesticides and its container.</p> <p>Corrective Action:</p> <ul style="list-style-type: none"> • PT Inti Indosawit Subur – Smallholder has conducted dissemination to farmers regarding ex pesticides handling on 2 September 2017 at Makmur Village building, attended by KUD, chief of KT, farmers and elder of smallholder. Dissemination material was based on PP 74 year 2001. • Based on interview with farmers, they all understood that chemical spraying was only done by TUS, and cannot be done by farmers. • Based on interview with farmers, they all understood mechanism for 	<p>Major</p>

**RSPO Public Summary Report
Revision 4 (November /2016)**

	<p>handling hazardous waste.</p> <ul style="list-style-type: none"> • PT Inti Indosawit Subur – Smallholder management has installed signboard regarding prohibition of conducting spraying activity by smallholder member. • PT Inti Indosawit Subur – Smallholder has determined decree no.009/DOK/SOP/PT.IIS-ICS KLB/2016 dated 2 January 2017 which defined that Group Manager will give verbal warning if there was farmer which not comply with the SOP of Agronomy. If verbal warning is still violated, then it will be given warning letter #1, #2, #3. If until 3rd warning letter is still violated, the manager have the right to remove the farmer from the certification group. <p>Assessment Conclusion: The Major NCR is closed on 10 October 2017.</p>	
<p>1514963-201708-M5</p>	<p>Requirements: RSPO P & C INA NI 2016 Indicator 4.7.2 A documented risk assessment shall be available and its implementation shall be recorded.</p> <p>Evidence of Nonconformity:</p> <ul style="list-style-type: none"> - During field visit in Buatan I Mill It was found operator clarifier station, sterilizer, driver and unloading operator use rubber boot. It was not comply with the risk assessment document at Buatan I Mill. - During field visit in Buatan Estate Division I Block A91C, it was found harvester use short Toyo shoes, however based on the risk assessment they supposed to use rubber boots. <p>Statement of Nonconformity: Implementation of risk mitigation according to risk assessment document has not been consistently implemented.</p> <p>Root Cause Analysis:</p> <ul style="list-style-type: none"> - Workers is not discipline to obey the OHS policy and regulation according to HIRADC and lack of control and monitoring of HIRADC implementation. - Hazard and Risk analysis related to PPE for truck driver were not evaluated yet based on actual condition of hazard and risk, frequent and probability of hazard and risk of driver activity. - Hazard and Risk analysis related to PPE for harvester were not evaluated yet based on actual condition of hazard and risk, frequent and probability of hazard and risk from harvesting activity in the field. <p>Corrective Action: Company has socialize and give awareness to the Mill workers regarding OHS regulation in Buatan I POM, such as:</p> <ul style="list-style-type: none"> - Operator shall be use appropriate PPE according to HIRADC - If operator found not wearing the appropriate PPE, company will give the violation ticket - If the workers violate the regulation and have 3 times of violation ticket, company will give the sanction in the form of letter of warning <p>The OHS regulation has been socialize through safety briefing on 30 September</p>	<p>Major</p>

**RSPO Public Summary Report
Revision 4 (November /2016)**

	<p>2017. Company also has implementing the PPE usage inspection each month. Evidence of PPE inspection can be demonstrated for period August and September 2017.</p> <p>Company also has issued the "Ticket Pelanggaran" form and apply to the workers who not wearing the appropriate PPE. For example, there was a violation of OHS regulation regarding PPE usage on behalf Budi Darmawan, operator Tipler and he don't wear the safety helmet on 28 September 2017, "Ticket Pelanggaran" was give to the workers and record in "Rekap Pelanggaran".</p> <p>Company has made a mechanism for unloading workers who work in loading ramp station to comply with the safety regulation and shall be use the standard PPE such as safety helmet and safety shoes. Company has assigned OHS inspector to ensure all the workers are obey to the safety regulation. OHS inspector checked the each FFB truck enter to the mill and ensure the unloading workers and driver are using the standard PPE and obey the safety regulation, if they didn't, OHS inspector will prohibit the truck enter the mill/loading ramp. The mechanism has been socialized and communicated on 10th August 2017 to all unloading workers and driver FFB truck. During field visit in mill, the OHS inspector has done the job accordingly, all the unloading workers and driver has follow the safety regulation and wear the appropriate PPE.</p> <p>Company has also evaluated the HIRADC for harvester and revised the HIRADC on August 2017. Based on hazard and risk analysis of harvesting activity the PPE for harvester is safety helmet, glases and short ruber shoes/Toyo shoes.</p> <p>Assessment Conclusion: The NC Major is CLOSED on 10 October 2017.</p>	
<p>1514963-201708-M6</p>	<p>Requirements: RSPO P & C INA NI 2016 Indicator 4.7.6 All workers shall be provided with medical care, and covered by accident insurance.</p> <p>Evidence of Nonconformity: According to PT Inti Indosawit, the smallholder and/or its' Workers/harvester in KUD go to local PUSKESMAS to get health care and medication. However, the PUSKESMAS is not an accident insurance panel.</p> <p>Statement of Nonconformity: The smallholders and/or its workers are not covered by accident insurance.</p> <p>Root Cause Analysis: The harvester who work in Plasma Buatan are not permanent workers and always changed so that the accident insurance (Jamsostek) are not applicable and can't be applied to the harvester.</p> <p>Corrective Action: Plasma management (KUD) has made mechanism and policy to guarantee all workers working in area of Plasma Buatan I in case of accident of work hence all medical expense and compensation/accident insurance will be borne by each KUD. The accident insurance has been agreed by each KUD and all the member. KUD has made an Agreement of Accident Compensation Letter for</p>	<p>Major</p>

<p>workers/farmers "Surat Kesepakatan Santunan Akibat Kecelakaan Kerja kepada pekerja/petani". For Example:</p> <ul style="list-style-type: none"> - "Surat kesepakatan" issued by KUD Sejahtera, Badan Hukum No. 1733/BH/XIII Desa Makmur Kec. Pangkalan kerinci Kab. Pelalawan, tanggal 9 September 2017; Agreement letter signed by head of KUD, Official KUD and all head of KT (19 farmer group) in KUD Sejahtera. - "Surat kesepakatan" issued by KUD Sumber Rezeki, Badan Hukum No. 1734/BH/XIII/1993 Desa Bukit Agung Kec. Kerinci Kanan Kab. Siak, tanggal 11 September 2017; Agreement letter signed by head of KUD, Official KUD and all head of KT (17 farmers group) in KUD Sejahtera <p>The agreement states that "in relation to the risk of accidents due to work in Plasma Buatan/KUD plantation areas, all farmer groups are obliged to provide compensation to workers who have work accidents in KUD plantation area. As for who is entitled to these benefits:</p> <ul style="list-style-type: none"> - Assistance of medical expenses due to work accident (hospitalization>3 days) - Accidental benefit due to accident - Death benefit due to accident. <p>If there are workers/farmers who have work accidents then the farmer group members immediately report to the KUD board.</p> <p>KUD has allocated funds for compensation and accident insurance every month that is deducted from the sales of FFB production of Plasma. For example in KUD Sejahtera KT 115 deducted IDR 5,000 for social funds and employment injury/misfortune benefits; evidence can be shown in "FFB Invoice Payment KT Kasuwari KUD Sejahtera" dated September 28, 2017. KT Cendrawasih is deducted IDR 6,000 per month per each farmers, documented in "Daftar Penjualan TBS" dated October 2, 2017.</p> <p>For health insurance, harvester and workers working in Plasma Buatan I have been secured by Jamkesda provided by the local government of Kabupaten Siak. Health insurance provided for all residents of Siak district in accordance with "Pedoman Pelaksanaan Jaminan Kesehatan Daerah (Jamkesda) Pemerintah Kabupaten Siak Tahun 2014".</p> <p>ICS Plasma Buatan I cooperated with KUD has been identified with all the workers as the participants of Jamkesda (Jaminan Kesehatan Daerah). During audit, KUD can be demonstrated "Inventarisasi Jaminan Kesehatan Pemanen KUD". For example:</p> <ul style="list-style-type: none"> - In KUD Bhakti Mandiri, there were 43 harvesters and 40 harvesters has been registered as Jamkesda member who get health insurance and 3 workers are still in the process of registration. - In KUD Jaya Makmur there were 46 harvesters and 42 harvesters has been registered as Jamkesda member who get health insurance and 4 workers are still in the process of registration. - In KUD Sumber Rezeki there were 42 harvesters and 40 harvesters has been registered as Jamkesda member who get health insurance and 2 workers are still in the process of registration. - In KUD Kebun Sawit Harapan there were 40 harvesters and 36 harvesters 	
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	<p>has been registered as Jamkesda member who get health insurance and 2 workers are still in the process of registration.</p> <p>For workers who are not guaranteed by Jamkesda then KUD will cover medical expenses in case of work illness.</p>	
<p>1514963-201708-M7</p>	<p>Assessment Conclusion: The NC Major is CLOSED on 10 October 2017.</p> <p>Requirements: RSPO P & C INA NI 2016 Indicator 4.8.1 All staff, workers, smallholders and contract workers are appropriately trained.</p> <p>Evidence of Nonconformity:</p> <ul style="list-style-type: none"> - During the field assessment at the smallholder blocks, it was observed that there are smallholders blocks are blanket sprayed. - As per the Rencana dan Realisasi Semprot tahun 2017 – TUS, spraying activities are supposed to be conducted by the PT Inti Indosawit Spray team. However, based on interview with head of KUD Sejahtera and KUD Sumber Rezeki, some of the individual members are conducting spraying by themselves. - Based on interview with head of KUD Sejahtera and KUD Sumber Rezeki and field observation, it was confirmed that spraying activity in the smallholder blocks was not uniform according to the best management practices and guideline set by PT Inti Indosawit. - Based on interview with head of KUD Sejahtera and KUD Sumber Rezeki, it was confirmed that some of individual member did not applied the up-keeping of the oil palm as per PT Inti Indosawit recommendation. - It was observed during the smallholder blocks field assessment, inappropriate size boots were used by the smallholders. <p>Statement of Nonconformity: The training on the health and environmental risks of pesticide exposure; productivity and best management practice; international and national instruments that protect workers’ health for the smallholders and/or its’ workers was not conducted effectively.</p> <p>Root Cause Analysis: Still lack of knowledge of farmers regarding:</p> <ul style="list-style-type: none"> • Best agriculture practice of oil palm plantation. • Handling hazardous material including pesticides and its container, so they conduct pesticides spraying activity by themselves. • Occupational health and safety. <p>There is no regular monitoring from ICS Plasma Buatan to check the implementation of best agriculture practises in Smallholder Kavling.</p> <p>There is no effective coaching as well as reward and punishment for smallholder member to ensure the consistency of best agriculture practise implementation in their kavling.</p> <p>There is no effective dissemination and awareness from ICS Plasma Buatan to smallholder member to ensure that they understand to handling hazardous material including pesticides and its container as well as occupational health and</p>	<p>Major</p>

	<p>safety.</p> <p>Corrective Action:</p> <ul style="list-style-type: none"> • PT Inti Indosawit Subur – Smallholder has conducted monitoring / checking related to kavling condition regularly. The monitoring was documented in “Monitoring Pemeriksaan Kondisi Kapling” that contain: KUD name, date of checking, kavling number, farmer name, condition of circle, weed, pruning and midrib placement. • “Monitoring Pemeriksaan Kondisi Kapling 2017” mentioned that on 13 September 2017 has been conducted checking of KUD Sumber Rezeki to kavling number 2227 (Arpen Simbolon), 2268 (Sutejo), 2270 (Misla) and 2271 (Buyamin), condition of circle, weed, pruning and midrib placement were good. • PT Inti Indosawit Subur – Smallholder has documented “Monitoring Teguran Lisan” to record if there was kavling which not comply with the SOP of Agronomy or best agriculture practices. On 14 September 2017 it was recorded that has been given verbal warning to farmer of kavling 682 (Jasiran) and 709 (Supono) because of the weed condition is bush. • PT Inti Indosawit Subur – Smallholder has determined decree no.009/DOK/SOP/PT.IIS-ICS KLB/2016 dated 2 January 2017 which defined that Group Manager will give oral warning if there was farmer which not comply with the SOP of Agronomy. If verbal warning is still violated, then it will be given warning letter #1, #2, #3. If until 3rd warning letter is still violated, the manager have the right to remove the farmer from the certification group. • PT Inti Indosawit Subur – Smallholder has conducted dissemination to farmers regarding ex pesticides handling on 2 September 2017 at Makmur Village building, attended by KUD, chief of KT, farmers and elder of smallholder. Dissemination subject was based on PP 74 year 2001. • Based on interview with farmers, they all understood that chemical spraying was only done by TUS, and cannot be performed by themselves and they all understood that up keeping activity must be performed following the recommendation. • Farmers in the field have demonstrated that they have uses appropriate personal protective equipment. ICS Plasma Buatan has give the coaching and awareness regarding occupational health and safety to all workers. <p>Assessment Conclusion: The Major NCR is closed on 10 October 2017.</p>	
<p>1514963-201708-M8</p>	<p>Requirements: RSPO P & C INA NI 2016 Indicator 5.3.2 All chemicals and their containers shall be disposed of responsibly.</p> <p>Evidence of Nonconformity:</p> <ul style="list-style-type: none"> - Based on a visit to Clinic of "Asian Agri Sehat" in Buatan Estate and interview with Paramedic, the auditor was informed and confirmed that the medical waste management was done by buried. However, the Asian Agri Clinic has 	<p>Major</p>

	<p>not been able to show the approval of B3 Waste burial issued by the Head of the Regency/City Environmental Agency as required in article 27 paragraph 1 of PermenLHK no. 56 tahun 2015 on Tata Cara dan Persyaratan Teknis LB3 dari FASKES (technical procedures and requirements of hazardous waste and FASKES).</p> <ul style="list-style-type: none"> - Based on the visit in emplacement EKO2, the auditor team found ex-knapsack and used oil bottle have not controlled properly as required in SOP of waste pesticide management which is SOP of hazardous waste management No.AA-KL-06-EFP. 	
	<p>Statement of Nonconformity:</p> <ul style="list-style-type: none"> - Clinic "Asian Agri Sehat" has not been able to show the approval from Head of the Regency/City Environmental Agency related to medical waste management that conducted by buried. - Implementation of SOP of waste pesticide management which is SOP of hazardous waste management No.AA-KL-06-EFP is not consistent. 	
	<p>Root Cause Anaysis:</p> <ul style="list-style-type: none"> - Lack of understanding that the handling of medical waste must obtain a permit or recommendation letter from the relevant agencies, as it has already been visited by the relevant agencies and provide a verbal recommendation for the handling of medical waste by making a particular disposal place. There is no apparently attempt from PT Inti Indosawit to push and propose to related agencies to obtain the approval letter of medical waste management that conducted by buried. - Knapsack encountered in a dump housing does not belong to the Buatan Estate company and employee awareness about hazardous waste handling is still lacking because there is no effective dissemination and training regarding hazardous waste handling in housing area. 	
	<p>Corrective Action:</p> <ul style="list-style-type: none"> • The Company has made a proposal and application to obtain the permit and recommendations letter of hazardous waste (medical waste) burial in plantation area, Letter number: 670/GM-IIS/EXT/VIII/2017. Currently the recommendation letter is still in the process of the relevant agencies, temporarily while waiting for permission and recommendations from the government issued, the company has made some steps in managing medical waste such as: <ul style="list-style-type: none"> ✓ Issued a memorandum Number: 808/EST-KBN/MEMO/09/17 dated September 21st, 2017 stating that the clinic is required to manage the medical waste to store at licensed temporary hazardous waste storage (TPS LB3). This memorandum has been submitted and understood by clinic workers including paramedics, doctors and midwives. Clinic has remove the medical waste to TPS LB3 and made a handover record of medical waste dated 10 October 2017. The clinic has sent its medical waste as much as 2 small drum to TPS LB3. Medical waste may be stored for 180 days at TPS LB3 and then sent to licensed hazardous waste collectors. • The company has taken the knapsack garbage from the dumpster and 	

**RSPO Public Summary Report
Revision 4 (November /2016)**

	<p>removal to the temporary hazardous waste storage (TPS LB3), record of the knapsack handover to TPS LB3 in Central Workshop/Traksi can be demonstrated on dated August 19th, 2017.</p> <ul style="list-style-type: none"> • Socialization and awareness to employees of EKO1 housing residents related to waste management has been done dated 15 September 2017, evidence of socialization can be shown. Interviews with residential employees on behalf Bakri, Sumarmi and Riski Tambunan they already understand the mechanism of waste handling and should not dispose waste categorized as hazardous waste into domestic waste. <p>Assessment Conclusion: The Major NCR is closed on 10 October 2017.</p>	
<p>1514963-201708-M9</p>	<p>Requirements: RSPO P & C INA NI 2016 Indicator 5.6.3</p> <p>Evidence of Nonconformity: Audit team was found that the calculation for Buatan I POM, using PalmGHG ver.3.0 was not accurate – compared against the estate and mill operational database. Example of database seen:</p> <ul style="list-style-type: none"> - The figure for FFB supplied from Buatan Estate stated 88,508 tons – whereby the planted hectareage of 2,007 Ha resulting in yield 44.1 ton FFB/Ha/year. The database shown the FFB figure from Buatan Estate (supplying o Buatan I POM) was 32,228 tons. - The figure for FFB supplied from Buatan Smallholder stated 165,169 tons – whereby the planted hectareage of 3,690 Ha resulting in yield 44.1 ton FFB/Ha/year. The data provided shown the FFB figure from Buatan Smallholders (supplying to Buatan I POM) was 65,616 tons; <p>Statement of Nonconformity: This nonconformity was escalated from previously minor nonconformity, identified from RSPO P&C ASA1-1. Previous assessment finding: The company cannot demonstrate monitoring of GHG based on reporting using appropriate tools (Palm GHG). Company has monitored the emission and pollutants from estate and mill operation using PalmGHG ver.3.0. However, it was found that information used for GHG calculation in Buatan I POM using PalmGHG ver.3.0 was not accurate – compared against the estate and mill operational database.</p> <p>Root Cause Anaysis: There is an error in the input data, the hectare of Buatan group statement in the input has not been divided based on the supply of FFB to the factory.</p>	<p>Major</p>

	<p>Corrective Action:</p> <p>Company has revising the input of GHG calculation data and recalculated the GHG emission generated by PT Inti Indosawit Subur – Buatan I palm Oil Mill and its supply base. FFB figure has been revised accordingly based on the database of Buatan Estate supplying to Buatan I POM was 32,228 tons.</p> <p>The data revised and provided shown that the FFB figure from Buatan Smallholders supplying to Buatan I POM was 65,616 tons.</p> <p>Total summary emission from GHG calculation was:</p> <table border="1" data-bbox="311 672 885 974"> <thead> <tr> <th>Product</th> <th>tCO2e/t Product</th> </tr> </thead> <tbody> <tr> <td>CPO</td> <td>0.42</td> </tr> <tr> <td>PK</td> <td>0.42</td> </tr> <tr> <td>PKO</td> <td>0.17</td> </tr> <tr> <td>PKE</td> <td>0.17</td> </tr> </tbody> </table> <p>Company has appointed the person in charge (Welly Joel) to performed GHG calculation each year. The PIC also has responsibility to ensure the validity of input data of GHG calculation. Sustainability team also has to ensure and monitor the correct input data such as hectare statement, production, chemical usage, diesel fuel usage, etc which is necessary and also monitor the GHG calculation report.</p>	Product	tCO2e/t Product	CPO	0.42	PK	0.42	PKO	0.17	PKE	0.17	
Product	tCO2e/t Product											
CPO	0.42											
PK	0.42											
PKO	0.17											
PKE	0.17											
<p>1514963-201708-M10</p>	<p>Assessment Conclusion:</p> <p>The Major NCR is closed on 10 October 2017.</p> <p>Requirements: RSPO P & C INA NI 2016 Indicator 6.1.3</p> <p>Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, through consultation with the affected parties, shall be available, documented and timetabled, including responsibilities for implementation.</p> <p>Evidence of Nonconformity:</p> <ul style="list-style-type: none"> - Based on document verification company has done SIA monitoring in 2011, 2012, 2013 and 2015, however the result of monirotng is not relevant with the identification that has been done in 2009. - Monitoring of SIA only covered the economics of the surrounding community. - SIA monitoring cannot be demonstrate that it has been consulted with affected parties. <p>Statement of Nonconformity:</p> <p>Company has made the SIA and Plans for management and monitoring of social impacts, however it was found inconsistency in the implementation.</p> <p>Root Cause Anaysis:</p> <p>Company has not included the recommendation and suggestion from SIA report in the SIA review and monitoring report, company just focusing on economic condition for SIA monitoring. Company was use the AMDAL document (SEIA) as</p>	<p>Major</p>										

	<p>a reference to implementing the SIA, while the AMDAL (SEIA) document only covering the economics aspect monitoring and management of the surrounding community and social perception.</p> <p>Corrective Action:</p> <p>The Company has made revisions and updates related to SIA review and monitoring reports. Finalization of the SIA review revision is made on August 18th, 2017. Evidence of improvement can be demonstrated and integrated in the environmental permit report document for the period of January - June 2017. Document verification results shown that the SIA review report 2017 is appropriate and in line with the SIA document which performed on 2009. The review results are presented in "Tabel isu dan permasalahan, upaya pengelolaan yang telah dilakukan terhadap aspek sosial terkait hubungan dengan hubungan antara kebun buatan PT IIS dengan plasma PIR Tahun 2017".</p> <p>SIA monitoring already covers environmental, social and environmental aspects. Evidence of community involvement in the review of the SIA can be demonstrated in the " Kuisiner Pendapat masyarakat Sekitar kegiatan Usaha." The questionnaire and community involvement are also documented in the " Daftar Hadir Konsultasi dengan Masyarakat Adat".</p> <p>Questionnaires include the identity of the respondent, the questions related to the community's economic condition, social group of the community, the needs of the community, the communication, the communication characteristics of the surrounding community, the availability of surrounding communities to the public company communication, the impact of the company's activities on the community and public perceptions of the impact of company existence.</p> <p>The consultation was conducted on 11 community respondents and leaders of Mekar Jaya Village and Desa Bukit Agung, Dusun kualo - Kerinci, Melayu Riau Traditional Institution, Lalang Saw Village. Evidence of consultation and quisionare result were available.</p> <p>Assessment Conclusion:</p> <p>The NC Major is CLOSED on 9 October 2017.</p>	
<p>1514963-201708-M11</p>	<p>Requirements: RSPO P & C INA NI 2016 Indicator 6.5.2 Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to the workers.</p> <p>Evidence of Nonconformity:</p> <ul style="list-style-type: none"> - Based on the interviews of some PHL workers that the workers have not understood related to the contract of work (interview to SKU: ST (fertilizer), BHL: MVA (TUS), RST (G. Committee) and SKU: SP (Nurse) PHL who has not signed a 3-year contract of work (a/n MVA), Nursery workers during interview did not understand and care with the contract. - There is no appropriate explanation on the basis of BHL's working contract in Mill for 3 months. <p>Statement of Nonconformity:</p> <p>Based on document verification and interviews with some laborers, it was found</p>	<p>Major</p>

	<p>that the Labor did not understood the collective labor agreement and contract</p> <p>Root Cause Analysis:</p> <ul style="list-style-type: none"> - Lack of understanding from workers interviewed about employment contracts because of less given awareness. - KTU of Buatan I Mill was following the previous PKB so that contract is renewed every 3 month. <p>Corrective Action:</p> <ul style="list-style-type: none"> • PT Inti Indosawit Subur has conducted dissemination regarding working contract during morning briefing on 2 September 2017 to remind worker related to their contract. Interview with several workers during audit both in Estate and Mill indicated that they have understood regarding their contract. • Contract of some worker in Buatan I Mill mentioned that period was started on 1 July 2017 and ended on 30 June 2018, e.g. Santoso Hospital Samosir, Muhammad Wawan Rachmadi and Pasko Ignatius Matondang. • PT Inti Indosawit Subur will evaluate work contract of workers regularly in annual basis to control that all contract are comply with the regulation and PKB. • PT Inti Indosawit has revising the contract of workers from 3 monthly basis to become yearly basis as contract workers (PKWT – pekerja Waktu Tertentu). Evidence of contract can be demonstrated during audit. <p>Assessment Conclusion: The NC Major is closed on 9 October 2017.</p>	
<p>1514963-201708-M12</p>	<p>Requirements: RSPO P & C INA NI 2016 Indicator 6.9.1 A policy to prevent sexual and all other forms of harassment and violence, shall be documented, implemented and communicated to all levels of the workforce.</p> <p>Evidence of Nonconformity:</p> <ul style="list-style-type: none"> - The leader of "Komite Gender" doesn't understand regarding the work programme, term and reference and Procedure / mechanism related to matters, eg: procedure in case of sexual harassment, related to menstruation leave (H1) which has been described in PKB. - During the interview with the workers at the child care, it was found that the women did not understand on gender committee's role and grievance mechanism when reporting (any) case related to sexual harassment. <p>Statement of Nonconformity: The gender committee does not understand the term of reference/procedures set by the company.</p> <p>Root Cause Analysis:</p> <ul style="list-style-type: none"> - The new gender committee chairperson is appointed as the chairman and has not mastered the programs and procedures of sexual harassment and menstruation leave. - The TPA guard worker has not understood the gender committee because it is always absent in the socialization and meeting of the gender committee. 	<p>Major</p>

**RSPO Public Summary Report
Revision 4 (November /2016)**

	<p>Corrective Action: The Company has restructured the Gender Committee organization "Struktur organisasi Komite Gender PT Inti Indosawit Subur – kebun Buatan Periode 2017 - 2018. Training and awareness related to the programs and procedures of the gender committee have been conducted by the company to the gender committee organization on 7th October 2017. During audit and interview with the new chairman of Gender Committee can be shown that the committee chairperson has understood the sexual harassment program and complaints procedure SOP AA-HR-309.01-RO SOP. The gender committee has also established programs related to employee education regarding women's reproductive rights, prevention of sexual harassment and reporting mechanisms in case of sexual harassment.</p>	
	<p>Assessment Conclusion: NC Major is closed on 9 October 2017</p>	
<p>1514963-201708-M13</p>	<p>Requirements: RSPO SCCS Module E – CPO Mills: Mass Balance E.4.1 E.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received.</p> <p>Evidence of Nonconformity: Audit team noted that a number of FFB delivery ticket was stamped with false certification ID, however it was not identified and went through the entire FFB receiving process. The correct certification ID for Buatan 1 POM was RSPO 638918, the certification ID stamped was RSPO 638947. Example seen: Surat Pengantar TBS dated 29th May 2017, marked with certified RSPO 638947, 192 bunches, from Buatan Estate Division III, block C89a, planting year 1989, transporting truck BM9117TH. Weighbridge ticket No.PBSA117202682, source from Buatan Estate, Division III, block C89a, planting year 1989, harvest date 29th May 2017, weigh 5,430 kg, certificate ID RSPO 638918, transporting truck BM9117TH, country of origin Indonesia, receiving mill Buatan I POM. Surat Pengantar TBS dated 29th May 2017, marked with certified RSPO 638947, 146 bunches, from Buatan Estate Division III, block C90c, C90d, C90e, planting year 1990, transporting truck BM9117TH. Weighbridge ticket No.PBSA117202698, source from Buatan Estate, Division III, block C90c, C90d, C90e, planting year 1990, harvest date 29th May 2017, weigh 5,290 kg, certificate ID RSPO 638918, transporting truck BM9117TH, country of origin Indonesia, receiving mill Buatan I POM.</p> <p>Statement of Nonconformity: Buatan I Palm Oil Mill was unable to demonstrate consistent verification of certified and non-certified FFBs received; this condition was not in line with company procedure "Traceability" No.AA-MPM-OP-1400.17-R4 dated 25th February 2015.</p> <p>Root Cause Analysis: There was misunderstanding from FFB clerk in stamping RSPO certificate number because FFB administration is still manual.</p>	<p>Major</p>

**RSPO Public Summary Report
Revision 4 (November /2016)**

	<p>Corrective Action:</p> <ul style="list-style-type: none"> PT Inti Indosawit Subur has implemented computerized system to handle FFB administration, called Asian Agri Connected Plantation (AACP), since 25 August 2017. The certificate number automatically printed on the weighbridge card if the scanner reads the barcode on the tablet of FFB truck operator. Sustainability officer conduct monitoring of RSPO certificate number in the AACP to ensure that certificate number were correct and up to date. In AACP, FFB trip information, e.g. location (Block and Afdeling), FFB amount, average bunch weight, transporter, driver and RSPO certificate number were recorded in computer tablet. The tablet creates barcode that will be read by scanner in weighbridge. The weighbridge clerk then scan the barcode and print the weighbridge ticket with correct RSPO certificate number. Based on review of weighbridge ticket number PBSA117205390 from Afdeling I Buatan Estate, PBSA117205387 from Afdeling II Buatan Estate, PBSA117205388 from Afdeling I Buatan Estate dated 5 October 2017, the RSPO certificate number were correct, RSPO 638918. <p>Assessment Conclusion: NC Major is closed on 9 October 2017.</p>	
<p>1514963-201708-N1</p>	<p>Requirements: RSPO P & C INA NI 2016 Indicator 4.3.5 Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.</p> <p>Evidence of Nonconformity: Based on the semi-detailed soil analysis, there were 85 ha peat soil in Buatan Estate, however there is no drainability assessment conducted and based on replanting programme the company will be performed replanting on 2018.</p> <p>Statement of Nonconformity: Company has not conducted drainability assessments prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.</p> <p>Root Cause Analysis: The management of Buatan Estate assumed that nowadays there is no peat soil exists in Buatan Estate.</p> <p>Corrective Action: PT. Inti Indosawit Subur – Buatan II POM has submitted corrective action plan, and accepted by audit team. Audit team will review the effectiveness during subsequent assessment visit.</p> <p>Assessment Conclusion: These minor norcormity will be verified on next surveillance audit.</p>	<p>Minor</p>
<p>1514963-201708-N2</p>	<p>Requirements: RSPO P & C INA NI 2016 Indicator 6.1.4 The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation</p>	<p>Minor</p>

**RSPO Public Summary Report
Revision 4 (November /2016)**

	<p>of all affected parties</p> <p>Evidence of Nonconformity: Company has conducted the SIA review in 2016 however the result is not covered the main issue according to Mitigation and management plan of SIA, the reviews only covered the economic condition monitoring of the surrounding community.</p> <p>Statement of Nonconformity: Company has conducted SIA on 2009, however there is no proper review has been done according to SIA document in particular Mitigation and management plan review</p> <p>Root Cause Analysis: Company has not included the recommendation and suggestion from SIA report in the SIA review and monitoring report, company just focusing on economic condition for SIA monitoring.</p> <p>Corrective Action: The Company has made revisions and updates related to SIA review and monitoring reports. Finalization of the SIA review revision is made on August 18th, 2017. Evidence of improvement can be demonstrated and integrated in the environmental permit report document for the period of January - June 2017. Document verification results shown that the SIA review report 2017 is appropriate and in line with the SIA document which performed on 2009. The review results are presented in "Tabel isu dan permasalahan, upaya pengelolaan yang telah dilakukan terhadap aspek sosial terkait hubungan dengan hubungan antara kebun buatan PT IIS dengan plasma PIR Tahun 2017".</p> <p>Assessment Conclusion: The minor NC is CLOSED on 9th October 2017.</p>	
<p>1514963-201708-N3</p>	<p>Requirements: RSPO P & C INA NI 2016 Indicator 6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where such public facilities are unavailable or inaccessible.</p> <p>Evidence of Nonconformity: The company has prepared a budget for housing maintenance. (in 2016 : Rp 26,000,000 and in 2017 : Rp 124,000,000). Based on interviews with homeowners in Buatan I POM (Mrs S, Mr. M) and Buatan Esate (Mr A) obtained information that the process for housing maintenance is done by filing a complaint to the company as in SOP AA-HR-308.5.R0, and the company will be followed up. However based on visits in housing area, auditor found, such as:</p> <ol style="list-style-type: none"> 1. Several houses with damaged conditions (damaged ceiling), drainage system that did not work properly, insufficient emergency response facilities (APAR in KBN / 02/14) 2. Lack of evidence that the addition of house building has obtained permission from the company, as required in PKB article XIV paragraph 3.e 	<p>Minor</p>

	<p>Statement of Nonconformity: The company has provided adequate housing (140 units in Buatan POM and about 300 units in Emplacement Eko 2), however based on visits in housing area, auditor found, such as:</p> <ol style="list-style-type: none"> 1. Several houses with damaged conditions (damaged ceiling), drainage system that did not work properly, insufficient emergency response facilities (APAR in KBN/0214) 2. Lack of evidence that the addition of house building has obtained permission from the company, as required in PKB article XIV paragraph 3.e <p>Root Cause Analysis:</p> <ul style="list-style-type: none"> - Every housing facility has a certain time schedule for maintenance. - The company has distributed memorandum related rules in housing repair and maintenance. - APAR (fire extinguisher) is in repair. <p>Corrective Action: PT. Inti Indosawit Subur – Buatan II POM has submitted corrective action plan, and accepted by audit team. Audit team will review the effectiveness during subsequent assessment visit.</p> <p>Assessment Conclusion: These minor norcormity will be verified on next surveillance audit.</p>	
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Issues raised by Stakeholders	
<p>Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss PT. Inti Indosawit Subur – Buatan I Palm Oil Mill Certification Unit’s environmental and social performance, legal and any known dispute issues.</p> <p>Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. These have been incorporated into the assessment findings.</p> <p>Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E.</p>	
IS #	Description
1	<p>Feedback, Comment and Input Dinas Tenaga Kerja dan Transmigrasi Kabupaten Pelalawan (Manpower and Transmigration Office – Pelalawan Regency)</p> <ul style="list-style-type: none"> - Generally PT Inti Indosawit – Buatan I POM has built good communication with Manpower and Transmigration Office – Pelalawan Regency. - PT Inti Indosawit Subur – Buatan I POM has complied well with legislation related to employment, i.e; <ul style="list-style-type: none"> • Company has provided all normative rights for employee, such as salary as lined out in minimum wage for province level, leave entitlement, employees registered with social insurance for worker (BPJS), benefit for religious festival, provision of facilities (housing, electricity, clean water, medical clinic, school/school bus, worship house, personal protective equipment, working tools, etc.). • There was no report/complaint logged in related to discriminative action by company. There was no report/complaint logged in related to the use of child worker/under age worker. • Company has submitted health and safety performance report regularly to the manpower agency. • Complaint received from worker union related to medical service provided by “BPJS Kesehatan”, in particular medical treatment service from hospital/clinic where no cooperation with BPJS. • There was still an issue related to the use of informal worker (without direct work agreement) for loose fruit collector • There was once industrial dispute related to employee mutation, which considered as intimidation from company to employee. • There has been no industrial relationship dispute occurred from the last year. • Company has prepared infrastructure and facility for workers welfare such as: housing, clean water, electricity, medical facility, education, etc. - There are employees who are identified use of drugs/Narcotic in PT Inti Indosawit Subur – Buatan I POM.
	<p>Management Responses</p> <p>For the positive things that have been done will be maintained and improved towards a better by management companies.</p>
	<p>Audit Team Findings</p> <p>The company has taken action in accordance with well-established procedures and persuasive approach, so there is no turmoil / issue.</p>

	With respect to wages, the use of PPE and SIO, the company has implemented in accordance with relevant law and regulations.
2	<p>Feedback, Comment and Input Badan Lingkungan Hidup Kabupaten Pelalawan – Environmental Body Pelalawan Regency</p> <ul style="list-style-type: none"> - Company has revised the AMDAL document. - Company has an environmental document related to development of biogas plant and kernel crushing plant. - Replanting activity has been covered in environmental management and monitoring plan. - Company has consistently reporting the environmental management: Laporan RKL-RPL, Laporan Pengelolaan Limbah B3, Laporan Pemanfaatan Limbah Cair. - PT Inti Indosawit Subur – Buatan I POM has performed environmental management in good manner. - Hazardous waste/LB3 monitoring report on Shelter Temporary (TPS) Hazardous waste/LB3 has been done. - Company has managed the hazardous waste, obtained permit for temporary storage – in accordance with relevant regulation. - There was no report from stakeholder on environmental pollution caused by plantation operation of palm oil mill operation. - Inner plastic bag from fertilizer bag shall be treated and managed as hazardous waste.
	<p>Management Responses For the positive things that have been done will be maintained and improved towards a better by management companies.</p>
	<p>Audit Team Findings Audit team will continue to monitor PT Inti Indosawit Subur – Buatan I POM related to Environmental management and monitoring performance.</p>
3	<p>Feedback, Comment and Input Dinas Perkebunan Kabupaten Pelalawan – Plantation Agency Pelalawan District</p> <ul style="list-style-type: none"> - PT Inti Indosawit Subur – Buatan I POM has obtained HGU and in line with spatial planning for Pelalawan Regency, as cultivation/plantation area. - Company has reported the plantation operation activities on regular basis to “Dinas Kehutanan dan Perkebunan Kabupaten Pelalawan Semester I 2017”. - There was issue related to request from community for company to release cemetery land and request for company to release land for marketplace development. - The company has obtained Plantation Business Permit (IUP) - There is no report related to land claim and land dispute occurred and submit by community or other company. - FFB price established based on market price, and company was not bound to FFB price regulated by “Keputusan Penyusunan Harga TBS Propinsi Riau”. Based on report, PT Inti Indosawit Subur – Buatan I POM has price structure better than other companies.
	<p>Management Responses Company acknowledge the comment from Plantation Agency.</p>
	<p>Audit Team Findings Audit team will continue to monitor PT Inti Indosawit Subur – Buatan I POM related to Plantation management and monitoring performance.</p>
4	<p>Feedback, Comment and Input Serikat Pekerja PT. Inti Indosawit Subur – Buatan Group (Worker Union)</p> <ul style="list-style-type: none"> - Company and employee has agreed to established bi-partite organization to resolve issued related to industrial relationship; the organization has been registered to “Dinas Tenaga Kerja Kabupaten Pelalawan”. Meeting between company and employee conducted whenever issues occurred and requires discussion. - Company has provided health and safety training and provided first aid kit to field supervisor/mandor.

	<ul style="list-style-type: none"> - Company has a policy to prohibit the recruitment of employee under 18 years old, including family worker in all operation. - Company has a policy to protect flora and fauna. - Company does not use migrant worker and prohibit force labour. - Worker salary has followed minimum wage as lined out by Riau Province government for year 2017 - There is a collective working agreement between company and employee. - Company has provided all normative rights for employee, such as salary as lined out in minimum wage for province level, leave entitlement, employees registered with social insurance for worker (BPJS), benefit for religious festival, provision of facilities (housing, electricity, clean water, medical clinic, school/school bus, worship house, personal protective equipment, working tools, etc.). <p>Management Responses Management will strive to continue and improve the positive practices in implementing company commitment towards health and safety, and upholding the human rights.</p> <p>Audit Team Findings Audit team will continue to monitor PT Inti Indosawit Subur – Buatan I POM related to Plantation management and monitoring performance.</p>
<p>5</p>	<p>Feedback, Comment and Input Gender Committee PT. Inti Indosawit Subur – Buatan Group</p> <ul style="list-style-type: none"> - Company has implemented the policy related to protection reproductive right; such as not hiring female for work activity with high risk; monthly pregnancy test for sprayer and fertilizer applicator; 6-monthly check up for sprayer and fertilizer applicator. - All female worker in sprayer team and fertilizer team shall join pregnancy test in company clinic, once a month. - There has been no report logged in to committee related to sexual harassment and/or violence. - There is no indication that company practising sexual harassment, no indication of gender discrimination, no indication of human right violation, and forced labour. - The leader of gender committee has not understood what the work program is and procedure in case of sexual harassment <p>Management Responses Management will strive to continue and improve the positive practices in implementing company commitment towards health and safety, and upholding the human rights. The appointment of the head of the new gender committee was conducted in July 2017, so it is necessary to undertake learning and training and briefing related to the knowledge of gender committees.</p> <p>Audit Team Findings Audit team will continue to monitor PT Inti Indosawit Subur – Buatan I POM related to Plantation management and monitoring performance.</p>
<p>6</p>	<p>Feedback, Comment and Input Head of Village Makmur Jaya, Lalang Kabung</p> <ul style="list-style-type: none"> • Villagers around ethnically, Batak, Javanese, Sundanese and Banjar. • There was no land conflict with surrounding community. • No land conflict was reported since hand-over was done in proper settlement in the beginning. • In general communication and coordination between the village government and the Company has been running well. • The Company always responds to any problems submitted by the village government officials or from the surrounding community. Villagers have confirmed that organisation has done some positive CSR activities on their surroundings. Routinely companies provide assistance through CSR programs in the form of borrowing heavy equipment (excavators, graders and compactors), scholarships,

	<p>assistance to the poor, religious facilities, etc.</p> <ul style="list-style-type: none"> • Access roads surrounding villages are always maintained by the company. • Enclave owner has proper access to their own farm inside company’s farm without any difficulties. • Employee recruitment from the surrounding villages was not adequate. • There are no reports from the public regarding the operational activities of companies that violate Human Rights such as the Right to Organize and assemble Conduct worship in accordance with beliefs, as well as other practices of violation of Rights such as the use of mercenaries for the intimidation of workers, the sale of human beings etc. • Companies still utilize labor with the status of Daily Workers (PHL) from the surrounding community <p>Management Responses</p> <ul style="list-style-type: none"> - Communication is always well established with the surrounding community, so was no land conflict with surrounding community until conduct this audit. - Routinely companies provide assistance through CSR programs in the form of borrowing heavy equipment (excavators, graders and compactors), scholarships, assistance to the poor, religious facilities, etc. - Improving future CSR programs based on the potential of the village concerned and empowering the community by conducting soft skills training. For example with agricultural and livestock farming programs with at the same time provide direct guidance and direction. - Associated with the establishment of plantations through plasma scheme, which is completed 100% of the plan. <p>Audit Team Findings</p> <ul style="list-style-type: none"> - It is suggested that PT IIS can maintain communication with the community and village apparatus. - CSR programs to be developed in accordance with community empowerment programs and guidance and coaching. - The use of labor to be prioritized to the surrounding community by referring to recruitment procedures. - It is suggestion to be followed up in relation to the proposed electricity subsidy.
<p>7</p>	<p>Feedback, Comment and Input Local NGO (Media Gagasan Riau – Mr. Kamal)</p> <ul style="list-style-type: none"> - This NGO was monitor of several companies including PT Inti Indo Sawit - Asian Agri. - Based on monitoring every month, it was last in July 2017 that there was no problem related to licensing of PT IIS in general, such as licensing of HGU, HGB and PBB and IMB. - There are some problems related to the use of BHL employees, some of which still have no clarity for appointment as permanent employees. <p>Management Responses</p> <p>In relation to the use of BHL employees, the company has sought to make appointments as permanent employees. The appointment program is conducted every year with very limited number of appointments. While the appointment of employees has been in accordance with procedures established by the management of PT ISS, namely SOP AA-HR-305.2-R0 on Recruitment and selection of employees.</p> <p>Audit Team Findings</p> <p>In the case of the use of non-permanent employees of BHL or PKWT the company must follow the relevant legislation, UU No. 13 of 2003. See NC report.</p>
<p>8</p>	<p>Feedback, Comment and Input Union Leader-SPSI Spraying worker (TUS), fertilizers workers, Harvester, Mechanic and Operator</p> <ul style="list-style-type: none"> - The Company has implemented the minimum wage according to the government's decision (Governor of Jambi). Worker Agreement (PKB) between company and labour union is referred in working regulation, Worker Agreement was registered by Dirjen Pembinaan Hubungan Industrial dan

**RSPO Public Summary Report
Revision 4 (November /2016)**

	<p>Jaminan Sosial Tenaga Kerja</p> <ul style="list-style-type: none"> - The Company has facilitated SPSI in the form of office space and stationery that can be used if there will be meetings, meetings or discussions both internal and external (with management).Period meeting is held at least once a year to review the issue of labour/employee, the next is meeting with management will be held if there are problems related to the employee. Up to now there are no records of complaints from employees. - There are complaints of the employees associated with the explanation / socialization BPJS-Kesehatan those who have carried out by the company. Up to now the problem of BPJS-Kesehatan especially for BHL employees is still in data collection. - All employees have been given adequate facilities, for example: housing, electricity, irrigation, polyclinics, sports field schools, transportation for school children etc. - Associated with OHS, the company has provided equipment and APD work for free to all employees.
	<p>Management Responses</p> <p>Regarding BPJS-Kesehatan registration, the company can make the planning and target of the handling/registration until all employees have been registered as BPJS-Manpower and BPJS-Kesehatan. If there are employees who are still not registered as BPJS-Kesehatan participants, the company can guarantee the health of the employee through the available polyclinics.</p>
	<p>Audit Team Findings</p> <ul style="list-style-type: none"> - The company determines minimum wages based on the Government regulation every year. The minimum wages in 2017 as regulated in SK Gubernur Riau no. 120/I/2017; regarding "Upah minimum sector pertanian/Perkebunan karet, Kelapa, kelapa sawit dan Pabrik Prov. Riau tahun 2017, dated 26 January 2017 as Rp 2.516.812,- - Worker Agreement (PKB) between company and labour union is referred in working regulation, Worker Agreement was registered by Dirjen Pembinaan Hubungan Industrial dan Jaminan Sosial Tenaga Kerja No. Kep.88/PHIJSK-PKKAD/PKB/VI/2015, dated 18th June 2015 (Valid 21st April 2015 - 20th April 2017) Based on document review, it was noted that term and condition, such as: working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc, are covered in PKB and contracts which have been signed by labor union.Period meeting is held at least once a year to review the issue of labour/employee, the next is meeting with management will be held if there are problems related to the employee (will be made circular for a meeting). Meeting to discuss the PKB (Collective Labour Agreement) has always done every 2 years. - Explained also by the chairman of the SPM regarding the provision of equipment for harvesting crops is done 2 years 1 time.

3.3.1 Status of Nonconformities Previously Identified and Observations

There were 3 Major Nonconformity and 4 Minor Nonconformities was raised in previous audit. During audit surveillance auditor were verified consistency of implementation for corrective action plan to addressed the previous Major Nonconformities. During audit indicated that previous Major Nonconformities were addressed by company however during audit still found some similar case as explain below. There were 3 minor Nonconformities remain open due to ineffectively corrective action implementation and it escalated to Major Non conformities.

There were also 4 observation raised on the previous assessment, company has made corrective action and has been implemented well. Below are the explanation regarding follow up from previous observation.

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1357969M1	<p>Requirements: RSPO P&C Generic 2013 indicator 4.6.5 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p>	Major
	<p>Evidence of Nonconformity: According to action plan of Smallholder Office, chemical spraying for all scheme smallholder under Buatan I POM will be handled by PT. Inti Indosawit Subur's resources through company's spraying team. However, during field visit to KUD Sejahtera, KT 110, block 241x (owned by Mr. S) and block 241x (owned by Mr. M), audit team found that there are several smallholder farmers who conducted spraying by themselves. There was no evidence of consideration regarding safety aspect of spraying activities, as well as appropriate control on ex-chemical container.</p>	
	<p>Statement of Nonconformity: During this annual surveillance assessment, audit team found some of the smallholder performed weed control/spraying themselves. Based on interview with the smallholder farmer, they cannot demonstrate sufficient evidence being provided with adequate training, using appropriate safety and application equipment when performing spraying with gramoxone (active ingredient: paraquat). In previous assessment, audit team raised as observation "Observation noticed on communication of the use of PPE to smallholder at KUD Jaya Makmur whose performing spraying/weed control by themselves could be improved". Lack of evidence scheme smallholder management took effective corrective action plan to address previous observation. Therefore, audit team escalated into (major) non- conformity.</p>	
	<p>Root Cause Analysis:</p> <ul style="list-style-type: none"> - Lack of understanding and awareness from smallholder against weeds control by TUS team - Some smallholder feels not satisfied with TUS team work, because they only spraying selective for circle and path with rotation 2 times a year 	
	<p>Corrective Action: Smallholder Manager was able to demonstrate:</p> <ul style="list-style-type: none"> - Buatan I POM and the scheme smallholder management has identified smallholder member that performing spraying themselves in each "Kelompok 	

**RSPO Public Summary Report
Revision 4 (November /2016)**

	<p>Tani"/smallholder group;</p> <ul style="list-style-type: none"> - Buatan I POM and the scheme smallholder management has conducting socialization to smallholder member, including those who had performing spraying themselves; with regards to pest and disease in oil palm plantation, integrated pest management, risk and hazard in application of agrochemical, the use of herbicide for weed control, health and safety concerns during application of herbicide, environmental concerns during application of herbicide, etc. - Buatan I POM and the scheme smallholder management has asked and persuaded the smallholder performing spraying themselves to join PT. Inti Indosawit Subur's plan to use spraying team for the purpose of control on dosage of chemical used, control of equipment used, control of affected target species and weed management program, control the health, safety and environmental aspect during herbicide application. The smallholder management was also explaining the benefit from using company's service such as: proper dosage, concern on health and safety, consideration to environment, safe handling of empty herbicide container. - Buatan I POM and the scheme smallholder management has prepared schedule for "Tim Unit Semprot"/spraying team with weed management program for all smallholder member; - Buatan I POM and the scheme smallholder management has prepared a monitoring plan to control the spraying activities in each "kelompok tani"/smallholder group; <p>Based on the filed visit in KUD Sejahtera-SP 6 (KT 116) and KUD Mandiri Bhakti-SP 3 (KT 53):</p> <ul style="list-style-type: none"> - Interviews with land owners in KUD Sejahtera-SP 6 (KT-116, namely mr S) and KUD Mandiri Bhakti F-SP 3 (KT- 53, namely Mr SS) both did not conduct spraying themselves. Last spray application in March 2016. - Foremans of KUD Sejahtera-SP 6 nemely Mr. "R" and KUD Bhakti SELF-SP 3 namely Mr. "Y" has carried out inspections and daily supervision to ensure the land is not done spraying themselves. If the condition is found land spraying themselves will be recorded on the "Report of Spray Program & Realization". <p>Based on the verification of these records, there were no reports of farmers who have land do spraying Themselves</p> <p>Sample Evidence has been collected: Berita Acara Kesepakatan Bersama Pemakaian TUS dan Pupuk Rekomendasi; Laporan Program & Realisasi Semprot Gawangan; Laporan Program & Realisasi Semprot Piringan SP 3; Notulen Penyuluhan Semprot (TUS) Dan Pemupukan Tahap II;</p> <p>Assessment Conclusion: NC Major closed on 6th September 2016. Remark: During audit surveillance 2 (ASA2) auditor found the similar case against several smallholder farmers who conducted spraying by themselves. This nonconformity is re occur and rased as Major NC # 1514963-201708-M2 as above.</p>	
<p>1357969M2</p>	<p>Requirements: RSPO P&C Generic 2013 indicator 4.7.1 A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p>Evidence of Nonconformity: Program, Objective and Target for Health and Safety for Buatan Estate was made available. However;</p> <ul style="list-style-type: none"> - Company's health and safety program for plantation did not consider risk assessment result to improve condition on high risk level activity such as: Fresh Fruit Bunches loading and fertilizer application. 	<p>Major</p>

**RSPO Public Summary Report
Revision 4 (November /2016)**

	<ul style="list-style-type: none"> - Health and safety program was not reflecting compliance evaluation against the health and safety regulations as lined out in the health and safety policy. Company policy point 3 stated "Committed to implement and maintain occupational health and safety management system in compliance with national and international applicable regulation". Health and safety program was not included relevant health and safety regulation update and review. <p>Statement of Nonconformity: Buatan Estate was not able to demonstrate sufficient evidence implementation of appropriate health and safety program.</p> <p>Root Cause Analysis:</p> <ul style="list-style-type: none"> - OHS program in estate unit were not considering the high risk level according to HIRADC - OHS current regulation were existing however it has not been reviewed in P2K3 meeting and included in OHS program. <p>Corrective Action:</p> <ul style="list-style-type: none"> - Buatan Estate has reviewed and revise the risk assessment; - Buatan Estate has reviewed and revise the health and safety program, as in the "Program P2K3 Buatan Estate"; - Buatan Estate has reviewed the list of health and safety regulation; - As a corrective action plan, Buatan Estate will perform monitoring through regular health and safety meeting. <p>P2K3 has prepared a program for the identification and evaluation of regulatory compliance related to HSE, are recorded in "Evaluasi Kepatuhan Hukum IIS KBN, Up dated August 2016. Such as in meeting of P2K3 on August 15, 2016 as held discussions related "Permenaker Nomor 9 Tahun 2016 Tentang Keselamatan dan Kesehatan Kerja dalam Pekerjaan pada Ketinggian. Evaluation: has done. Sample evidence has been collected:</p> <ul style="list-style-type: none"> ✓ Analisa Resiko Buatan Rev 1 - to date 31 August 2016 Evaluasi Kepatuhan Hukum IIS KBN 2016 ✓ Notulen Rapat P2K3, 15 Agustus 2016 Program Management K3- Kebun Buatan 2016 <p>Assessment Conclusion: NC Major closed on 6th September 2016. Remark: During audit surveillance 2 (ASA2) company has consistent to review the risk assessment and the health and safety program as well as evaluation of regulatory compliance related to HSE. However there was an issue related to implementation of risk mitigation according to risk assessment document; these raised as Major NC # 1514963-201708-M5 as above.</p>	
<p>1357969M3</p>	<p>Requirements: RSPO P&C Generic 2013 indicator 4.7.3 All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>Evidence of Nonconformity: During field visit into Buatan I POM and Smallholder farmer's block, some workers did not use appropriate protective equipment as lined out in risk assessment:</p> <ul style="list-style-type: none"> - Engine Room operator (Mr. J) used earplug when working in location with high noise level; while risk assessment recommended earmuff; 	<p>Major</p>

	<ul style="list-style-type: none"> - Two harvesters in KUD Bhakti Mandiri, KT38 (Mr. BDI cs), did not use helmet when performing harvesting activities; - Wheeler/FFB loading worker in KUD Sejahtera, KT 168, block number 1770 did not use safety shoes; 	
	<p>Statement of Nonconformity: Some worker at Buatan I POM and smallholder farmers block did not follow safe working practice in the use of protective equipment, as lined out in risk assessment, as well as health and safety program.</p>	
	<p>Root Cause Analysis:</p> <ul style="list-style-type: none"> - Lack of discipline and responsibility from workers during doing their job and lack of awareness against safe working practise 	
	<p>Corrective Action:</p> <p>Buatan I POM:</p> <ul style="list-style-type: none"> - Buatan I POM has reviewed the procedure and implementation on use of protective equipment in palm oil mill activities. Based on the review, management identified the cause was because the lack of disciplinary and monitoring in the use of protective equipment among mill workers. - Provision of earmuff for engine room operator evident. - Buatan I POM monitors the use of protective equipment. Monitoring of protective equipment used in Buatan I POM by safety officer through random inspection. Inspection of protective equipment sighted on 08/08/2016 and 10/08/2016. <p>Smallholder:</p> <ul style="list-style-type: none"> - Smallholder management of PT. Inti Indosawit Subur has identified the underlying cause in the absence of protective equipment by harvester and wheeler in smallholder blocks. - Smallholder management identified some of harvester and wheeler was not registered by the KUD/cooperative; - Smallholder management registered all harvester and wheeler in KUD Bhakti Mandiri and KUD Sejahtera. Smallholder manager then provided all harvester and wheeler in KUD Bhakti Mandiri and KUD Sejahtera with training on health and safety procedure for harvesting; - Smallholder manager provided all harvester and wheeler provided with appropriate protective equipment for harvesting activity such as helmet; - As a corrective action, monitoring of protective equipment used by harvester and wheeler in scheme smallholder blocks by field supervisor. - Based on the field visit in KUD Sejahtera-SP 6 (KT 116) and KUD Mandiri Bhakti-SP 3 (KT 53): <ul style="list-style-type: none"> ✓ Harvesters in KUD Sejahtera-SP 6 (KT 116, namely Mr M) and KUD Mandiri Bhakti-SP3 (KT 53, namely Mr Po) has been using PPE such as helmets, gloves of Egrek, and boots pull. ✓ The foreman also has to check the completeness of the PPE for harvester during morning assembly and during field work supervision. Monitoring these checks available in the "Checklist APD Harvesters". Based Verification Checklist document APD Harvesters SP-3 and SP-6, in the month of August 2016 harvest officers have been using PPE. ✓ 'Interview with harvesters namely Mr M (KT 116) and Mr Po (KT 53) has stated that the use of PPE has been provided by the company. - Sample evidence taken: <ul style="list-style-type: none"> ✓ Checklist APD Pemanen SP. 3 Bulan Agustus 2016, 	

RSPO Public Summary Report
Revision 4 (November /2016)

	<p>✓ Checklist APD Pemanen SP. 6 Bulan Agust 2016</p> <p>Assessment Conclusion: NC Major closed on 6th September 2016. Remark: During audit surveillance 2 (ASA2) company has implementing the risk assessment according to HIRADC document. However there was an issue related to implementation of risk mitigation according to risk assessment document; these raised as Major NC # 1514963-201708-M5 as above.</p>	
<p>1357969N1</p>	<p>Requirements: RSPO P&C Generic 2013 indicator 4.6.10 Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).</p> <p>Evidence of Nonconformity: According to action plan of Smallholder Office, chemical spraying for all scheme smallholder under Buatan I POM will be handled by PT. Inti Indosawit Subur, through company's spraying team. However, observed in field visit at KUD Sejahtera, KT 110, block 241x (owned by Mr. S) and block 241x (owned by Mr. M) that there are several smallholder farmer who conducted spraying by themselves. There was no sufficient evidence of appropriate control on ex-chemical container, as well as consideration regarding safety aspect of spraying activities.</p> <p>Statement of Nonconformity: During this annual surveillance assessment, audit team found some of the smallholder farmer in KUD Sejahtera performed weed control/spraying by themselves. Based on interview with the smallholder farmers, they cannot demonstrate knowledge and understanding related to procedure for proper disposal of waste material; training provided to smallholder member on proper waste disposal. Lack of evidence that smallholder farmers whose performed weed control/spraying themselves are able to demonstrate implementation of proper ways for waste material according to procedures. In previous assessment, audit team raised as observation "Majority of farmer members members are using "Team Unit Semprot/TUS" spraying service in performing weed control/spraying. However, based on interview with sampled smallholder farmer, some of them performed weed control by themselves, have not attended training, and disposed off the empty container on the field and/or use it for cattle manure". Lack of evidence scheme smallholder management took effective corrective action plan to address previous observation. Therefore, audit team escalated into non-conformity.</p> <p>Root Cause Analysis: Still lack of knowledge of farmers about handling hazardous material including pesticides and its container, so they conduct pesticides spraying activity by themselves.</p> <p>Corrective Action: Smallholder Buatan has cooperated with PT Inti Indosawit Subur to perform chemical weeding (spraying) in their plantation. Based on interview with several smallholder member (no sample 1502, 1657, 1678, 859, 865, 820, 867) auditor confirmed that the smallholders member has not conducted spraying by themselves.</p>	<p>Minor</p>

**RSPO Public Summary Report
Revision 4 (November /2016)**

	<p>The smallholders are using "Team Unit Semprot/TUS" to spraying service in performing weed control/spraying. However during field audit still found blanket spraying and based on interview with head of KUDs (Sejahtera and Sumber Rezeki) and other smallholders and harvesters, some of individual members are still conduct spraying by themselves. As per information received through interview, the empty chemical containers that produced by the smallholders conducting spraying are buried in the field.</p> <p>Assessment Conclusion: These Minor NC was escalated to Major NC # 1514963-201708-M4</p>	
1357969N2	<p>Requirements: RSPO P&C Generic 2013 indicator 4.7.6 All workers shall be provided with medical care, and covered by accident insurance.</p> <p>Evidence of Nonconformity: KUD Sejahtera/Cooperative has not provides accident insurance for their worker.</p> <p>Statement of Nonconformity: Cooperative has not provides accident insurance for the worker.</p> <p>Root Cause Analysis: The employee who work in Plasma Buatan are not permanent workers and always changed so that the accident insurance (Jamsostek) are not applicable and cant be applied particularly to the harvester.</p> <p>Corrective Action: KUD/Cooperative has provides accident insurance for their worker. E,g Mr Rini Arfianti (no 0002078360199), class: II, dated on 15 September 2016 (in KUD Sejahtera). However according to PT Inti Indosawit, the smallholder and/or its' Workers/harvester in KUD go to local PUSKESMAS to get health care and medication, the PUSKESMAS is not an accident insurance.</p> <p>Assessment Conclusion: These Minor NC was escalated to Major NC #1514963-201708-M6</p>	Minor
1357969N3	<p>Requirements: RSPO P&C Generic 2013 indicator 5.1.3 This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>Evidence of Nonconformity: PT. Inti Indosawit Subur - Buatan has reporting the implementation of environmental management and monitoring plan (Laporan Pelaksanaan Rencana Pengelolaan Lingkungan-Rencana Pemantauan Lingkungan/RKL/RPL) to relevant authorities. Based on document review upon report of the implementation of environmental management and monitoring plan (Laporan Pelaksanaan Rencana Pengelolaan Lingkungan-Rencana Pemantauan Lingkungan/RKL/RPL) period of second half 2015. There was not sufficient evidence the implementation report have collected information, reviewed and reported the following impact:</p> <ul style="list-style-type: none"> - Social aspects (perception, jealousy, etc) that should be monitored through participatory ways; - Community's health in village surrounding the estate; - Appropriate evidence of management plan for aquatic biota; 	Minor

	<p>Statement of Nonconformity: There was not sufficient evidence the implementation of environmental management and monitoring report (Laporan Pelaksanaan Rencana Pengelolaan Lingkungan- Rencana Pemantauan Lingkungan/RKL/RPL) has collected information, reviewed and reported the social and environmental impact as required in the environmental management and monitoring matrix plan.</p> <p>Root Cause Analysis: ??The Person In Charge who ensure the SEIA implementation was not monitor the RKL-RPL matrix which covering to manage and monitor the social aspects (perception, jealousy, etc) that should be monitored through participatory ways, community's health in village surrounding the estate, management plan and monitoring of aquatic biota. Lack of understanding from PIC due to the lack of coaching and monitoring from Sustainability Department.</p> <p>Corrective Action: The company has prepared the document of implementation of environmental management and monitoring report (Laporan Pelaksanaan Rencana Pengelolaan Lingkungan- Rencana Pemantauan Lingkungan/RKL/RPL) for periode January – June 2016 and July – December 2016. The company has collected information, reviewed and reported the social and environmental impact as required in the environmental management and monitoring matrix plan.</p> <ul style="list-style-type: none"> - Social aspects (perception, jealousy, etc) have monitored through participatory ways as in Bab II on implementation and evaluation (2.c. in page 51 related to "Komponen Sosekbudkes" on munculnya kecemburuan social). - Community's health in village surrounding the estate has monitored as in Bab II on implementation and evaluation (2.e. in page 53 related to "Komponen Sosekbudkes" on "Menurunnya kesehatan masyarakat dan lingkungan). The record provided in page 95 "Data Penyakit Puskesmas Pelalawan and Puskesmas Pangkalan Kerinci" - The company has prepared the management plan for aquatic biota. The record of implementation was available in appendix 7 "Data Analisa Hasil Laboratorium Air" <p>Company (Sustainability Team) has give the awareness to PIC of SEIA implementation in Buatan POM and Estate (including smallholder) regarding the standard of SEIA implementation according to RKL-RPL matrix. Sustainability team also has a program to monitor the SEIA implementation in accordance with RKL-RPL matrix.</p> <p>Assessment Conclusion: These Minor NC was Closed on 12 August 2017.</p>	
<p>1357969N4</p>	<p>Requirements: RSPO P&C Generic 2013 Indicator 5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.</p> <p>Evidence of Nonconformity: The company cannot demonstrate monitoring of GHG based on reporting using appropriate tools (Palm GHG).</p>	<p>Minor</p>

**RSPO Public Summary Report
Revision 4 (November /2016)**

	<p>Statement of Nonconformity: Company cannot demonstrate monitoring of GHG based on reporting using appropriate tools (Palm GHG)</p>	
	<p>Root Cause Analysis: GHG calculation result has not been submit to unit office by Jakarta office.</p>	
	<p>Corrective Action: Company has monitored the emission and pollutants from estate and mill operation using PalmGHG ver.3.0. However, it was found that information used for GHG calculation in Buatan I POM using PalmGHG ver.3.0 was not accurate – compared against the estate and mill operational database.</p>	
	<p>Assessment Conclusion: These Minor NC was escalated to Major NC # 1514963-201708-M9</p>	

Observation	
OBS #	Description
1	<p>RSPO P&C Generic 2013 indicator 4.4.1 KUD Bhakti Mandiri and KUD Sejahtera presented the water management plan. The plan has been implemented. "Rencana dan Realisasi Penyusunan Pelapah Letter U", frond stacking for 75 smallholder blocks. "Rencana dan Realisasi Perawatan Teresan sebagai Sarana Konservasi Tanah dan Air serta Upaya Pencegahan Erosi" Terrace rehabilitation for 48 smallholder blocks (5.22%). Smallholder management to consistently implementing spraying distance from water body to avoid spraying too close to water body/drainage.</p> <p>Action taken: Smallholder management continuing to consistently implementing the water management plan including prevent the soil erosion by frond stacking, prohibit to spraying near to waterways/river in 3 m left and right side. KUD has conducted monitoring of the water management plan conducted every month. These monitoring are available in the Monitoring Susunan Pelepah tahun 2017" reported on 28th June 2017 e.g: in KT 28 (52 Ha), KT 29 (50 Ha), KT (52 Ha), KT 31 (52 Ha), etc. The farmer's group (KT) has also done the installation the signs to prevent erosion, soil and natural water damage, forbidden to fertilize and spray on trench eg: in KT 30 (Soyo Mekar) SP3 KUD Bhakti Mandiri, at KT 59 (Mekarsari) SP 10 KUD Mitra Usaha. The farmer's group (KT) has also shown documentation of erosion prevention signs and stacking of letter letter U at KT 59 (Mekarsari) SP 10 KUD Mitra Usaha.</p>
2	<p>RSPO P&C Generic 2013 indicator 4.7.2 Risk assessment for plantation operation in Buatan Estate have been reviewed and updated. The latest review and revision on HIRADC dated 12/31/2015. Risk assessment has identified hazard and risk from office activities, infrastructure construction activities, warehouse and workshop related activities, harvesting and FFB loading activities, fertilizer and spraying activities. Subsequent risk assessment review includes hazard and risk from activity such as replanting activities, boundary poles monitoring, HCV monitoring and land application maintenance. To improve the accuracy of risk level calculation related to FFB harvesting activity.</p> <p>Action taken: Company has taken action to review the HIRADC for all activity, including replanting activities, boundary poles monitoring, HCV monitoring and land application maintenance. Latest review</p>

**RSPO Public Summary Report
Revision 4 (November /2016)**

	performed on 3 January 2017 for Buatan Estate and on 22/07/2017 for Buatan I POM.
3	<p>RSPO P&C Generic 2013 indicator 4.7.4</p> <p>Buatan I POM managed their hazardous waste accordingly. Buatan I POM collected all hazardous waste from estate and mill into temporary hazardous waste storage in central workshop compound. The temporary hazardous waste storage has valid permit. The hazardous waste then sent for disposal with licensed contractor. Record of transporting seen: "Bukti Pengiriman dan Surat Jalan Limbah B3 PT. Inti Indosawit Subur kepada PT Shali Riau Lestari" – transport manifest dated 04/02/2016, hazardous waste store sent 21 drums used oil, 2.5 drums filters, 40 drums empty herbicide containers, 2 drums old jerry can, 0.2 drums medical waste, 0.2 drum contaminated rags, 16 pieces old battery; transported via PT. Shali Riau Lestari. Buatan I POM was encouraged to improve safety awareness and monitoring of use of ex- chemical container in worker housing.</p> <p>Action taken:</p> <p>Company has coach the workers wise handling the ex chemical container in the storage. Safe working practice and hazardous waste handling has been socialize to the related workers. Company also has monitor to the housing area to ensure that there is no ex chemical container use by the workers for any purposes.</p>
4	<p>RSPO P&C Generic 2013 indicator 6.9.3</p> <p>Based on interview with female workers, understanding on company policy related to protection of reproductive right and protection against sexual harassment is sufficient. To improve female fertilizer worker's understanding on gender committee's role and grievance mechanism when reporting (any) case related to sexual harassment.</p> <p>Action taken</p> <p>Company has taken action to give the understanding on company policy related to protection of reproductive right and protection against sexual harassment to the female workers. However during audit, still found same condition like in the previous assessment and it was subjected to NC, see NC#1514963-201708-M12.</p>

**RSPO Public Summary Report
Revision 4 (November /2016)**

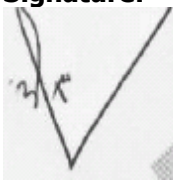

3.3.2 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1222271M1 – 4.7.3	Major	08/01/2015	Closed 09/01/2015
1222271N1 – 4.7.5	Minor	08/01/2015	Closed 07/30/2016
1222271N2 – 4.8.2	Minor	08/01/2015	Closed 07/30/2016
1357969M1 – 4.6.5	Major	07/30/2016	Closed 09/06/2016
1357969M2 – 4.7.1	Major	07/30/2016	Closed 09/06/2016
1357969M3 – 4.7.3	Major	07/30/2016	Closed 09/06/2016
1357969N1 – 4.6.10	Minor	07/30/2016	Open, Escalated to become Major NC 1514963-201708-M4
1357969N2 – 4.7.6	Minor	07/30/2016	Open, Escalated to become Major NC 1514963-201708-M6
1357969N3 – 5.1.3	Minor	07/30/2016	Open
1357969N4 – 5.6.3	Minor	07/30/2016	Open, Escalated to Major NC 1514963-201708-M9
1514963-201708-M1	Major	12/08/2017	Closed 09/10/2017
1514963-201708-M2	Major	12/08/2017	Closed 09/10/2017
1514963-201708-M3	Major	12/08/2017	Closed 10/10/2017
1514963-201708-M4	Major	12/08/2017	Closed 10/10/2017
1514963-201708-M5	Major	12/08/2017	Closed 10/10/2017
1514963-201708-M6	Major	12/08/2017	Closed 10/10/2017
1514963-201708-M7	Major	12/08/2017	Closed 10/10/2017
1514963-201708-M8	Major	12/08/2017	Closed 10/10/2017
1514963-201708-M9	Major	12/08/2017	Closed 10/10/2017
1514963-201708-M10	Major	12/08/2017	Closed 09/10/2017
1514963-201708-M11	Major	12/08/2017	Closed 09/10/2017
1514963-201708-M12	Major	12/08/2017	Closed 09/10/2017
1514963-201708-M13	Major	12/08/2017	Closed 09/10/2017
1514963-201708-N1	Minor	12/08/2017	Open
1514963-201708-N2	Minor	12/08/2017	Closed 09/10/2017
1514963-201708-N3	Minor	12/08/2017	Open

**RSPO Public Summary Report
Revision 4 (November /2016)**

Assessment Conclusion and Recommendation:

Based on the findings during the assessment PT. Inti Indosawit Subur – Buatan I Palm Oil Mill Certification Unit and supply base complies with the RSPO P&C INA NI September 2016 and the RSPO Supply Chain Certification Standard November 2014 for CPO Mill. It is recommended that the certification of PT. Inti Indosawit Subur – Buatan I Palm Oil Mill Certification Unit is approved and continued.

Acknowledgement of Assessment Findings	Report Prepared by
Name: Welly Pardede	Name: Mujinius Jalaraya
Company name: PT. Inti Indosawit Subur – Buatan I POM	Company name: On behalf BSI Services Malaysia Sdn Bhd
Title: Sustainability Head	Title: Lead Auditor
Signature:  Date: 22 November 2017	Signature:  Date: 21 November 2017

Appendix A: Summary of Findings

Criterion / Indicator		Assessment Findings	Compliance
Principle 1: Commitment to Transparency			
Criterion 1.1:			
Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	List of information related to criterion 1.2 that can be accessed by relevant stakeholders shall be available. - Minor compliance -	<p>Buatan Estate and Mill:</p> <p>The company has made a mechanism for request information no.: AA-GL-5008.1-R1 dated on 22nd August 2011. The company has owned some policies for documents created by the public relations department in the company and acknowledged by plantation manager that can be accessed by public dated 12th September 2014 that covered:</p> <p>A. Legal Documents</p> <ul style="list-style-type: none"> - a copy of SK HGU (Land Title) - a copy of AMDAL (Social and Environmental Impact Assessment) <p>B. Environment Documents</p> <ul style="list-style-type: none"> - Waste management plans - Report of waste water - Report of water management - Report of river water quality - Report of air quality. - Report of RKL (Environmental Management Plan) – RPL (Environmental Monitoring Plan). 	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Report of Hazardous Waste <p>C. Social Activity Documents</p> <p>D. Employment Documents</p> <ul style="list-style-type: none"> - Jamsostek and also BPJS Kesehatan - HSE management programs <p>Scheme Smallholder:</p> <p>Smallholder No.1732, 1731, 2614, 2620 been able to demonstrate knowledge that information request and provision of information to relevant stakeholders going through ICS, KUD and KT.</p> <p>Smallholder No.1510, 1522 and 1523 explained that information request and provision of information to relevant stakeholders going through KUD and/or KT.</p>	
1.1.2	<p>Records of requests for information and responses to the information requested shall be available.</p> <p>- Major compliance -</p>	<p>Buatan Estate and Mill:</p> <p>Request Information and response from Stakeholder has been documented into a log book "Permintaan Informasi". There were noted 21 information requests up to August 2017 from Stakeholder, such as:</p> <ul style="list-style-type: none"> • On 16 March 2017 from BPPD Kabupaten Pelawan related information request of CSR Programme period 2017", its has been responded on 20 March 2017. • On 17 April 2017; Information request from "Badan Pusat Statistik (National Statistic Body)" related Plantation census period 2017. The request was responded within a week. <p>All request information and others has been responded timely manner</p> <p>Scheme Smallholder:</p> <p>Request Information and response from Stakeholder is documented into a log book</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>"Kebun Plasma Buatan", there was 14 information requests in Plasma/smallholder Division, mostly request EFB for fertilizer in scheme smallholder area. Based on procedure stated that responds for information request within 14 days.</p> <p>Sampled verified from the logbook e.g.: Request information from "Dinas Koperasi Kabupaten Siak" on 7th February 2017 related to request information of "Laporan Omset dan Rencana RAT Tahun 2017 KUD" responded 6 days later by Plasma Buatan.</p> <p>During field audit, Smallholder No.1732, 1731, 2614, 2620, 1510, 1522 and 1523 stated record of information request and response upon information request available with KUD or KT.</p>	
<p>Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p>			
1.2.1	<p>Publicly available documents shall include, but are not necessarily limited to:</p> <ul style="list-style-type: none"> a) Land titles/user rights (Criterion 2.2) b) Occupational health and safety plans (Criterion 4.7) c) Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8) d) HCV documentation (Criteria 5.2 and 7.3) e) Pollution prevention and reduction plans 	<p>Buatan Estate and mill:</p> <p>The company has list of documents can be accessed by public, such as:</p> <ol style="list-style-type: none"> 1. Legal Documents e.g: a copy of SK HGU (Land Title) and a copy of AMDAL (Social and Environmental Impact Assessment) 2. Environment Documents, e.g: Waste management plans, report of waste water, report of water management, report of river water quality, report of air quality, report of RKL (Environmental Management Plan) – RPL (Environmental Monitoring Plan) and report of Hazardous Waste 3. Social Activity Documents 4. Employment Documents, e.g: Jamsostek , HSE management programmes 	Comply

Criterion / Indicator		Assessment Findings	Compliance
	(Criterion 5.6) f) Details of complaints and grievances (Criterion 6.3) g) Negotiation procedures (Criterion 6.4) h) Continual improvement plans (Criterion 8.1) i) Public summary of certification assessment report j) Human Rights Policy (Criterion 6.13). - Major compliance –	5. All documents refer to the ratified International Regulation, National Regulation and local regulation, e.g. OHS documents refer to the Act 1, year 1970. Scheme smallholders: The KUDs has list of documents can be accessed by public, such as: legal permits (akte pendirian Koperasi, SHM, NPWP, SIUP and SITU), Operasional keuangan, HCV, SOP/GAP/SEIA (Amdal) and Social documents, Rencana Kerja KUD (KUDs budget consist of projection FFB and operational cost), monitoring of IPM, fertilizing and harvesting), accident record, OHS Manual. Smallholder No.1732, 1731, 2614, 2620, 1510, 1522 and 1523 stated the information available for public that can be provided by smallholders is land title/SHM. The other document available upon request to KUD or KT.	
Criterion 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.			
1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions along with the documentation of socialisation process of the policy to all levels of the workers and operations. - Minor compliance –	Buatan Estate and Mill: The company has Code of ethical conduct and integrity in all operation and transaction, dated 1 st December 2014 which stated: "Berkomitmen berperilaku pada seluruh transaksi dan operasi bisnis, pelarangan seluruh bentuk korupsi, penyuapan dan penipuan dalam penggunaan dana dan sumber daya" – committed to perform ethical conduct in all of transaction and business operation, prohibit all kind of bribery and fraud in financial and natural resources. The company also has erected this policy in public areas in Mill and estate.	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>The company was able to demonstrate that policy has been communicated effectively to all level operation of workforce and based on interview with workers, it was found that they understand and aware the company policy. Latest training and socialization to employee performed on 26 – 28 July 2017. The evidence can be demonstrated during audit such as attendant list and photograph.</p> <p>Scheme Smallholder:</p> <p>All KUD has prepared the policy of code of ethical conduct and integrity in all operation and transaction, dated 1st August 2013 which stated: "Berkomitmen berperilaku pada seluruh transaksi dan operasi bisnis, pelarangan seluruh bentuk korupsi, penyuapan dan penipuan dalam penggunaan dana dan sumber daya". This policy has been communicated to the members, latest training and socialization against the policy to all Smallholder and KUD employees performed on January - February 2017. The evidence can be demonstrated during audit such as attendant list and photograph.</p> <p>Based on interview with members that they aware and uderstand this policy.</p> <p>Smallholder No.1732, 1731, 2614, 2620 was able to demonstrate knowledge on code of condut policy. The policy written in their farmer handbook "Buku Panduan Petani". The implementation of said policy in form of dissemination of anti-corruption policy, transparency in expenditure for road maintenance, fair calculation of worker payment, good quality FFB, etc.</p> <p>Smallholder No.1510, 1522 and 1523 explained the code of conduct in simple manner such as no corruption, no lies, etc</p>	
<p>Principle 2: Compliance with applicable laws and regulations</p>		

Criterion / Indicator	Assessment Findings	Compliance	
<p>Criterion 2.1</p> <p>There is compliance with all applicable local, national and ratified international laws and regulations.</p>			
<p>2.1.1</p>	<p>Evidence of compliance with relevant legal requirements shall be available.</p> <p>- Major compliance –</p>	<p>All legal requirements comply with the regulations and laws, including those related to land status, occupational health and safety, environmental, labour, agricultural practice, and mill operation, such as:</p> <ol style="list-style-type: none"> 1. Ijin Prinsip (Principle permit) No.KB.320/859/Mentan/XI/1983 dated 7th November 1983 from Agriculture minister (65,000 Ha). 2. Ijin lokasi (Location Permit) No.KPTS.57/II/1987, dated 4th February 1987 for 32,000 Ha. 3. Ijin Pelepasan kawasan from Forestry Ministry (Release forest permit) No.664/Kpts-II/89, dated 31st October 1989. 4. Ijin pembukaan lahan (land clearing permit) No.1536/II/KW-6/1988, dated 2nd November 1988 from Forestry Ministry Region Riau Province. 5. Surat Keterangan Pendaftaran Tanah (Land register) from land authority of Pelalawan District No.15/SKPT/X/2004, dated 30th September 2004. 6. Surat Pendaftaran Usaha perkebunan (SPUP) from Forestry and Plantation Ministry, No.185/Mentanhut/VII/2000, dated 3rd November 2000. 7. SK. HGU (Land Title), approved by "Menteri Negara Agraria/Kepala BPN No.10/HGU/1993, dated 13th May 1993 tentang Pemberian HGU atas nama PT. Inti Indosawit Subur, atas tanah di Kabupaten Kampar seluas 5,781.47 Ha". 8. HGU (Land titles) No.01, 1993, dated June 19th, 1993. for Buatan Estate (5,781 Ha); 	<p>NC # 1514963- 201708-M1</p> <p>CLOSED on 09/10/2017</p>

**RSPO Public Summary Report
Revision 4 (November /2016)**

Criterion / Indicator	Assessment Findings	Compliance
	<p>9. Renewal land title No.145/HGU/BPN/2004, dated November 3rd, 2004. Expired until 2058 from Head of BPN (5,781 Ha);</p> <p>10. IMB (Building licenses), there were 6 permits, such as; No.106/2009, 71/2009, 09/2009, 11/1992, 56/2009, 117/1997.</p> <p>11. AMDAL (Environmental and Social impact assessment), SEIA No.013/ANDAL/BA/V/95, dated 3rd May 1995, by Agriculture of Ministry.</p> <p>12. Revised AMDAL (Dokumen Pengelolaan dan Pemantauan lingkungan) approved by Governor of Riau No.KPTS 975/X/2009, dated 28th October 2009.</p> <p>13. Surface water usage permit from "Dinas Pertambangan dan Energi, Kabupaten Pelalawan No.KPTS.540/DPE/GEO-MIGAS/2014/179", dated 2nd April 2014 (valid until 1st April 2016), renewal permit still in progress now, the company has proposed renewal surface water usage No.040/ES-KBN/EXT/03/2016, dated 31st March 2016.</p> <p>14. Temporary hazardous waste store permit No.KPTS.503/BPMP2T-PLY/14/2016 from "Badan Penanaman Modal dan Pelayanan Perijinan Terpadu, Kabupaten Pelalawan", dated 18th March 2016 (valid until 17th March 2021).</p> <p>13. Machinery permit in Mill is available.</p> <p>Mill machineries permit:</p> <ul style="list-style-type: none"> ▪ Permit for Sterilizer reference number: 03/B.0050.A and 03/B.0051.A issued on 19th October 1992 for capacity 3.25 kg/cm²; reference number: 113/BU/PL/2004 and 114/BU/PL/2004 issued on 14th December 2004 for capacity 3.5 kg/cm². ▪ Permit for Back Pressure Vessel reference number: 115/BU/PL/2004 issued on 14th December 2004 for capacity 3.5 kg/cm². 	

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> ▪ Permit for Boiler reference number: 035/KU/PLLWN/2003 issued on 20th October 2003 for capacity 24 kg/cm²; reference number: 117/KU/PL/2004 issued on October 2004 for capacity 24 kg/cm²; reference number: 112/KU/PL/2004 issued on 30th October 2003 for capacity 24 kg/cm². ▪ Permit for Diesel engine, reference number: 135/M-MD/PL/2004 and 135/M-MD/PL/2004 issued on October 2004 for capacity 420 horse power each. ▪ Permit for Compressor, reference number: B.84/BT-M/W4/VI/1997 and B.86/BT-M/W4/VI/1997 issued on 17th September 1997. ▪ Permit for Turbine, reference number: 003/M— TB/PlIwn/2002 issued on July 2002 for capacity 800 KW; and reference number 83/TU/PLLWN/2004 issued on 1st September 2003 for capacity 1.200 KW. <p>All machineries were checked regularly by local government with the latest inspection was on 2016 and 2017 for each machinery and next inspection will be performed each 2 years.</p> <p>During audit, found Non Conformity against this indicator as below:</p> <p>Based on document verification in Buatan I Mill, it's found that there are 12 PHL which exceed 21 working days in last 3 months, according to Permenaker No 100 tahun 2004 pasal 4-5 it supposed to be promoted as permanent workers.</p> <p>Company has made corrective action plan and implemented as well. Auditor has verified the effectiveness of corrective action implementation on 9 October 2017 and found effectively implemented and non conformity status has been Closed.</p> <p>Scheme Smallholder:</p> <p>Group manager and ICS conducted the evaluation of laws and regulation compliance each year. Latest updated was on 1st January 2017. During audit, Group manager can demonstrated the document of "Evaluasi Kepatuhan Hukum Kebun Plasma</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>Buatan Tahun 2017" which contain the list/'legal register' of all applicable laws and regulations; consist of: list of regulation, requirement, evaluation record, compliance status, type of document, no. document, validity, source of document, remark.</p> <p>Some example showing compliance to relevant regulation as follows: Smallholder No.1732, 1731, 2614, 2620, 1510, 1522 and 1523 they have land title/SHM and paid the tax accordingly – in order to demonstrate legal compliance.</p>	
2.1.2	<p>A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>- Minor compliance –</p>	<p>Buatan Estate and Mill:</p> <p>There is a documented system registering all relevant legal requirements to which the company must comply, and also there is a document of "Legal Register" latest updated on 23 March 2017, which includes relevant Environmental regulation, Plantation permit, etc. The list would be reviewed once a year by the EHS Department and all relevant department, updated as necessary.</p> <p>Evaluation of compliance for all regulation and other requirement related to environment, health and safety, manpower and land tenure has been performed (presented in "Evaluation of Compliance").</p> <p>The organization has a mechanism to ensure compliance with all applicable laws and regulations compliance through procedure "SOP Pemenuhan Peraturan Perundang-undangan dan Perubahannya" (No. SOP; AA-GL-5001.1-RO) dated 5th December 2009). The list would be reviewed once a year by the EHS Department and all relevant departments, updated as necessary, last update on 23 March 2017.</p> <p>The company has "Update List of regulation/pemenuhan peraturan perundang undangan" in 23 March 2017.</p> <p>Scheme Smallholder:</p> <p>The organization has a mechanism to ensure compliance with all applicable laws and regulations compliance through procedure "SOP Pemenuhan Peraturan Perundang-</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		undangan dan Perubahannya” (No. SOP; AA-GL-5001.1-RO) dated 5th December 2009). Group Manager and ICS has a responsibility to ensure the compliance of all smallholder member and organization against applicable laws and regulations. Group manager and ICS conducted the evaluation of laws and regulation compliance each year. Latest updated on 1 st January 2017. During audit, Group manager can demonstrated the document “Evaluasi Kepatuhan Hukum Kebun Plasma Buatan Tahun 2017”.	
2.1.3	A mechanism for ensuring compliance shall be implemented. - Minor compliance –	Buatan Estate and Mill: There is a rigorous internal audit process which includes a review of laws and their compliance. There is no evidence of critical legal non compliance as a result of internal audit. Each department has to demonstrate evidence of compliance and/or effort in complying with these legal/regulatory requirements. This includes manpower regulation fulfilment, environmental reporting, health and safety reporting and other legal/regulatory requirements. Evidence of documented mechanism on the compliance with relevant regulation was sighted in terms of Legal Requirements and Evaluation Compliance, It was verified that list of legal requirement is updated regularly. Legal department of the company has the responsibility to update the list of applicable laws and regulations using internet access via relevant webmail address and/or consultation with the related institutions. The latest updated report was on 23 March 2017. The mechanism is also include for subcontractor. Company has the mechanism to ensure the contractor/supplier compliance to the relevant regulation before approved the contractor/supplier as a partner of company. Recorded on form “Evaluation of Legal and Other Requirements Compliance”. Scheme Smallholder:	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>ICS organisation of Plasma Buatan has a mechanism of "Evaluation of Legal Compliance and Regulation" dated 9 February 2017. Public relation and registration of ICS "Humas dan Pendataan ICS" responsible to update and search the new relevant regulation and evaluating the compliance against the regulation. Latest update of regulation compliance on 1st January 2017.</p> <p>All evaluation record was keep in ICS and disseminated as well as communicated to all KUD, KT and smallholder members including third party.</p> <p>ICS Buatan Smallholder has develop the tools "Buku Pintar Petani Plasma" which contain information on the implementation and guidance of best management practice; guidance on OHS requirement and OHS training record; Environmental requirement, guidance and training record. The book is use to help the smallholder member implement the legal requirements according to relevant regulation which evaluated by "Humas dan Pendataan ICS".</p>	
2.1.4	<p>A system for tracking any changes in the law shall be available and implemented.</p> <p>- Minor compliance –</p>	<p>Buatan Estate and Mill:</p> <p>Legal requirement-evaluation and fulfillment mechanism regulated under "SOP Pemenuhan Peraturan Perundang-undangan dan Perubahannya" (No. SOP; AA-GL-5001.1-RO) dated 5th December 2009. The procedure explains the stages for evaluation applicable legal requirements, person in charge for evaluation and ensures implementation of such requirement.</p> <p>The company receives information of changes in regulations from a number of sources. This includes company lawyers, Manpower office, Agriculture and Plantation service and Forestry service and others. This is then circulated and cascaded to relevant department within the company, which might affected by these changes.</p> <p>Scheme Smallholder:</p> <p>Scheme manager will inform the scheme smallholders (cooperative) if there is any a</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		change or amendment in laws and regulations. Scheme manager conduct meetings with the cooperative members to ensure compliance. Latest meeting with smallholder scheme conducted on 31 January attended by KUD management, WKAK (inter-group communication forum), farmers group and farmer board. Evidence of meeting can be demonstrated during audit.	
Criterion 2.2			
The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.			
2.2.1	Documents showing legal ownership or lease, history of land tenure ownership/control, and the actual legal use of the land shall be available. - Major compliance -	<p>Buatan Estate and Mill:</p> <p>PT. Inti Indosawit Subur – Buatan demonstrate a valid land ownership covering:</p> <ol style="list-style-type: none"> 1. "Surat Keputusan Hak Guna Usaha" (Land Title), approved by "Menteri Negara Agraria/Kepala BPN No.10/HGU/1993 tentang Pemberian HGU atas nama PT. IIS, atas tanah di Kabupaten Kampar seluas 5,781.47 Ha", dated 13th May 1993. 2. HGU (Land titles) No.01, 1993, dated 19th June 1993. for Buatan Estate (5,781 Ha). 3. Renewal land title No. 145/HGU/BPN/2004, dated 3rd November 2004. Expired until 2058 from Head of BPN (5,781 Ha). <p>Scheme Smallholders:</p> <p>Each smallholder member was able to demonstrate legal ownership of the land.</p> <p>Sample taken:</p> <p>Buku Tanah/kavling No.2095 Hamparan 73; Certificate under name Ade Apit and name of registered smallholder as Juliono, SHM No. 201 for 20,000 m2 dated 24 September 1994; based on a/n "Surat Keputusan Kepala Kantor Wilayah BPN</p>	Comply

**RSPO Public Summary Report
Revision 4 (November /2016)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>Provinsi Riau, Kepala Kantor Pertanahan Kabupaten Kampar as per measurement map dated 24 September 1994. Complemented with map of scale 1:2,000.</p> <p>Buku Tanah/kavling No. 2098 Hambaran 73; Certificate under name Darsan and name of registered smallholder as Mislam, SHM No. 199 for 20,000 m2 dated 24 September 1994; based on a/n "Surat Keputusan Kepala Kantor Wilayah BPN Provinsi Riau, Kepala Kantor Pertanahan Kabupaten Kampar as per measurement map dated 24 September 1994. Complemented with map of scale 1:2,000.</p> <p>Buku Tanah/kavling No. 1502 Hambaran 58; Certificate under name Cahyana Nuryanto and name of registered smallholder as Musimin, SHM No. 762 for 20,000 m2 dated 24 September 1994; based on a/n "Surat Keputusan Kepala Kantor Wilayah BPN Provinsi Riau, Kepala Kantor Pertanahan Kabupaten Kampar as per measurement map dated 24 September 1994. Complemented with map of scale 1:2,000.</p> <p>Buku Tanah/kavling No. 820 Hambaran 34; Certificate under name Jamin and name of registered smallholder as Jamin-820, SHM No. 471 for 20,000 m2 dated 12 October 1993; based on a/n "Surat Keputusan Kepala Kantor Wilayah BPN Provinsi Riau, Kepala Kantor Pertanahan Kabupaten Kampar as per measurement map dated 12 October 1993. Complemented with map of scale 1:2,000.</p>	
2.2.2	<p>Legal boundaries are demonstrated clearly and maintained.</p> <p>- Minor compliance -</p>	<p>Buatan Estate and mill:</p> <p>The company carried out monitoring of legal boundaries every six months, maps of boundaries identified the position of legal boundaries is available refer to the HGU's maps. Boundary monitoring is recorded in "Laporan Pemeriksaan dan Perawatan Patok Batas", the last monitoring was conducted in July 2017. There are 19 legal boundaries along the PT. Inti Indosawit Subur - Buatan.</p> <p>During field visit, it was seen that boundary stones is maintained and visibly</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>demarcated along the company's border, sample taken:</p> <ul style="list-style-type: none"> ▪ Pegs no. BPN 16, on block D91D year planting 1991, Afdeling II, bordering the Plasma SP-5 and SP-6 (Makmur Jaya and Bukit Agung Village), coordinate no; N: 00°25'44.6"; E: 101°49'17.2". ▪ Pegs no. BPN 017, on block B90D year planting 1990, Afdeling II, bordering with Bukit Agung Village, coordinate no; N: 00°26'37.3"; E: 101°49'16.3". ▪ Pegs no. BPN 12, on block A90C year planting 1990, Afdeling I, bordering RAPP, coordinate no; N: 00°27'03.1"; E: 101°52'41.0". <p>Scheme Smallholders:</p> <p>From all sampled smallholder in KUD Bhakti Mandiri and KUD Sumber Rejeki, KUD Sejahtera and KUD Jaya Makmur the legal boundaries are clearly demarcated and maintained. Smallholder member understand their boundary between smallholder plantation blocks. Based on field visit, it was found that legal boundaries are available in place, the existing boundaries is concrete and re-install boundary pegs is made from wood. Boundaries between each plot were in form of staking frond along the border.</p> <p>There was no land conflict or land dispute noted between smallholder members with other parties.</p>	
2.2.3	In the event that there is a dispute or a dispute has occurred, adequate evidence of legitimate acquisition and compensation or compensation settlement process through conflict resolution which has been received through Free, Prior and Informed Consent by all related parties shall be provided.	<p>Buatan Estate and Scheme smallholders:</p> <p>Based on documents review and interview with local government and local communities surrounding the company, it was noted that no customary land or legal rights within the company and scheme smallholders areas.</p> <p>All company plantation and scheme smallholder area have been issued with valid land title in the form of "Hak Guna Usaha/HGU" for company and "Sertifikat Hak</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	Milik” for smallholder. Based on interview with smallholder No.1732, 1731, 2614, 2620, 1510, 1522 and 1523 the boundary markers between smallholder block, as well as boundary markers with neighboring farmer group has been established. There was no land dispute noted.	
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 –	Buatan Estate and Scheme smallholders: Based on interview with surrounding village societies, local communities, field visit and verification of company documentation; there is no land dispute between company PT Inti Indosawit Subur or Buatan Smallholder and surrounding community. Based on interview with smallholder No.1732, 1731, 2614, 2620, 1510, 1522 and 1523 the boundary markers between smallholder block, as well as boundary markers with neighboring farmer group has been established. The smallholder block was planted since 1991, whereby the land was allocated by government. There was no land conflict noted.	Comply
2.2.5	For any conflict or dispute over the land, the evidence of the extent of disputed area is mapped out in a participatory way with involvement of affected parties (including neighboring communities and local government where applicable), shall be available. - Minor compliance –	Buatan Estate and Scheme smallholders: Based on interview with surrounding village societies, local communities, field visit and verification of company documentation; there is no land dispute between company PT Inti Indosawit Subur or Buatan Smallholder and surrounding community.	Comply
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated	Buatan Estate and Scheme smallholders: Based on interview with surrounding village societies, local communities, field visit	Comply

**RSPO Public Summary Report
Revision 4 (November /2016)**

Criterion / Indicator		Assessment Findings	Compliance
	<p>violence in maintaining peace and order in their current and/or planned operations.</p> <p>- Major compliance –</p>	<p>and verification of company documentation; there is no land dispute between company PT Inti Indosawit Subur or Buatan Smallholder and surrounding community.</p>	
<p>Criterion 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p>			
2.3.1	<p>Maps with appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighboring communities where applicable, and relevant authorities).</p> <p>- Major compliance -</p>	<p>Estate and Scheme Smallholders:</p> <p>The Company and scheme smallholders has “Hak Guna Usaha (HGU)/”Sertifikat Hak Milik (SHM)” Land title for smallholders. There is no customary land or legal rights within the company and scheme smallholdres area as the land originally was allocated as part of transmigration program. Based on documents review and interview with local government and local communities in surrounding of the company, it was noted there was no area/land that is under dispute.</p> <p>Based on interview with smallholder No.1732, 1731, 2614, 2620, the boundary markers between smallholder block, as well as boundary markers with neighbouring farmer group has been established. The smallholder block was planted since 1991, whereby the land was allocated by government. There was no land conflict with customary landowner noted.</p>	Comply
2.3.2	<p>Copies of negotiated agreements including the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and these include:</p> <p>a) Evidence of consultation</p> <p>b) Statement of transfer of rights</p>	<p>Buatan Estate and Scheme Smallholder:</p> <p>Based on documents review and interview with local government and local communities surrounding the company, it was noted that no customary land or other legal rights within the company areas and in smallholder plantation.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
	c) Evidence of compensation See specific guidance 2.3.2 - Minor compliance -		
2.3.3	Relevant information shall be available in appropriate forms and languages, including analysis of impacts, proposed benefit sharing, and legal arrangements. - Minor compliance -	Buatan Estate and Scheme Smallholder: Based on documents review and interview with local government and local communities surrounding the company, it was noted that no customary land or other legal rights within the company areas and in smallholder plantation.	Comply
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. - Major compliance -	Buatan Estate and Scheme Smallholder: Based on stakeholder consultation with communities surrounding the plantation, there has never been social unrest related to presence of occupied land. Good communication between company, smallholder and community, related to FFB harvesting schedule, as explained in RSPO P&C indicator 2.3.2.	Comply
Principle 3: Commitment to long-term economic and financial viability			
Criterion 3.1			
There is an implemented management plan that aims to achieve long-term economic and financial viability.			
3.1.1	A documented management plan, a minimum of three years shall be available, including, where appropriate, plan for scheme smallholders.	The company is commit to the economic and financial sustainability and has a documented working plan in the Financial Budget Plan. The company has set up a business management plan for the next 5 years and the forecast have been well documented in the document management plan of PT Inti Indosawit Subur – Buatan	Comply

Criterion / Indicator	Assessment Findings	Compliance
<p>- Major compliance-</p>	<p>I Palm Oil Mill and Estate 2018 – 2022. Management plan was set up including independent FFB suppliers. The management plan include:</p> <ol style="list-style-type: none"> 1. FFB Production actual 2017 and projection 2018 – 2022 2. CPO, PK, PKO, PKM production actual 2016 and projection 2018 – 2022 3. CPO, PK, PKO, PKM Revenue actual 2016 and projection 2018 – 2022 4. Estate Cost Estimation: Upkeep cost, manuring cost, pest and disease management cost, pruning cost, census cost, terrace maintenance cost, road and bridge maintenance cost, harvesting cost. 5. Mill Cost, KCP Cost, Selling cost, Bulking cost and Tax portion actual 2016 and projection 2018 – 2022 6. Nett Profit/Loss <p>The existing figures and projection values are reviewed and evaluated annually by the management to adjust the projection with actual performance. In general, the company still have good expectation on the business sustainability, despite recent drought problem.</p> <p>Scheme Smallholders:</p> <p>Plasma Buatan has also establish Business plan for 2017 – 2020 presented in “Biaya Produktifitas 3 tahun”. Consist of:</p> <ul style="list-style-type: none"> - Year planted, Number KT/Hamparan, hectarage - FFB Production projection - FFB Price estimation - Total Cost including: Harvesting, Transportation, Pruning, TUS (Chemical 	

Criterion / Indicator		Assessment Findings	Compliance																																															
		<p>weeding), Fertilizer, Road maintenance</p> <ul style="list-style-type: none"> - Nett income <p>A business plan for the year 2017 is available which incorporating the planned activity such as filed operation, management resources & communication, smallholder technical support programme established and etc.</p>																																																
3.1.2	<p>An annual replanting program projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.</p> <ul style="list-style-type: none"> - Minor compliance- 	<p>Buatan Estate:</p> <p>Company has established replanting programme 2014 – 2022. Below are the replanting programme:</p> <table border="1"> <thead> <tr> <th rowspan="2">Replanting plan</th> <th colspan="5">Year Planted</th> </tr> <tr> <th>1988</th> <th>1989</th> <th>1990</th> <th>1991</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>-</td> <td>-</td> <td>20 ha</td> <td>12 ha</td> <td>32 ha</td> </tr> <tr> <td>2015</td> <td>-</td> <td>-</td> <td>50 ha</td> <td>-</td> <td>50 ha</td> </tr> <tr> <td>2016</td> <td>-</td> <td>15 ha</td> <td>55 ha</td> <td>-</td> <td>70 ha</td> </tr> <tr> <td>2018</td> <td>126 ha</td> <td>108 ha</td> <td>501 ha</td> <td>-</td> <td>735 ha</td> </tr> <tr> <td>2021</td> <td>57 ha</td> <td>253 ha</td> <td>428 ha</td> <td>223 ha</td> <td>961 ha</td> </tr> <tr> <td>2022</td> <td>-</td> <td>-</td> <td>121 ha</td> <td>413 ha</td> <td>534 ha</td> </tr> </tbody> </table> <p>Replanting activity in 2014 - 2016 has been implemented by PT IIS Buatan Estate Afdeling I and plan to be conducted on 2018, 2021 and 2022 in Afdeling I, II and</p>	Replanting plan	Year Planted					1988	1989	1990	1991	Total	2014	-	-	20 ha	12 ha	32 ha	2015	-	-	50 ha	-	50 ha	2016	-	15 ha	55 ha	-	70 ha	2018	126 ha	108 ha	501 ha	-	735 ha	2021	57 ha	253 ha	428 ha	223 ha	961 ha	2022	-	-	121 ha	413 ha	534 ha	Comply
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Criterion / Indicator	Assessment Findings	Compliance
	<p>III. Replanting realization presented in "Program dan Realisasi Bulanan Replanting". In year 2016, replanting activity has been done with area land clearance dan planting 152 ha.</p> <p>Replanting has been done mechanically, consist of: falling tree, chipping by excavator, terracing by excavator, digging, road construction, ditch/waterways construction, planting, etc.</p> <p>Company has established "Ketentuan Replanting areal Mineral" tahun 2016. In the mechanism explained that replanting must be conducted mechanically without burning.</p> <p>In addition, there is regulation for burning the land subjected to sanction 15 years in jail and penalty of 100 billion.</p> <p>Scheme Smallholder:</p> <p>The replanting plan was available under "Schedule Pelaksanaan Replanting Kebun Plasma Buatan". For instance KUD Bhakti Mandiri: 2017 for 872 Ha (planting year 1989 and 1990); 2019 for 108 Ha (planting year 1991 and 1992); changed into 562 Ha in 2017 for planting year 1989 and 1990 and 418 Ha for 2019 (planting year 1991 and 1992). KUD Bhakti Mandiri demonstrated "Deklarasi Replanting" dated 17th May 2016 by 9 smallholder groups which will start replanting in 2017.</p> <p>In KUD Sejahtera, the replanting will commenced in year 2018 for 434 Ha (oil palm with planting year 1990 and 1991); 2020 for 444 Ha (planting year 1991 and 1992). The replanting plan changed into: 424 Ha in year 2018 and 454 Ha for year 2020.</p> <p>The company has conducted replanting program socialization to the KUDs, e.g. in KUD Sejahtera was conducted on 23rd April 2016, attended 22 members and on 28th May 2016, attended 113 members (attendance list and minutes meeting was available). Perusahaan sudah melakukan pembinaan kpd petani terkait persiapan replanting antara lain:</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>During audit, replanting activity has not been performed because most of smallholder waiting for process of propose the fund assistance from BPDB ((Badan pengelola dana perkebunan kelapa sawit) that can be obtained by each member by Rp. 25 Million/ha. Replanting cost was Rp. 62,762,000/ha according to "Keputusan Dirjenbun Nomor 345/Kpts/RC.260/11/2015 tanggal 27 November 2015". Replanting cost included: land clearing, planting and upkeeping for 3 years.</p> <p>PT Inti Indosawit Subur has give some coaching and training regarding preparation to replanting such as: Workshop agribisnis on 5 – 7 Maret 2015 by keynote speaker Prof. Gembong Danudiningrat with team CV Pendawa Kencana Multifarm. Opportunity of agribusiness which can be developed by smallholder such as: livestock, fisheries, chicken farming, fruit cultivation.</p>	
Principle 4: Use of appropriate best practices by growers and millers			
Criterion 4.1			
Operating procedures are appropriately documented, consistently implemented and monitored.			
4.1.1	<p>Standard Operating Procedures (SOPs) for estates (land clearing to harvesting) and SOP for mills (reception of FFB to dispatch of CPO and PKO) shall be available.</p> <p>- Major compliance -</p>	<p>Buatan Estate and Mill:</p> <p>The company has procedures for estate beginning from land preparation up to replanting, such as:</p> <ol style="list-style-type: none"> 1. SOP AA-APM-OP-1100.01-R4 dated 5/09/2016 Pembibitan; 2. SOP AA-APM-OP-1100.02-R3 10/06/2015 Penanaman Areal Baru; 3. SOP AA-APM-OP-1100.03-R2 24/07/2015 Pembuatan dan Perawatan Jalan dan Jembatan explains road and bridge construction and maintenance; 4. SOP AA-APM-OP-1100.04-R3 07/12/2015 Pembuatan dan Pemeliharaan Parit berisi tentang tuntutan teknis pekerjaan pembuatan dan pemeliharaan parit 	Comply

**RSPO Public Summary Report
Revision 4 (November /2016)**

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

Criterion / Indicator	Assessment Findings	Compliance
	<p>20. SOP AA-APM-OP-1100.20-R6 16/02/2017 Replanting;</p> <p>Buatan I POM has established a procedure to process the FFB to become CPO and PK begins from reception of FFB to dispatch of CPO and PKO:</p> <ol style="list-style-type: none"> 1. SOP AA-MPM-OP-1400.02.R2 Stasiun Penerimaan for FFB receiving station; 2. SOP AA-MPM-OP-1400.03.R1 Stasiun Rebusan for sterilizer; 3. SOP AA-MPM-OP-1400.04.R1 Stasiun Pemisahan Berondolan for loose fruit separation; 4. SOP AA-MPM-OP-1400.05-R1 Stasiun pengadukan dan pengempaan for pressing station; 5. SOP AA-MPM-OP-1400.06-R1 Stasiun pemurnian for clarification; 6. SOP AA-MPM-OP-1400.07-R1 Stasiun pemisahan nut dan fiber for nut and fiber separation; 7. SOP AA-MPM-OP-1400.08-R1 Stasiun kernel for kernel station; 8. SOP AA-MPM-OP-1400.09-R1 Stasiun boiler; 9. SOP AA-MPM-OP-1400.10-R1 Stasiun engine room; 10. SOP AA-MPM-OP-1400.11-R1 Stasiun water treatment; 11. SOP AA-MPM-OP-1400.12-R1 Laboratorium; 12. SOP AA-MPM-OP-1400.13-R1 Stasiun pengelolaan limbah for palm oil mill effluent treatment; 13. SOP AA-MPM-OP-1400.14-R2 Stasiun penimbunan dan pengiriman CPO dan kernel for CPO and PK bulking and despatch operation; 14. SOP AA-MPM-OP-1400.15-R1 Perawatan for preventive maintenance; <p>The mill operational procedures explains the flow process, specification of material and process, machinery and tools required, step-by-step process, control, monitoring and measurement and health and safety requirements.</p> <p>Scheme Smallholder:</p> <p>Plasma Buatan Group Guidance was established to monitor the best management</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>practise. SOP was follow the procedure of PT Inti Indosawit Subur. The procedure were sighted, for example:</p> <ol style="list-style-type: none"> 1. Nursery procedure SOP AA-Plasma-PP-KS-01; 2. Pest and Disease Control procedure SOP AA-Plasma-PP-KS-02 3. Fertilizing procedure SOP AA-Plasma-PP-KS-03 4. Harvesting procedure SOP AA-Plasma-PP-KS-4 5. Internal Communication Group Certification SOP No. 007/DOK/SOP/AA2016 6. Assessment and Inspection Member Group Plantation SOP No. 013/DOK/SOP/AA/2016 7. FFB sale Mechanism SOP No. 020/DOK/SOP/AA/2016 <p>Group manager has determined training programme for best management practise such as: Training Pemupukan berimbang dated 10 June 2017, Panen Training on 24 May 2017 KUD Bhakti Mandiri, Training Pengendalian Gulma 11 April 2017 di KUD Jaya Makmur.</p> <p>To ensure the SOP implementation, group has determined the mechanism which described in SOP No. 028/DOK/SOP/PT.IIS-ICSKLB/2017 Internal Inspection.</p> <p>All member group was follow the SOP which established by Group and there was no members who have pre-existing non-group SOPs.</p>	
4.1.2	<p>Checking or monitoring of operations procedures is conducted at least once a year.</p> <p>- Minor compliance -</p>	<p>Buatan Estate and Mill:</p> <p>For checking and monitoring of operations procedures, PT Inti Indosawit Subur has conducted internal audit and visit both in estate and mill:</p> <ul style="list-style-type: none"> - PT Inti Indosawit Subur follows procedure for internal audit under Standard

**RSPO Public Summary Report
Revision 4 (November /2016)**

Criterion / Indicator	Assessment Findings	Compliance
	<p>Operating Procedures AA-SOP-ES-6001-R3 10/06/2015. The procedure stated internal audit performed with minimum once a year. Upon finding, management unit shall prepare review on audit finding and prepare root cause analysis, prepare corrective action – with person in charge and completion target. The internal audit has been performed once a year as per procedure. The latest Sustainability internal audit was done in 31 May – 2 June 2017. Audit result findings can be demonstrated and and the corrective action has been implemented to addressed issue found during audit.</p> <ul style="list-style-type: none"> - R&D Agronomic Visit Report, conducted once a year to check and monitoring the implementation of Agronomy best management practices, plantation condition, upkeep mature and immature, fertilizer and agronomic procedure implementation. Last visit performed on 06 – 09 June 2017 by Martiadi Kurniawan. Visit findings can be demonstrated and and the corrective action has been implemented to addressed issue found during audit. - Visiting Agent conducted once a year to check and monitoring the implementation of general Agronomy best management practices Estate condition as per procedure, Labor, production and quality, production cost, upkeep of mature and imature palms, harvesting, Nursery, Land clearing, continual improvement, etc. Last visit performed 27 February – 3 march 2017 by Ngu Heng Shiew. All finding from VA has been followed up by organization by corrective action plan, target and time frame to address the issue has been determined and implemented well. - Visiting Engineering (VE) performed once a year to check and monitoring the implementation of mill operation procedure. Last visit performed on 5 – 9 April 2017 by TCJ Thomas. All issue found during visit has been addressed and solved by Buatan I POM. For example: Acidification ponds found ineffective, company followed it up by maximized ponds circulation from one circulation to become 3 	

**RSPO Public Summary Report
Revision 4 (November /2016)**

Criterion / Indicator	Assessment Findings	Compliance
	<p>circulation by pump and made internal circulation of acidification ponds.</p> <ul style="list-style-type: none"> - Process and Quality Control covering FFB, sterilizer, USB, temperature and process, raw water treatment and air boiler, waste pond, laboratory, CPO and PK quality. Latest visit on 19 – 22 January 2016. Report No. PBS/CI-P&QC/01-2016. <p>Based on verification of document internal audit and visit above as well as the company correction and corrective action to the audit result indicated that the organization has well implemented of checking and monitoring of operations procedures.</p> <p>Scheme Smallholder:</p> <p>Regular field inspection to monitor the SOP implementation has been carried out by ICS, for example :</p> <ul style="list-style-type: none"> - “Monitoring Sortasi dan Timbang TPH” FFB quality inspection in member plantation on harvesting process. Performed on each harvesting activity by Field Foreman Plasma Buatan and Kerani Buah Plasma Buatan to ensure the FFB quality met with the standard and rejected the unstandard FFB quality. - “Pemeriksaan Mutu TBS Plasma” contain information FFB quality inspection and field inspection. Performed by Field foreman and Kerani in TPH area. - Fertilizer monitoring performed by ICS Plasma Buatan to ensure the fertilizer application was met with the fertilizer recommendation. To ensure the proper dosage and application, Plasma Buatan provide dose equipment and monitor by field supervisor. - Pest and disease monitoring and census and control as per procedure. Performed each month by Field Foreman and ICS team. - The internal audit was conducted to check the implementation, which the latest 	

Criterion / Indicator		Assessment Findings	Compliance
		<p>was conducted by ICS Plasma Buatan I in internal Audit was conducted by the ICS management on 07 February 2017 in KUD Bhakti Mandiri (SP3), on 6 July 2017 in KUD Jaya Makmur (SP4), on 6 February 2017 in KUD Sumber Rezeki (SP5) and on 7 July 2017. The findings were brief during meeting/on-site review. The internal audit report was verified by the assessor. . Audit record in "Formulir Pemeriksaan Internal Petani Plasma".</p> <p>Internal audit programme for all member has been determined by ICS in "Program internal audit petani ICS KLT Tahun 2017 s.d 2022".</p>	
4.1.3	<p>Records of monitoring and any follow-up actions shall be available.</p> <p>- Minor compliance -</p>	<p>Buatan Estate and Mill:</p> <p>Records of monitoring and any follow up actions can be demonstrated during audit, such as:</p> <ul style="list-style-type: none"> - Sustainability internal audit report, which done in 31 May – 2 June 2017. Audit result findings can be demonstrated and and the corrective action has been implemented to address issue found during audit. - Visiting Agent report No: KBN/VA/FULL01-17. Follow up regarding issues and finding during visiting agent presented in "Progress action plan kunjungan VA". All issue and finding has been addressed by PT Inti Indosawit Subur. Progress and evidence of implementation can be demonstrated. For example found Asystasia weeds in circle of palm oil tree and its not standard, company has follow it up by added the spraying rotation from 3 rotation to 4 rotation in a year. - R&D Agronomic Visit Report No. KBN/R&D-AGRO/01-17. Follow up regarding issues and finding during visiting agent presented in "Progress action plan kunjungan VA/R&D". All issue and finding has been addressed PT Inti Indosawit Subur. - R&D process and QC visit report No. PTU/R&D-P&QC/01-16. Recommendation of 	Comply

**RSPO Public Summary Report
Revision 4 (November /2016)**

Criterion / Indicator	Assessment Findings	Compliance
	<p>R&D visit has been follow up by Buatan I POM.</p> <ul style="list-style-type: none"> - Visiting Engineering report No. PB1-VE-FULL 04-16. Follow up regarding issues and finding during visiting engineering presented in "Action Plan VE PMKS Buatan" 2017. All issue and finding has been addressed by PT Inti Indosawit Subur. Progress and evidence of implementation can be demosnstrated. For example : Found puddle of water from EFB in EFB hopper area and its not comply to environmental policy, Buatan I POM has follow it up by repairing and replacing hoper structure and repairing ditch in hopper area. - Production Performance report, explained the FFB production performance and evaluation as well as determined production target for next year. Evaluation FFB production each block to date August 2017 can be demonstrated. - Mandor logbook, contain information of daily work monitoring covering: harvesting, spraying, fertilizing, pest and disease cencus, road and infrastructure maintenance, and others. During audit verified sample of Batu Anam Estate Mandor logbook on behalf kamal manurung (mandor HPT division IV), Brainer (mandor tunas division IV), Panco M (mandor semprot division IV), Guntar S (Mandor panen division IV), Sugiono (mandor tunas division III), Bambang Irawan (Mandor semprot division III). While in Aek Trum Estate on behalf Sugiantoro (mandor HPT division III), Andika (mandor semprot division III), Paino (mandor semprot division II), Rinaldo Silaen (Mandor semprot division II), Jujur Pakpahan (Mandor jankos division II). - Asian Agri Connected Plantation Application Record, contain the information result of check and monitoring of harvesting and FFB quality, FFB harvest estimation, block and quality inspection, FFB harvesting quantity, pest and disease census. - Form "Pemeriksaan Mutu Buah" contain information of FFB quality inspection conducted by Mandor Panen. FFB quality checked in TPH by mandor including: 	

Criterion / Indicator	Assessment Findings	Compliance
	<p>normal FFB, under ripe FFB, over ripe FFB, long stalk, brondolan, empty fruit bunch. FFB categorized as outspec subjected to penalty for harvester. For example: inspector Selamte Afdeling I dated 24 July 2017, normal FFB 117 and brondolan 317; Inspector Fajar TS Afdeling I dated 27 July 2017, Normal FFB 120, brondolan 288.</p> <ul style="list-style-type: none"> - Form "Pemeriksaan ancak" contain information result of harvesting inspection activity to check quality of harvesting as per procedure. For example inspector Slamet Afdeling I dated 24 July 2017 total 65 palm oil plant checked found 122 brondol. Each brondol subjected to penalty IDR 50/brondol. - "Buku Penerimaan TBS" contain information of FFB quality inspection conducted by kerani buah. <p>Scheme Smallholder:</p> <p>Record monitoring and any follow up actions can be demonstrated during audit, for example :</p> <ul style="list-style-type: none"> - "Monitoring Sortasi dan Timbang TPH" contain information of FFB quality inspection in member of plantation on harvesting process. Record for each month inspection were available, for instance on 26 July 2017 for KUD Bhakti Mandiri. On First rotation on Kav. 780 Supardi found under ripe 3 FFB so that its not calculate as tonnage of production, 72 FFB was met with quality standard. - "Pemeriksaan Mutu TBS Plasma" contain information FFB quality inspection and field inspection. Record verified dated 26 July 2017 for KUD Bhakti Mandiri and Sumber Rezeki. - "Rekomendasi Pemupukan tahun 2016/2017" contain information of fertilizer recommendation and application. To ensure the proper dosage and application, Plasma Buatan I provide dose equipment and monitor by field supervisor. 	

**RSPO Public Summary Report
Revision 4 (November /2016)**

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - "Berita Acara Serah Terima Pupuk Paket Petani plasma" contain information of fertilizer calculation and volume applied to field accompanied by KUD and inspector. For instance record dated 7 March 2017 for fertilizer KUD Jaya Makmur. - "Monitoring pemupukan petani plasma", contain a volume applied for each kind of fertilizer in each member. For example in KUD Sumber Rezeki ZA applied 640 kg on Februari 2017 for each member, MOP applied 448 kg on Februari 2017 for each member and Rock Phosphate applied 384 kg on June 2017 for each member. - "Formulir Sensus Hama Daun" contain information of pest and disease census and control as per procedure. For instance on 18 June 2017 in KUD Sejahtera, there is no caterpillar attack which more than threshold (< 5%). 	
4.1.4	<p>Records of the origins of all third-party FFB sourced (collector, deliver, Cooperative, Farmers Association and outgrower) shall be available.</p> <p>- Major compliance -</p>	<p>PT. Inti Indosawit Subur-Buatan has a policy related to purchase of non-certified FFB under "Kebijakan Perusahaan". Point 17 stated "Melakukan komunikasi dan evaluasi kepada pihak ketiga terkait asal penerimaan TBS dari lahan yang legalitasnya dapat dibuktikan, tidak ada pembakaran untuk pembukaan areal baru maupun peremajaan (replanting), tidak melakukan pembukaan areal gambut setelah September 2014, tidak terdapat konflik lahan dan tidak mempekerjakan anak-anak dalam pengelolaannya" – To communicate and evaluate third party related to purchase of FFB from legally demonstrable area, no burning for new development or replanting, no new development in peat area after September 2014, no land conflict and not employing children in the process".</p> <p>PT. Inti Indosawit Subur – Buatan I POM has a list of non-certified suppliers, under "Daftar Supplier Pemasok TBS Luar PMKS Buatan Satu", dated 2nd August 2017. The list comprise of 11 suppliers. Buatan I POM keeps record of FFB received from third party supplier, period January – July 2017: Raja Garuda Mas Sejati/PT. Rimbun Sawit Sejahtera supplied 11,208 MT FFB; CV. Putra Kembar Sentosa/PBS-A supplied 27,621 MT FFB; PK-SP5 Ilham supplied 476 MT FFB; PK-Sunarto supplied 599 MT FFB; PK Sugeng Kiswanto supplied 332 MT; Misnatun supplied 2602 MT FFB; PK-</p>	Comply

**RSPO Public Summary Report
Revision 4 (November /2016)**

Criterion / Indicator	Assessment Findings	Compliance
	<p>Sunardi supplied 853 MT FFB; Narimin supplied 316 MT FFB; Sudiyono supplied 330 MT FFB; Karya Bhakti Mandiri supplied 11,091 MT FFB; Alianto supplied 28 MT FFB;</p> <p>PT. Inti Indosawit Subur – Buatan I POM shows SOP to communicate and evaluate the source of third party FFB (non-certified). SOP Pengawasan Sumber Pembelian TBS Luar AA-MM-506.2-R0, dated 1st January 2014. The procedure for monitoring and evaluation of source of FFB. Purpose to ensure third party FFB sourced from non-forest area, completed with legal use of the land. The procedure: check supporting document from supplier (delivery order, Surat pernyataan, plantation block maps); compare the plantation location map/coordinate against the legal documents; team will compare the plantation location map against the RTRWP; conduct field verification to the source of FFB (oil palm plantation belong to farmer), randomly selected; team prepares database, listing the complying suppliers. Supply of FFB from area which legally contested or coming from protected forest, plantation forest, conservation area – will be rejected.</p> <p>SOP Traceability – FFB Purchase AA-SOP-MM-506.3-R0, dated 1st January 2015. The procedure stated all supplier shall fulfill legal requirement, not limited to: legal ownership/legal use of the land, hectarage, planting year, production, type of soil, type of seedling, distance from palm oil mill, etc. All supplier shall completed with coordinate points, listed in weighbridge system. While grading and sortation follows SOP for FFB receiving.</p> <p>Verification process up to audit: Ilham, Pekarangan SP V, Desa Mekar Jaya, verified on 16th July 2016, totalling 214 Ha. The verification database completed with name of land owner, planting year, hectare per plantation block and GPS coordinates.</p> <p>Sample taken: Ilham, address in Jl.Utama RT006/RW002, Kecamatan Pangkalan Kerinci. Letter "Permohonan Penerimaan TBS" dated 30th December 2014, under name Ilham, FFB from garden area of 1,22 Ha in Desa Mekar Jaya - Pelalawan, planting year 2000/2001 – located 10 km from Buatan I POM. "Pernyataan dan</p>	

Criterion / Indicator		Assessment Findings	Compliance
		Jaminan”, stated the guarantee from the supplier that the FFB is coming from their own property, the plantation does not falls under protected forest, plantation forest, production forest, conservation area status; not a stolen FFB; FFB not coming from new plantation, converted from forest after September 2014; FFB not coming from new plantation, or plantation converted from peat area after September 2014 – signed on 30 th December 2014. Pricing is determined by meknisme market FFB and set every day and recorded in the pricing document “Mekanisme Penetapan harga TBS Buatan I Mill”.	
Criterion 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to a level that ensures optimal and sustained yield.			
4.2.1	A record of SOP implementation to maintain soil fertility that ensures optimal and sustained yield, shall be available. - Major compliance -	Buatan Estate: SOP to maintain soil fertility consist of: - SOP AA-APM-OP-1100.05-R3 23/11/2016 Konservasi Tanah dan Air explains Soil & Water Conservation; - SOP AA-APM-OP-1100.09. R5 5/09/2016 Pemupukan related to Fertilizer application; Record of SOP implementation to maintain soil fertility presented in: - “Program dan Realisasi Aplikasi Janjang Kosong”. EFB application performed to maintain soil fertility and to maintain soil structure. Since January – June 2016 company has apply 26,112,770 kg. EFB dosage was 250 kg/palm/year. - “Program dan Realisasi Aplikasi Solid”. Solid application performed to maintain soil fertility and to maintain soil structure. Since January – June 2016 company has apply 1,837,300 kg. Solid dosage was 70 kg/palm/year.	Comply

Criterion / Indicator	Assessment Findings	Compliance																																		
	<p>“Rekomendasi dan realisasi Pemupukan Kelapa Sawit” Kebun Buatan Estate 2017 (Afdeling I, II, III). Fertilizer application performed each year by company to fulfill palm oil nutrition needs. Fertilizer application was made according to leaf sampling analysis and soil sampling analysis. Since January – June 2017, fertilizer application has been implemented as below, recommendation is from January – December 2017:</p> <table border="1" data-bbox="869 655 1868 1023"> <thead> <tr> <th rowspan="2">Volume (Kg)</th> <th colspan="6">Type of fertilizer</th> </tr> <tr> <th>ZA</th> <th>RP</th> <th>MOP</th> <th>Kieserite</th> <th>Dolomite</th> <th>HGFB</th> </tr> </thead> <tbody> <tr> <td>Recommendation (kg)</td> <td>379,624</td> <td>100,200</td> <td>258,520</td> <td>-</td> <td>77,751</td> <td>1,145</td> </tr> <tr> <td>Realisation (kg) ytd June 2017</td> <td>175,348</td> <td>100,201</td> <td>131,100</td> <td>-</td> <td>33,458</td> <td>-</td> </tr> <tr> <td>Dosage (kg/palm)</td> <td>1.25 – 2</td> <td>0.5 – 1.5</td> <td>1.00 - 3.50</td> <td>-</td> <td>2.00</td> <td>-</td> </tr> </tbody> </table> <p>Scheme Smallholder:</p> <p>Plasma Buatan has develop procedure maintain soil fertility “Fertilizing procedure SOP AA-Plasma-PP-KS-03”. Record of SOP implementation to maintain soil fertility presented in:</p> <ul style="list-style-type: none"> - “Rekomendasi Pemupukan tahun 2016/2017” contain information of fertilizer recommendation and application. To ensure the proper dosage and application, Plasma Buatan provide dose equipment and monitor by field supervisor. - “Berita Acara Serah Terima Pupuk Paket Petani plasma” contain information of fertilizer calculation and volume applied to field accompanied by KUD and 	Volume (Kg)	Type of fertilizer						ZA	RP	MOP	Kieserite	Dolomite	HGFB	Recommendation (kg)	379,624	100,200	258,520	-	77,751	1,145	Realisation (kg) ytd June 2017	175,348	100,201	131,100	-	33,458	-	Dosage (kg/palm)	1.25 – 2	0.5 – 1.5	1.00 - 3.50	-	2.00	-	
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Criterion / Indicator		Assessment Findings	Compliance																											
		<p>inspector. For instance record dated 14 February 2017 for fertilizer Sumber Rejeki.</p> <ul style="list-style-type: none"> - "Monitoring pemupukan petani plasma", contain a volume applied for each kind of fertilizer in each member. For example in KUD Jaya Makmur ZA applied 640 kg on Februari 2017 for each member, MOP applied 448 kg on Februari 2017 for each member and Rock Phospate applied 384 kg on June 2017 for each member. 																												
4.2.2	<p>Records of fertilizer inputs shall be available.</p> <ul style="list-style-type: none"> - Minor compliance - 	<p>Buatan Estate:</p> <p>The company has develop fertilizer recommendations each year and recorded in Recommendation Fertilization. Records of fertilizer inputs presented in "Rekomendasi Pemupukan Kelapa Sawit" Kebun Buatan 2017. Fertilizer recommendation for 2017 Buatan Estate:</p> <table border="1"> <thead> <tr> <th rowspan="2">Volume (Kg)</th> <th colspan="6">Type of fertilizer</th> </tr> <tr> <th>ZA</th> <th>RP</th> <th>MOP</th> <th>Kieserite</th> <th>Dolomite</th> <th>HGFB</th> </tr> </thead> <tbody> <tr> <td>Recommen dation (kg)</td> <td>379,624</td> <td>100,200</td> <td>258,520</td> <td>-</td> <td>77,751</td> <td>1,145</td> </tr> <tr> <td>Dosage (kg/palm)</td> <td>1.25 – 2</td> <td>0.5 – 1.5</td> <td>1.00 - 3.50</td> <td>-</td> <td>2.00</td> <td>-</td> </tr> </tbody> </table> <p>Fertilizer input prepare by R&D department based on leaf sampling analysis and soil sampling analysis.</p> <p>Scheme Smallholder:</p> <p>The records of soil fertility practices for each individual farmers was kept at Plasma</p>	Volume (Kg)	Type of fertilizer						ZA	RP	MOP	Kieserite	Dolomite	HGFB	Recommen dation (kg)	379,624	100,200	258,520	-	77,751	1,145	Dosage (kg/palm)	1.25 – 2	0.5 – 1.5	1.00 - 3.50	-	2.00	-	Comply
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**RSPO Public Summary Report
Revision 4 (November /2016)**

Criterion / Indicator	Assessment Findings	Compliance
	<p>Buatan office, presented in document "Rekomendasi Pemupukan tahun 2016/2017". It include the product name of fertilizers, total bags applied, total area applied, total trees applied.eg:</p> <ol style="list-style-type: none"> In KUD Sejahtera: Hamparan 70, a.n Sidik kav. 2061 applied 550 kg of ZA on February 2017 with dosage 2.15 kg/palm tree, 350 kg MOP on February 2017 with dosage 1.37 kg/palm tree, Rock Phospate 250 kg on June 2017 with dosage 0.98 kg/palm tree, HGFB 25 kg on April 2017 with dosage 0.1 kg/palm tree. In KUD Sumber Rezeki: KT 63, on behalf Rayung kav 1766 applied 550 kg of ZA on February 2017 with dosage 2.15 kg/palm tree, 350 kg MOP on February 2017 with dosage 1.37 kg/palm tree, Rock Phospate 250 kg on June 2017 with dosage 0.98 kg/palm tree, HGFB 25 kg on April 2017 with dosage 0.1 kg/palm tree. In KUD Jaya Makmur: KT 58 on behalf Misno kav. 1493 applied 550 kg of ZA on February 2017 with dosage 2.15 kg/palm tree, 350 kg MOP on February 2017 with dosage 1.37 kg/palm tree, Rock Phospate 250 kg on June 2017 with dosage 0.98 kg/palm tree, HGFB 25 kg on April 2017 with dosage 0.1 kg/palm tree. 	
<p>4.2.3</p>	<p>Records of periodical leaf, soil and visual analysis shall be available. - Minor compliance -</p> <p>Buatan Estate: Leaf sampling analysis conducted each year by Research and Development Centre PT Nusa Pusaka Kencana Analytical & QC Laboratory. Latest analysis conducted on May and June 2017, analysis result is remain progress in laboratory. Leaf Sampling Analysis report 2017 was available in "Foliar Analysis Report" Ref. No. 037/INT/R&D/MEI/L/17 dated issue 07/06/16, with sample number 182. Soil sampling analysis was conducted once in five years by Reasearch and Development Asian Agri Group. Latest soil sampling analysis performed in 12</p>	<p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>September 2016. Analysis result has been issued in September 2015.</p> <p>Leaf Sampling Analysis report and Soil sampling Analysis 2016 was used for Fertilizer input recommendation 2017.</p> <p>Scheme Smallholder:</p> <p>The Plasma Buatan management has conducts periodic tissue sampling each year. Leaf sampling analysis performed by Research and Development Laboratory PT Nusa Pusaka Kencana. Sample for Leaf analysis determined 3 sample in each Hamparan/Farmer group. Latest analysis was issued by R & D on 25 November 2016. Evidence of analysis result can be demonstrated.</p> <p>Soil sampling analysis conducted regularly each 6 year. Latest soil analysis conducted on June 2014 by Research and Development PT Inti Indosawit Subur. Report of soil analysis was available and can be demonstrated.</p>	
4.2.4	<p>A nutrient recycling strategy is recorded, including use of Empty Fruit Bunches (EFB), land application, and palm residues after replanting.</p> <p>- Minor compliance -</p>	<p>Buatan Estate:</p> <p>The company has nutrient recycling strategy with applied EFB, solid and POME to increase the soil fertility.</p> <p>Company has obtained permit for land application to use the waste water from mill as organic fertilizer for palm oil plantation. Permit based on "Keputusan Kepala Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu Kab. Tanjung Jabung Barat Nomor: 503.8/0/DPM-PTSP/2017. Company has permit for land application with area 266.35 ha.</p> <p>POME application total from January – Julye 2017 Buatan Estate was 86,435 m³. Application dosage of POME was 720 m³/ha/year with 4 rotation per year.</p> <p>EFB application from January – July 2017 Buatan Estate was 32,145,750kg. EFB dosage was 250 kg/palm/year.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>Solid application total from January – July 2017 Buatan Estate was 1,920,400kg. Solid dosage was 70 kg/palm/year.</p> <p>Scheme Smallholder:</p> <p>KUD Bhakti Mandiri, KUD Sumber Rejeki, KUD Jaya Makmur and KUD Sejahtera Smallholder does not applied EFB and POME to oil palm blocks.</p> <p>Smallholder only relies on organic mater from decaying palm fronds.</p>	
<p>Criterion 4.3 Practices minimise and control erosion and degradation of soils.</p>			
4.3.1	<p>Maps of any fragile soils shall be available.</p> <p>- Major compliance -</p>	<p>Buatan Estate:</p> <p>Soil Analysis carried out in October – December 2008. Reported under “Laporan Survey Tanah Semidetil Area Perkebunan Kelapa Sawit PT Inti Indosawit Subur Kebun Buatan”. Based on the report, the physiographic location in plain with hilly tuffaceous sedimentary rocks. Lithology parent material is clay and sand. Topographic of the area is rolling to hilly. Natural fertility is low to medium.</p> <p>Soil map scale 1:20,000 available, from semi- detailed soil survey 2008 by R&D Asian Agri. The predominant soil type identified in Division IV, V and VI Buatan Estate composed of Typic dystrodepts (dominant), Typic kandiodults, Typic Endoaquults, Typic endoaquepts.</p> <p>Topographic map scale 1:20,000 available, from semi-detailed soil survey the slope between 0-8%, 8-15%, 15-30% and >30%. The data and field information from semi-detailed soil survey 2008 by R&D Asian Agri.</p> <p>Soil suitability: S2 2,656 Ha (47.2%) with limiting factor of low natural fertility; S3 2,050 Ha (36.4%) with limiting factor of topographic condition; N1 (not suitable)</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>925 Ha (16.4%) with limiting factor of slope more than 30% and sandy soil with rapid drainage.Scheme Smallholder:</p> <p>The soil map for all individual member was available at Plasma Buatan office and KUD office with scale 1:70,000. There are 3 series of soil type defined by Research and Development Asian Agri based on soil survey on April 2014 and soil survey semi detail on June 1998:</p> <ol style="list-style-type: none"> 1. Typic Dystrudepts 2. Typic Kandiudults 3. Typic Hapludults <p>Soil map and soil survey result recorded in "Laporan Survei Tanah Tinjau Kebun Plasma Buatan".</p>	
4.3.2	<p>A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soiland climate specific).</p> <p>- Minor compliance -</p> <p>Buatan Estate:</p> <p>Management strategy for plantings on slopes has been implemented by organization. In procedure no. AA-SOP-OP-1100-05.R1 "Konservasi Tanah dan Air" has determined strategy control erosion particular in slope area, such as: 0 – 5° , 6 – 12° , 13 -20° , and more than 20°, The company has applied silt pit, L shape stacking frond and terracing in slope area to reduce erosion</p> <p>In the sloping area ≥ 13° company has made terracing before planting. Terracing made recorded in "Program dan realisasi harian replanting". Since January – June 2017, Buatan Estate has made 53,283 m of terrace. During field visit indicated that company has made the terrace according to the procedure.</p> <p>Scheme Smallholder:</p> <p>The management has established the guidance on managing problematic soil (TSP: B 3.3.1-Checklist on Managing Problematic Soil) which covered the managing on</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		problematic area (steep terrain, lateritic soils, acid sulphate soil, sandy soils, soil after specific land use change and organic soil).	
4.3.3	A road maintenance program shall be in place. - Minor compliance –	<p>Buatan Estate:</p> <p>Road maintenance program and progress was made and recorded in "Program dan Realisasi Prasarana Jalan Manual, Grading Jalan dan Pengerasan Jalan 2017". Realisation manual road maintenance Afd I – III since January – July 2017 was 156 m.</p> <p>Grading jalan Afdeling I – III since January – July 2017 was 33,531 m.</p> <p>Road hardening has been performed by company, realization since January – June 2017 in Buatan Estate was 10,940 m.</p> <p>Beside road hardening, company has made road grading by Grader to maintain the road condition. Realisation since January – July 2017 for road greading in Afdeling I – III was 33,531 m.</p> <p>During field audit indicated that road condition is well maintained.</p> <p>Scheme Smallholder:</p> <p>The roads are maintained by Group Manager. The Plasma Buatan management established the maps for all farmers that clearly marks on FFB evacuation route and conducted the participatory meetings with members to established how road are maintained. During this assessment the roads have been established before and no new road was being developed.</p> <p>Road maintenance programme to maintained good road condition has been established by ICS management. Record of road maintenance presented in:</p> <ul style="list-style-type: none"> - "Laporan Monitoring Kondisi Jalan" Road condition by June 2017 : broken 	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>condition 83,874 m medium condition 401,731 and good condition 224,565</p> <ul style="list-style-type: none"> - "Program Perbaikan Jalan". Road maintenance programme average 20,000 m each month to repair broken road condition to become good condition. - "Laporan Monitoring Progress Perbaikan jalan". Road maintenance and repairing realisation to date June 2017 : broken road has been repaired 78,030 m, medium condition has been repaired 181,918 m. Total road repairing 259,948 m. <p>Evidence of road maintenance and repairing can be demonstrated. Based on interview with smallholder block No.1732, 1731 from KT100; smallholder No.2614 and 2620 from KT116; and smallholder No.1510, 1522 and 1523 from KT58, the smallholder explained that they have monthly deduction, coordinated by KT for road maintenance cost. Based on field visit to KT 100 and KT 116, the road is in fair condition.</p>	
4.3.4	<p>Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.</p> <ul style="list-style-type: none"> - Major compliance – 	<p>Buatan Estate:</p> <p>Based on the semi-detailed soil analysis, there were 85 ha peat soil in Buatan Estate and during field visit in Division I Block confirmed that there were peat soil, however there is no documented water and ground cover management programme. Subsidence of peat soils were not monitored by organization. It subjected to Non conformity.</p> <p>PT Inti Indosawit Subur – Buatan Estate has taken action by performing water management program based on SOP for Water Management (AA-SOP-OP-1100.17-R1) dated 23 October 2014. Buatan Estate has installed subsidence and water level measurement stick and piezometer at Block B91d Afdeling II.</p> <p>Scheme Smallholder:</p> <p>No peat soil in Plasma Buatan, verified the soil type maps was found that there is no</p>	<p>NC # 1514963- 201708-M3 CLOSED on 10/10/2017</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>peat soil identified in the Plasma Buatan area.</p> <p>There are 3 series of soil type defined by Research and Development Asian Agri based on soil survey on April 2014 and soil survey semi detail on June 1998:</p> <ol style="list-style-type: none"> 1. Typic Dystrudepts 2. Typic Kandiudults 3. Typic Hapludults 	
<p>4.3.5 Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.</p> <p>- Minor compliance –</p>	<p>Buatan Estate:</p> <p>Based on the semi-detailed soil analysis, there were 85 ha peat soil in Buatan Estate and during field visit in Division I Block confirmed that there were peat soil, however there is no drainability assessment conducted and based on replanting programme the company will be performed replanting on 2018. It subjected to Non conformity.</p> <p>PT Inti Indosawit Subur – Buatan Estate conducted coordination with R&D department to performed re-analysis of soil in Buatan Estate area to determine whether peat soil is still existed.</p> <p>Scheme Smallholder:</p> <p>No peat soil in Plasma Buatan, verified the soil type maps was found that there is no peat soil involve in the Plasma Buatan area.</p> <p>There are 3 series of soil type defined by Research and Development Asian Agri based on soil survey on April 2014 and soil survey semi detail on June 1998:</p> <ol style="list-style-type: none"> 1. Typic Dystrudepts 2. Typic Kandiudults 3. Typic Hapludults 	<p>NC # 1514963- 201708-N1</p> <p>Status: OPEN</p>

Criterion / Indicator		Assessment Findings	Compliance
4.3.6	<p>A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).</p> <p>- Minor compliance –</p>	<p>Buatan Estate:</p> <p>Based on soil analysis, there is no other fragile and problem soils in PT Inti Indosawit Subur Buatan Estate (e.g. sandy, low organic matter, acid sulphate soils).</p> <p>Scheme Smallholder:</p> <p>No other fragile and problem soils in Plasma Buatan, verified the soil type maps was found that there is no peat soil involve in the Plasma Buatan area.</p> <p>There are 3 series of soil type defined by Research and Development Asian Agri based on soil survey on April 2014 and soil survey semi detail on June 1998:</p> <ol style="list-style-type: none"> 1. Typic Dystrudepts 2. Typic Kandiodults 3. Typic Hapludults 	Comply
<p>Criterion 4.4</p> <p>Practices maintain the quality and availability of surface and groundwater</p>			
4.4.1	<p>An implemented water management plan shall be in place.</p> <p>- Minor compliance -</p>	<p>Buatan Estate:</p> <p>The company has prepared the plan of water management plan as in "Master Plan Continuous Improvement Plan Kebun Buatan 2017" consist of management water supply for domestic, water consumption and measurement of water quality.</p> <p>Water Management Plan, indicating the water need, permit and licensing, monitoring of water quality, infrastructure maintenance and conservation.</p> <p>The company has conducted measurement of water quality regularly and consistent,</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>the result shown that water quality is complies with national regulation.</p> <p>Scheme smallholder:</p> <p>All of KUD has program on water management as in "Rencana dan Realisasi Penyusunan Pelapah Letter "U", frond stacking.</p> <p>"Rencana dan Realisasi Perawatan Teresan sebagai Sarana Konservasi Tanah dan Air serta Upaya Pencegahan Erosi"</p> <p>ICS Plasma Buatan also has a policy to prohibit chemical weeding activity and chemical fertilizer application near to the river or waterways in 3m left and right side.</p>	
<p>4.4.2</p>	<p>Protection of water courses and wetlands, including securing and maintaining appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated.</p> <p>- Major compliance -</p> <p>Buatan Estate and Mill:</p> <p>Company has establish management plan to protect water courses and wetlands, including securing and maintaining appropriate riparian.</p> <ul style="list-style-type: none"> - Riparian restoration with forest vegetation plant/tree. During 2011 – 2013 company has planted in Sungai Benanak Vetiver 514 rumpun, Angsana 50 tree, Sungkai 63 tree, Pokok roda 65 tree, Ketapang 31 pokok. In Sungai Lampisi Vetiver 198 rumpun, Angsana 15 tree, Sungkai 27 tree, Pokok roda 49 tree, Ketapang 53 pokok. In Sungai Jitan Vetiver 1,000 rumpun, Angsana 523 tree, Sungkai 295 tree, Pokok roda 12 tree, Ketapang 295 pokok. - Establish zone for zero chemical. No spraying and fertilizing along riparian zone. - Conserve natural vegetation in riparian zone - Restricted to conducted replanting palm oil in riparian area. <p>During field visit, indicated that riparian area was conserved and the vegetation has been succession itself and enrichment in riparian zone was well growth.</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Scheme Smallholder:</p> <p>Based on field visit and interview with smallholder block No.1732, 1731 from KT100; smallholder No.2614 and 2620 from KT116; and smallholder No.1510, 1522 and 1523 from KT58, audit team noted that there was no river/water body across the smallholder block. Further smallholder No.1732 explained that they prohibit the fertilizer applying worker to apply fertilizer near water body.</p> <p>ICS Plasma Buatan also has a policy to prohibit chemical weeding activity and chemical fertilizer application near to the river or waterways in 3 m left and right side.</p>	
<p>4.4.3</p>	<p>Records for monitoring of effluent especially BOD (Biochemical Oxygen Demand) and efforts to comply with legal requirements, shall be available (see criteria 2.1 and 5.6).</p> <p>- Minor compliance –</p> <p>Buatan I POM:</p> <p>For mill effluent treatment, Buatan 1 Mill (PBS) has 11 ponds in effluent treatment system (WWTP), which consists of Colling Pond, Primary Anaerobic pond, Secondary Anaerobic pond, Acidification pond, and Buffering pond. Procedure of WWTP operation available in Mill Policy Manual (MPM) dated February 1, 2013, chapter AA-MPM-OP-1400.13-R1.</p> <p>PBS Mill is undergoing Biogas power plant construction since April 2015 to generate electrical power by using waste water treatment. The biogas system has Anaerobic MBR system through digester Thermophilic fermentation, and anaerobic membrane tank.</p> <p>According to effluent monitoring data, all produced mill effluent used for land application. Mill holds permit to discharge waste water into land application from local authority through Decree number KTPS.660/BLH/780/2014, issued on 10th September 2014 valid for 5 years. Total area of land application covers 679 hectares at Block B and C.</p> <p>As required by LA permit, Mill conducts monthly check on discharged effluent in</p>	<p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>cooperation with accredited Laboratory (UPT Pengujian Material, Dinas Bina Marga Provinsi Riau). According to recent testing result, BOD level of applied effluent has met the applicable threshold of KepmenLH No.28/2003 regarding BOD limits of effluent discharge for land application. The level is maintained consistently less than 5,000 mg/L and debit <600 m³ per day.</p> <p>Records of effluent quality monitoring result for the recent three months:</p> <ul style="list-style-type: none"> - January 2017: BOD was 419 mg/L (report of analysis nomor 0244-0249/LHU/LKL-PR/II/2017 - May 2017: BOD was 759 mg/L (report of analysis nomor 1522-1257/LHU/LKL-PR/V/2017 	
4.4.4	<p>Monitoring of mill water use per ton of FFB shall be recorded.</p> <p>- Minor compliance –</p>	<p>Buatan I POM:</p> <p>Buatan I POM has recorded the mill water use per tonne FFB, includes monitoring of water usage for mill processing and domestic usage. Result of water usage monitoring is recorded under "Mill Operation Summary 2017". Review on record confirmed met with the approved budget for processing and domestic, e.g:</p> <p>Budget in 2017 is 1.05 M³/ton FFB, actual water usage:</p> <p>January: 0.84 M³/ton FFB February: 0.83 M³/ton FFB March: 0.95 M³/ton FFB</p>	Comply
<p>Criterion 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate integrated Pest Management (IPM) techniques.</p>			

Criterion / Indicator		Assessment Findings	Compliance
4.5.1	<p>Monitoring of Integrated Pest Management (IPM) plan implementation shall be available.</p> <p>- Major compliance -</p>	<p>Buatan Estate:</p> <p>Company has establish monitoring of integrated pest management plan, below are the record of IPM monitoring:</p> <ul style="list-style-type: none"> - Barn Owl census, performed each 3 month by team PHT. Total Barn owl nest box in Afdeling I was 29 unit, in Afdeling II was 40 unit, in Afdeling III was 36 unit. Ratio nest box is one box represent for 25 ha area plantation. Lates monitoring performed on July 2017, found 24 mature barn owl in Afdeling I, 29 mature barn owl in Afdeling II, and 27 mature barn owl in Afdeling III. Imature barn owl identified 10 individual in Afdeling I, 10 individual in Afd II and 19 individual in Afd III and egg found 10 pcs in Afd 1 ,16 pcs in Afd II and 13 pcs in Afd III. - "Program dan realisasi penanaman hostplan 2017". Company has planting beneficial plant as a nest of natural pest enemies, consist of Cassia tora and Turnera subulata. Total hostplan planted 4,906. The hostplan was planted along main road and collection road. - "Sensus serangan tikus dan Tirathaba" performed each 2 month in Mature area and once a month in immature area. Latest monitoring on July 2017 shown that there is no Rats and Thirataba attack in Afdeling I – III. - "Sensus serangan UPDKS" Catterpillar census performed each month. Latest monitoring on July 2017 shown that there is caterpillar attack 1-5 individual with percentage 1.09% and still under threshold to control by chemical. Total area attacked 4.5%. Control only performed by natural enemies. - "Sensus molusca" performed each month in Imature area. Latest monitoring on July 2017 shown that pest attack level average < 2%. Direct control performed by application of Sibutox (Metaldehyde). <p>Scheme Smallholder:</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>Group manager has ben established a written procedure for Integrated Pest Management, presented in Pest and Disease Control procedure SOP AA-Plasma-PP-KS-02. Group manager has provide the IPM training for all member. Training programme was developed each year. For 2017, IPM training will be provide on September 2017. Training implementation for 2016 has been carried out on August 2016. Each member keep the records of their training on Logbook "Buku Pintar Petani Plasma".</p> <p>Each individual member also has a guidance book for IPM which provide by ICS and group management. During field audit, they have understood regarding IPM implementation in their plantation.</p> <p>Based on interview with smallholder block No.1732, 1731 from KT100; smalholder No.2614 and 2620 from KT116; and smallholder No.1510, 1522 and 1523 from KT58, it was noted that smallholder understand the natural predator for pest: planting Turnera in order to attract predator for nettlar acterpillar and bagworm; installing barn owl box to control rat population. Field visit to KT116, noted barn owl box was installed in block belong to Mrs.Lestari.</p>	
4.5.2	<p>Training records of Integrated Pest Management (IPM) shall be available.</p> <p>- Minor compliance –</p>	<p>Buatan Estate:</p> <p>Company has been conducted integrated pest management to the workers and staff who in charge in IPM management and monitoring. Latest training conducted on 13 March 2017. Evidence of training and minutes of training was available and can be demonstrated.</p> <p>During interview with Mandor/foreman and workers who is in charge for integrated pest management such as for pest and disease detection and census as well as pest and disease control, indicated that the workers understand the IPM process and implementation.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>Scheme Smallholder:</p> <p>The training was conducted by Group management/ICS on 18 April 2017 for representative of member.</p> <p>Each member keep the records of their training on Logbook "Buku Pintar Petani Plasma".</p> <p>Each individual member also has a guidance book for IPM which provide by ICS and group management. During field audit, they have understood regarding IPM implementation in their plantation.</p>	
<p>Criterion 4.6 Pesticides are used in ways that do not endanger health or the environment.</p>			
4.6.1	<p>Documented evidence shall be available to show that pesticide used based on regulations and the use of pesticide is specific to target species with appropriate dosage which have minimal impact on non-target species.</p> <p>- Major compliance -</p>	<p>Buatan Estate:</p> <p>The use of pesticide is under strict requirement, only in the case of pest attack past the economic threshold.</p> <p>Inspection of records confirmed only chemicals that are registered and approved by the Department of Agriculture are used. Data on pesticides usage are recorded on the PT. Inti Indosawit Subur – Buatan Group Estate office. Justification for all pesticide used was recorded in "Rencana Kerja Kebun Buatan" 2017. There are specific target and activities used for selective products such as:</p> <ul style="list-style-type: none"> • <i>Glyphosate, Fluoroxypyr, Methyl Metsulfuron</i> and <i>Paraquat</i> are used for circle spraying. • <i>Glyphosate</i> and <i>Fluoroxypyr</i> used for FFB collection point spraying • <i>Glyphosate, Trichlophyr, Methyl Metsulfuron</i> are used for wooden weeds 	Comply

Criterion / Indicator		Assessment Findings	Compliance										
		<ul style="list-style-type: none"> • <i>Methyl Metsulfuron, Paraquat</i> are used for wooden fern • <i>2,4-Diamine</i> and <i>Glyphosate</i> are used for soft wooden grass (<i>Asystasia</i> sp). <p>Visit to chemical store and record review shows company chemical product for specific target species (weed).</p> <p>Scheme smallholder:</p> <p>Document titled "Penggunaan Agrokimia Terdaftar" indicates the permitted pesticide (herbicide) allowed to be used on smallholder blocks. The herbicide programmed for weed control on circle and path spraying only.</p>											
4.6.2	<p>Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per Ha and number of applications) shall be available.</p> <p>- Major compliance -</p>	<p>Buatan Estate and Scheme Smallholder:</p> <p>Agrochemicals used are monitored each time it is used. Records includes active ingredients used, area treated, quantity applied per hectare, type of equipment used and number of applicators involve. Smallholder organization has a record of the herbicide use to control weed. The spraying activity was carried out by team TUS PT Inti Indosawit Subur.</p> <p>Records observed during the audit i.e. Estate Monthly Report, Daily Field Supervisor Book. Below are the chemical usage for Buatan Estate and Scheme Smallholder:</p> <table border="1"> <thead> <tr> <th>Chemical</th> <th>Application to July 2017</th> <th>Active Ingredients Used</th> <th>Active Ingredients per ha applied</th> <th>Active Ingredients per ton FFB</th> </tr> </thead> <tbody> <tr> <td>Metsulindo (Metil metsulfuron)</td> <td>920 kg</td> <td>62,400 gram</td> <td>11.10 gr/ha</td> <td>1.46 gr/ton FFB</td> </tr> </tbody> </table>	Chemical	Application to July 2017	Active Ingredients Used	Active Ingredients per ha applied	Active Ingredients per ton FFB	Metsulindo (Metil metsulfuron)	920 kg	62,400 gram	11.10 gr/ha	1.46 gr/ton FFB	Comply
Chemical	Application to July 2017	Active Ingredients Used	Active Ingredients per ha applied	Active Ingredients per ton FFB									
Metsulindo (Metil metsulfuron)	920 kg	62,400 gram	11.10 gr/ha	1.46 gr/ton FFB									

Criterion / Indicator		Assessment Findings					Compliance
		20%)					
		Gramoxone (Paraquat diklorida)	874 litre	98,850 gram	17.58 gr/ha	2.32 gr/ton FFB	
		Bionasa 480 AS (Isopropyl amina glifosat)	1,480 litre	1,280 gram	0.23 gr/ha	0.03 gr/ton FFB	
		Kenrane 288 EC (Fluoroksipir)	34 litre	10.8 gram	0.002 gr/h)	0.00025 gr/ton FFB	
		2,4 Dimetil Amina	420 litre	138 gram	0.025 gr/ha	0.0032 gr/ton FFB	
4.6.3	Any use of pesticides shall be minimized as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in Indonesia Best Practice guidelines. - Major compliance -	Buatan Estate and Scheme Smallholders: PT. Inti Indosawit Subur - Buatan and scheme smallholder control weeds through identification to select appropriate control to be applied. Identification record of weeds comes under "Identifikasi Gulma Dominan". The record is identifying the target of weeds, the location, and active ingredient. Dosage used for herbicide application refers to Agricultural Policy Manual AA-APM-OP-1100.08-R1. There is no use of prophylactic use of pesticides.					Comply
4.6.4	The evidence shall be available to demonstrate that use of Pesticides, categorized in Class 1A or 1B by World Health Organization, or those are listed in the Stockholm and Rotterdam Conventions, and paraquat are not used, except	Buatan Estate: The company has demonstrated to reduce using paraquat and no using pesticides as categorized Class IA or 1B. Paraquat is still used in the Estates. Data of Paraquat used has been provided since					Comply

Criterion / Indicator	Assessment Findings	Compliance															
<p>in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p>- Minor compliance -</p>	<p>2010. Budget of Paraquat is decreased every year. It was observed that Paraquat used was under the target. To reduce Paraquat use, Estates implement Selective Spraying and Site Specific which agrochemical is only used in targeted weeds, no spraying in riparian buffer zones.</p> <p>Company also has a policy of paraquat usage No. 001/HP/INT/IX/2009 dated 1 September 2009 regarding reducing of usage herbicide containing paraquat.</p> <p>Below are the paraquat usage by Buatan Estate (Division I – III) for last 3 years:</p> <table border="1" data-bbox="869 719 1453 1002"> <thead> <tr> <th>Year</th> <th>Paraquat usage (litre)</th> <th>Budget (litre)</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>511.4</td> <td>800</td> </tr> <tr> <td>2015</td> <td>231</td> <td>600</td> </tr> <tr> <td>2016</td> <td>228</td> <td>600</td> </tr> <tr> <td>2017</td> <td>266.5</td> <td>500</td> </tr> </tbody> </table> <p>The usage in 2017 increasing because of the replanting activity, which shall be use paraquat to control the weeds particularly stenoclaena and hard weeds according to the Asian Agri Agronomy Best Management Practises.</p> <p>Scheme Smallholders:</p> <p>There was no pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat – used by smallholder.</p> <p>Smallholder chemical weeds control performed by TUS team PT Inti Indosawit Subur, using Metsulindo (Metil metsulfuron 20%) and Bionasa 480 AS (Isopropyl amina glifosat).</p>	Year	Paraquat usage (litre)	Budget (litre)	2014	511.4	800	2015	231	600	2016	228	600	2017	266.5	500	
Year	Paraquat usage (litre)	Budget (litre)															
2014	511.4	800															
2015	231	600															
2016	228	600															
2017	266.5	500															

Criterion / Indicator	Assessment Findings	Compliance	
<p>4.6.5</p>	<p>Evidence of pesticide application by trained person and in accordance with application guidelines in product label and storage guidelines shall be available. Appropriate safety equipment shall be provided and utilized. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>- Major compliance -</p>	<p>Buatan Estate and Scheme smallholder:</p> <p>PT. Inti Indosawit Subur – Buatan has ensured that applicators are trained; all personnel handling agrochemical was trained for the use of limited pesticide in collaboration with Manpower office of Batanghari regency. Record of training for spraying operators is kept in estate office. Field visit to Buatan estate chemical’s storage showed the pesticide stores continued to be well maintained and the chemicals were labelled clearly and stored within spill containment. Observation of spray-mix preparation and spraying showed that the workers were wearing PPE correctly and they were working safely and in accordance with the chemical manufacturer’s recommendations.</p> <p>MSDS available in Buatan Estate’s chemical store. Chemical storekeeper understood the critical control based on MSDS. The Personal Protective Equipment was provided in accordance to MSDS information.</p> <p>Sprayer that perform herbicide spraying in Buatan estate also perform spraying activity in smallholder plantation. Sprayer team has been trained with pesticide handling training, agrochemical application training and limited pesticide training. Spraying team only handles herbicide to control the weed. Sprayers understood the type of chemical for each weed type, the hazard, the application and appropriate PPE to wear.</p> <p>Record seen:</p> <ul style="list-style-type: none"> - Mr Efendi limited pesticide training 19th May 2011 certificate No.1505/Set-KP3/VII/2011. - Mr Mawardian limited pesticide training 22nd October 2012 certificate No.539/Set-KP3/I/2013. - Mrs Ruslina Pasaribu, Mr Lamria boru Sianturi, Mr Helen boru Siahaan, Mr 	<p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>Rismawan boru Haloho, Mr Dorkas Rumanti Sitohang limited pesticide training 22nd October 2012 with certificate No.547/Set-KP3/I/2013.</p> <ul style="list-style-type: none"> - Mrs Morestu Sidabutar, Mrs Anni Derita boru Sitompul limited pesticide training 22nd October 2012 with certificate No.622/Set-KP3/I/2013. - Mr Saloma boru Ginting limited pesticide training No.550/Set-KP3/I/2013. 	
4.6.6	<p>Storage of pesticides shall be according to recognised best practices. All pesticides containers shall be properly managed according to the existing regulations and or instructions enclosed on the containers (see criterion 5.3).</p> <p>- Major compliance -</p>	<p>Buatan Estate and Scheme smallholder:</p> <p>The company has a SOP of waste pesticide management which is SOP of hazardous waste management No. AA-KL-06-EFP.</p> <p>The company already had a Pesticides warehouse and pesticide containers washing and bathing places for the sprayers. Based on a field visit to the Pesticides Warehouse, it was found that:</p> <ul style="list-style-type: none"> - Permanent Buildings, - A good ventilation, - Permanent floor is cemented, the floor of the mixing of pesticides using ceramics, and equipped with a "spillage trap", - eye wash shower, first aid box, PPE and Fire extinguisher are provided. - PPE room <p>Operation control:</p> <ul style="list-style-type: none"> - MSDS are available for all types of existing pesticides - The pesticide management and safety instructions are available - A package management/ used pesticide package is available 	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Water wash of pesticides containers collected in "spillage trap" - The flow of waste water is channeled and stored so that it is not discharged into the environment. The water used is used for its dilution. <p>A package management / used pesticide package:</p> <ul style="list-style-type: none"> - Pesticide packages were clean washed in a wash basin, then, it was dried in a provided place. - Dried packages were stored in temporary warehouse before being taken / sent by a third party who has a license. <p>The company disposed their hazardous waste, included empty container pesticides to the approval company PT. Indostar Cargo Lestari (see 4.6.10 and 5.3.3).</p> <p>Smallholder Plasma Buatan doesn't have a storage of pesticide. All activity related to chemical usage was performed by PT Inti Indosawit Subur.</p>	
4.6.7	<p>Application of pesticides shall be by proven methods that minimize risk and negative impacts.</p> <p>- Minor compliance -</p>	<p>Buatan Estate and Scheme smallholder:</p> <p>Based on field visit to Buatan Estate and Smallholder Buatan, spraying team using sign board indicating spraying/herbicide application is in progress for a block. Spraying supervisor was pre- mixing the herbicide in the chemical warehouse, transport the mixed chemical via truck, using cone and spill tray on the field to minimize spillage. The type and dosage of herbicide are carefully measured and prepared for targeted weed control; circle and path spray or selective weeding (wooden, bracken, or VOP).</p> <p>Nozzle calibration conducted regularly and recorded – evident.</p> <p>Sprayers and spraying supervisor are trained with limited pesticide training, best management practice for weed control, spraying techniques, using PPE and received regular medical check up. Clean water and soap on the field are provided for</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		sprayer. Supervisor was equipped with first aid kit.	
4.6.8	<p>Pesticides may only be applied aerially where there is a documented justification. Surrounding communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.</p> <p>- Major compliance -</p>	<p>Buatan Estate and Scheme smallholder:</p> <p>There is no aerial application of pesticide throughout the company plantation.</p>	N/A
4.6.9	<p>Evidence of training on handling pesticide for workers and scheme smallholder (if any) shall be available.</p> <p>- Minor compliance -</p>	<p>Buatan Estate and Scheme smallholder:</p> <p>Company provides limited pesticide training for sprayers. Latest training on limited pesticide use "Pelatihan Pestisida Terbatas" conducted on 29/09/2016 cooperation with PT. Syngenta Indonesia. For example Mr Suroso (Agrochemical warehouse workers) has follow the training, certificate can be demonstrated. Material Data Safety Sheets (MSDS) are evident for all chemicals used and are available at the storage and areas of mixing.</p> <p>No scheme smallholders.</p>	Comply
4.6.10	<p>Proof that pesticide waste has been handled as per legal regulations and understood by worker and manager, shall be demonstrated.</p> <p>- Minor compliance -</p>	<p>Buatan Estate and Scheme smallholder:</p> <p>Pesticide Waste has been identified and documented under the "Evaluasi Aspek-Dampak Lingkungan" (Environmental Aspect Impacts). PT Inti Indosawit Subur has a waste management plan, identifying type and source of waste and the disposal plan. PT Inti Indosawit Subur prepared a procedure to handle hazardous waste titled "Prosedur Penanganan Limbah B3" No.AA-KL-06-EFP explains methods to collecting the waste, recording in balance and disposal through licensed third party transporter.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>The company store hazardous waste in temporary storage with permit, The hazardous waste is sent to the registered collector/transporter which approved by Environmental Ministry, namely PT Indostar Cargo.</p> <p>Based on interview with workers who are handling of pesticides that they understood of disposed empty containers pesticides, such as: Empty chemical containers re-used only for mixing purposes, unusable are are triple rinsed, punctured and disposed to the approval collector.</p> <p>Records of empty containers pesticides stock and disposal were available in "Neraca Limbah B3" and "Manifest Limbah B3". During audit, indicated that company can be demonstrated the proper disposal of empty containers pesticides. Each quarter the waste management of empty containers pesticides also reported to local Environmental Agency of Pelalawan Regency Riau Province.</p>	
4.6.11	<p>Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available.</p> <p>- Major compliance -</p>	<p>Buatan Estate Scheme smallholders:</p> <p>The company has prepared the program for Medical Check up to monitor intoxication level for all sprayers, comprise of blood test, urinal test, Rontgen and spirometry test. The medical check-up carried out on annual basis. Latest medical check-up carried out in 17th July 2017 was attended by 140 workers (spraying operator, manuring operator and operator of hazardous waste handling). The result still in progress on analysis by the provider.</p> <p>The company also has shown the result of special medical check up in 2016, the medical test consist of : Hema, Urine, SGOT, SGPT, Ureum, Cholinetrace, Spirometri, thorax rongten. The resut has communicated to all participants on 15 December 2016, e.g in Division 02 was attended by 22 workers.</p>	Comply
4.6.12	<p>Records shall be available to show that spraying is not conducted by pregnant or breast-feeding</p>	<p>Buatan Estate and Scheme smallholders:</p> <p>PT. Inti Indosawit Subur – Buatan Group prohibits pregnant or breast-feeding</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
	women. - Major compliance -	women to perform chemical spraying. In order to mitigate, estate performed monthly pregnancy test. Record seen: Report of pregnancy test on 6 July 2017 and on 9 May 2017, shown that 12 workers were having negative result.	
Criterion 4.7			
An occupational health and safety plan is documented, effectively communicated and implemented.			
4.7.1	A health and safety policy shall be in place. A health and safety plan shall be documented and implemented, and its effectiveness monitored. - Major compliance -	<p>Buatan I POM, Buatan Estate and Scheme Smallholders:</p> <p>An Occupational Health and Safety Policy has been established and in place, issued and signed by the Managing Director dated 1st December 2014. Point 3. Committed to implement and maintain occupational health and safety management system in compliance with national and international applicable regulation. Point 5. Integrating social, environmental, food security, occupational health and safety issues into operational activities, adopting best technology available, and maintain trained manpower, with skills, and motivated to improve performance through continuous improvement program.</p> <p>Record seen:</p> <ul style="list-style-type: none"> - Health and Safety policy has been established on 1 December 2014 “Kebijakan Perusahaan”, at point no. 3. Socialization to all employees has been conducted on 3 February 2017. Environmental Policy has been established on March 2005, has been socialized to all employees on 10 February 2017. - EHS Plan 2017 has been defined on 9 January 2017. eq. Work accident: Fatality, Disable, LTI, Medical Aid and First Aid Target 0 accident. Near miss Target 	Comply

**RSPO Public Summary Report
Revision 4 (November /2016)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>minimum 3 report / month , and Ill target 10 %</p> <ul style="list-style-type: none"> - Monitoring has been made by Monthly, there are 4 LTI Cases. Effectiveness of monitoring has been shown on RKK " Rekaman Kecelakaan Kerja" - All of the KUD has prepared the OHS policy that signed 1st August 2013, point 3 "memperhatikan dan menerapkan budaya kesehatan dan keselamatan kerja (K3), memakai Alat Pelindung Diri jika diperlukan dalam melaksanakan tugas sehari-hari dengan memperhatikan tempat dan kondisi kerja" – to pay attention and implementing health and safety culture, using personnel protective equipment, if necessary, in performing daily work and to maintain the work premises. - Prosedur Kesehatan dan Keselamatan Kerja including the risk assessment for harvesting, fertilizer application, plantation block upkeep (including spraying). - "Daftar Pemeriksaan APD" – PPE use checklist, dated 5 June 2017 - The medical check-up carried out on annual basis. Latest medical check-up carried out in 17th July 2017 was attended by 140 workers (spraying operator, manuring operator and operator of hazardous waste handing). The result still in progress on analysis by the provider. - Periodic monitoring of emergency equipment e.g.: fire extenguisher, hydrant, first aid box, eye shower at TPS LB3, etc. - Record of occupational safety and healthy implementation available and has been reported to manpower office on monthly basis. Report for April – June 2017. Action plan available when targets are not achieved annually. 	
4.7.2	A documented risk assessment shall be available and its implementation shall be recorded.	<p>Buatan I POM, Buatan Estate and Scheme Smallholders:</p> <p>Company has a procedure to identify and prepare a risk assessment register. The procedure including calculation of risk level considering the frequency and severity,</p>	<p>NC # 1514963- 201708-M5</p>

**RSPO Public Summary Report
Revision 4 (November /2016)**

Criterion / Indicator	Assessment Findings	Compliance
<p>- Major compliance -</p>	<p>as well as determining control for each risk level identified.</p> <p>Risk assessment for plantation operation in Buatan Estate have been reviewed and updated. The latest review and revision on HIRADC dated 3 January 2017. Risk assessment has identified hazard and risk from office activities, infrastructure construction activities, warehouse and workshop related activities, harvesting and FFB loading activities, fertilizer and spraying activities.</p> <p>Risk assessment has been defined at Buatan I Palm Oil Mill. Last updated on 22/07/2017. Significant impact has been identified and record on OHS Improvement Plan 2017. Eq. Loading Ramp Station, Sterilizer Station, Tippler Station and Clarification.</p> <p>Implementation for loading ramp: make "Pagar Safety di Capstan" done. Implementation for Sterilizer: Made Work Instruction for Sterilizer and morning Safety briefing daily. Etc.</p> <p>All KUDs has prepared the risk assessment as in form of "Prosedur Kesehatan dan Keselamatan Kerja" including the risk assessment for harvesting, fertilizer application, plantation block upkeep (including spraying).</p> <p>Non Conformity found during udit as below:</p> <ul style="list-style-type: none"> - During field visit in Buatan I Mill It was found operator clarifier station, sterilizer, driver and unloading operator use rubber boot. It was not comply with the risk assessment document at Buatan I Mill. - During field visit in Buatan Estate Division I Block A91C, it was found harvester use short Toyo shoes, however based on the risk assessment they supposed to use rubber boots. <p>Corrective action has made by company and verified by auditor on 10 october 2017. The non conformity has been Closed on 10 October 2017.</p>	<p>CLOSED on 10/10/2017</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.3</p>	<p>Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.</p> <p>- Major compliance -</p> <p>Buatan I POM, Buatan Estate and Scheme Smallholders:</p> <p>The internal training has been implemented according to the established "Realisasi P2K3 Tahun 2017". Safe working practice training has been done to employee and record of training was evident.</p> <p>Each safe working practice was included in the working instruction including requirement PPE, and as observation at several area such as laboratory, workshop and processing have been seen proper PPE used by worker and available at location such as at area Buatan I POM, Buatan Estate and all KUDs</p> <p>Record seen:</p> <p>EHS program 2017 has been established .eq. "Training Program for Mill and Workshop" etc: Biogas Plant (18 – 19 January 2017), KCP (20 May 2017) , Evaluation Staff TMK < 2 Years (20 – 22 April 2017) , Traceability Mass Balance & GHG (13 June 2017)</p> <p>All workers involved in the operation has been appropriately trained in safe working practise, as seen by he following evidences:</p> <ul style="list-style-type: none"> - Mr Efendi limited pesticide training 19th May 2011 certificate No.1505/Set-KP3/VII/2011. - Mr Mawardian limited pesticide training 22nd October 2012 certificate No.539/Set-KP3/I/2013. - Mrs Ruslina Pasaribu, Mr Lamria boru Sianturi, Mr Helen boru Siahaan, Mr Rismawan boru Haloho, Mr Dorkas Rumanti Sitohang limited pesticide training 22nd October 2012 with certificate No.547/Set-KP3/I/2013. - Mrs Morestu Sidabutar, Mrs Anni Derita boru Sitompul limited pesticide training 22nd October 2012 with certificate No.622/Set-KP3/I/2013. 	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> - Mr Saloma boru Ginting limited pesticide training No.550/Set-KP3/I/2013. - Sprayer team has been trained with pesticide handling training, agrochemical application training and limited pesticide training. Spraying team only handles herbicide to control the weed. Sprayers understood the type of chemical for each weed type, the hazard, the application and appropriate PPE to wear. All sprayers and agrochemical operators using protective equipment: hat, goggle, masker, apron, hand glove, gumboot. - Heavy machinery operators are trained and using protective equipment: helmet and safety shoes. Mr.Sahidan Nasution, excavator operator trained with "Pembinaan Teknik Keselamatan dan Kesehatan Kerja Pesawat Angkat dan Angkut" certified and licensed No.Ser.1761/OPK3/PAA/III/2014 dated 7th March 2014. License No.14.32827-OPK3-PAA/III/2014 valid until 7th March 2019. - Mr.Ahmad Fauzi, Motor Grader operator trained with "Operator Pesawat Angkat dan Angkut" certified No.09.2076/OPF/KK/IV/2009; holds license No.P14.2076-OPK3-PAA/VIII/2014, valid until 8th August 2019. - Mr.Murdiono Sinaga, bulldozer operator trained with with "Pembinaan Teknik Keselamatan dan Kesehatan Kerja Pesawat Angkat dan Angkut" certified and holds licensed No.Ser.11.10019-OPK3-PAA/VII/2011 valid until 29th July 2016. - Safety Officer Training: Mr. YP as safety officer on 10-21st September 2014. The training was conducted by PT. Arpindo Pratama as Authorized Training Conductor on behalf of Ministry of Manpower of Republic of Indonesia. - Hyperkes training for Physician and paramedics: Mrs MSS (mill), has attended hyperkes training on February 2013, Mrs. DSA (estate) has attended has attended hyperkes training on February 2013, Dr. ZIA (estate) has attended has attended hyperkes training on February 2013. Training was held by Ministry of labour. - First aid training: Ms. MSS (mill) 3 – 5th February 2016, Mrs. DSA on 18-21st 	

Criterion / Indicator	Assessment Findings	Compliance
	<p>February 2015. The training was conducted by PT. Jesindo Mandiri as Authorized Training Conductor on behalf of Ministry of Manpower of Republic of Indonesia. Training covers: basic theory and practical works.</p> <ul style="list-style-type: none"> - Training on safety working practice for operators, such as: boiler, heavy load vehicle, welding, and electrician. - Company provides PPE for all workers in mill as seen under document "Monitoring pembagian APD" for the following PPE: Safety shoes, Uniform, Gloves, Ear Plug. Field inspection to mill site confirmed all workers who exposed in high risk job were provided with proper PPE, for instance: earplug for boiler operators, safety helmet and shoes for all workers, gloves for sterilizer and workshp, welding PPE for welder, etc. <p>In KUD: Notulen Pelatihan Sustainability Awareness dan K3 dated 5 June 2017, attended by 36 smallholder members.</p> <ul style="list-style-type: none"> - Training for harvester dated 6th June 2017 for harvesters covering harvesting plan, harvesting implementation, grading, etc - Smallholder management of PT. Inti Indosawit Subur has identified the underlying cause in the absence of protective equipment by harvester and wheeler in smallholder blocks. - Smallholder management identified some of harvester and wheeler was not registered by the KUD/cooperative; - Smallholder manager provided all harvester and wheeler provided with appropriate protective equipment for harvesting activity such as helmet; - Based on interview with smallholder No.1732, 1731 from KT100; smallholder No.2614 and 2620 from KT116, smallholder No.1510, 1522 and 1523 from KT58, explained that they are paying for the provision of PPE for the worker in their 	

**RSPO Public Summary Report
Revision 4 (November /2016)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>smallholder block. Example: Smallholder No.1732 deducted on monthly basis for provision of helmet, goggle, boot for Mr.Deni (harvester);</p> <p>- Smallholder No.1731 deducted on monthly basis for helmets, goggles, boots and gloves for Mr.Siregar (harvester) and his wife (loose fruit collector);</p>	
4.7.4	<p>The responsible person(s) for occupational health and safety shall be identified and there shall be records of periodical meetings on health and safety issues.</p> <p>- Major compliance -</p>	<p>Buatan I POM, Buatan Estate and Scheme Smallholders:</p> <p>Mr. Afriando Flora Kirnando has been appointed as AHLI K3 Umum in Buatan Estate including Smallholder Buatan. Certificate from Kemenakertrans RI Date 14 November 2014. HSE Report "Laporan P2K3 Period for April – June 2017" has been received to Dinas tenaga Kerja dan transmigrasi – Pemprov Riau. Date 25-7-2017. No: 528/ES-KBN/EXT/07/2017.</p> <p>Last HSE Meeting on 14 June 2017 (Conducted Monthly). Eq. Minute of meeting document, and the agenda Safety Talk, HSE Management Program, New Regulation Socialization. Permenaker No. 9 Year 2016, Maternity Check for Fertilizer and Sprayer Operator, and Checklist Recapitulation PPE for Krani RSPO.</p> <p>Mr. Januar Sasmitra has been appointed as AHLI K3 Umum in Buatan I POM. Certificate from Kemenakertrans RI Date 21 November 2016. HSE Report (Laporan P2K3 Period for April – June 2017) has been received to Dinas tenaga Kerja dan transmigrasi – Pemprov Riau. Date 4 August 2017.</p> <p>Last HSE Meeting has been conducted on 2 August 2017 (Monthly meeting) eq. Minute of meeting document and the agenda Discipline for PPE, Keep condition in EKO 4 housing area , Smoking Discipline, and HSE Regulation. Attendance process operator, workshop operator and all staff.</p>	Comply
4.7.5	<p>A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids</p>	<p>Buatan I POM, Buatan Estate and Scheme Smallholders:</p> <p>Emergency Response procedure has been established No. File: AA-EMS-447-PR</p>	Comply

**RSPO Public Summary Report
Revision 4 (November /2016)**

Criterion / Indicator		Assessment Findings	Compliance
	<p>training, are available in the working areas.</p> <p>- Minor compliance -</p>	<p>Rev.2 Date March 2017. Emergency situation in Buatan Estate and Smallholder: for Fire, Chemical, Agro Chemical Spill and Hazardous spill to environment. Emergency Organization structure has been available also for job and responsibility has been defined for each section. Emergency condition in Buatan I POM: for fire, IPAL leakage, Hazardous waste spillage, Boiler and gas tube Explosion, earth quake, floods, landslide. Emergency drill has been conducted on 5 May 2017 regarding Fire at Mill. Organization structure has been established on 29 November 2016</p> <p>Procedure for work accident has been established No. AA-OP.1100-25 Rev.00 Date 1 April 2017. Accident and incident has been record on Rekaman Kecelakaan Kerja No. AA-OP.1400.02.01-FM and Incident investigation report No. AA-OP.1400.02.02-FM.</p> <p>First aid training has been conducted on 25 July 2017 and 3 August 2017 for Buatan Estate, Plasma Buatan and Buatan I Palm Oil Mill. Evidence with attendance list.</p> <p>Based on interview with smallholder No.1732, 1731 from KT100; smalholder No.2614 and 2620 from KT116; smallholder No.1510, 1522 and 1523 from KT58, the smallholder explained accident on field will be treated by mandors’s first aid kit; emergency situation such as fire break will report to KT, subsequently to KUD and assisstan from PT. Inti Indosawit Subur. Contact numbers are available in smallholder’s handphone.</p>	
4.7.6	<p>All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).</p> <p>- Minor compliance –</p>	<p>Buatan I POM, Buatan Estate and Scheme Smallholders:</p> <p>The company has provided clinic for all workers and it’s covered also by Social Insurance, namely Jamsostek (BPJS). Record payment of BPJS Ketenagakerjaan/Kesehatan in “Bukti Transfer Bank”.</p> <p>Record seen:</p> <ul style="list-style-type: none"> - Kartu BPJS nomor 2101050206890004, namely mr Irwan Indra 	<p>NC# 1514963- 201708-M6</p> <p>CLOSED on 10/10/2017</p>

**RSPO Public Summary Report
Revision 4 (November /2016)**

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> - Kartu Jamsostek no 11028957576, namely Mr Bakri - Rekap peserta BPJS 943 pekerja, updated on June 2017, consist of 507 PHL, 92 SKU-B, 353 SKU-H. - Payment BPJS Ketenagakerjaan in June 2017, amount Rp 82.135.680 for 445 SKU and amount Rp 108.472.171 for 507 PHL, via Bank BRI Cabang Pekanbaru no DD/NPP: 0009109. - Total employess as in June 2017 were registered on BPJS Kesehatan: 952 workers, inprogress status 18 workersn, - Based on interview with smallholder No.1732, 1731 from KT100, smallholder No.1510,1522 and 1523 from KT58 and smalholder No.2614 and 2620 from KT116, explained should accident occured to worker in their oil palm block, the block owner will provide financial aid for medicine treatment, KT will support with some money. - Smallholder No.2614 stated the harvester work in his oil palm block has a BPJS registration for medication. - Smallholder No.1510, 1522 and 1523 stated the block owner will provide financial aid for medicine treatment in case of accident occurs to the workers. <p>Non conformity found during audit:</p> <p>According to PT Inti Indosawit, the smallholder and/or its' Workers/harvester in KUD go to local PUSKESMAS to get health care and medication. However, the PUSKESMAS is not for accident insurance.</p> <p>Corrective action has made by company and verified by auditor on 10 october 2017. The non conformity has been Closed on 10 October 2017.</p>	

Criterion / Indicator		Assessment Findings	Compliance
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. - Minor compliance	<p>Buatan I POM, Buatan Estate and Scheme Smallholders:</p> <p>Accident and Incident has been managed by procedure work accident No. AA-OP.1100-25 Rev. Date 1 April 2017. Eq. date accident on 29/03/2017 on behalf Mr. Alfian (Torn Prick) Lost Time Injury 10 Day recorded on "Rekaman Kecelakaan Kerja" No. AA-SOP-OP-1400.02. Rekaman Kecelakaan Kerja on Behalf Mr. Alfian (Eye Accident) date 6/6/2017. Investigation report were available during audit.</p> <p>Accident and Near Miss Report has been recorded on document Log of Work Accident and Near Miss. Accident Monitoring has been record January – July 2017 There are 4 Cases of LTI. Eq. Mr. Jumadi as Mechanic (LTI on 17/01/17), Mr. Bambang Tri as Operator (LTI on 6/03/2017).</p> <p>Rekaman Kecelakaan Kerja has been made for all LTI cases, corrective action has been explained on Rekaman Kecelakaan Kerja form.</p>	Comply
<p>Criterion 4.8 All staff,workers, smallholders and contract workers are appropriately trained.</p>			
4.8.1	Records of training program related to the aspects of RSPO Principles and Criteria shall be available. - Major compliance -	<p>Buatan I POM and Buatan Estate:</p> <p>Training program for year year 2017 available as defined in Kalender Pelatihan Tahun 2017. Training program covering:</p> <ol style="list-style-type: none"> 1. Sustainability Awareness 2. Refreshment RSPO, ISCC, ISPO. 3. HCV 4. Basic Fire 	<p>NC # 1514963- 201708-M7 CLOSED on 10/10/2017</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>5. First Aider 6. OHS training 7. Limited pesticides training 8. Integrated Pest management Training (IPM). 9. Road maintenance training 10. Fertilizing training 11. PPE usage in Harvesting activity 12. Welding operator training 13. Operator Backhoe training 14. Electricity Technician training</p> <p>Scheme Smallholders: Based on document review against "Buku Panduan Petani", the training record for each smallholder listed in the book. Based on interview with smallholder No.1732, 1731 from KT100, smallholder No.1510, 1522 and 1523 from KT58, and smalholder No.2614 and 2620 from KT116, explained the KUD or PT. Inti Indosawit Subur provides training for smallholder. Typ of training covering fertilizer application, FFB quality, health and safety for harvesting, etc.</p> <p>During audit, found Non conformity as below:</p> <ul style="list-style-type: none"> - During the field assessment at the smallholder blocks, it was observed that there are smallholders blocks are blanket sprayed. - As per the Rencana dan Realisasi Semprot tahun 2017 – TUS, spraying activities 	

Criterion / Indicator		Assessment Findings	Compliance
		<p>are supposed to be conducted by the PT Inti Indosawit Spray team. However, based on interview with head of KUD Sejahtera and KUD Sumber Rezeki, some of the individual members are conducting spraying by themselves.</p> <ul style="list-style-type: none"> - Based on interview with head of KUD Sejahtera and KUD Sumber Rezeki and field observation, it was confirmed that spraying activity in the smallholder blocks was not uniform according to the best management practices and guideline set by PT Inti Indosawit. - Based on interview with head of KUD Sejahtera and KUD Sumber Rezeki, it was confirmed that some of individual member did not applied the up-keeping of the oil palm as per PT Inti Indosawit recommendation. - It was observed during the smallholder blocks field assessment, inappropriate size booths were used by the smallholders. <p>Corrective action has made by company and verified by auditor on 10 October 2017. The non conformity has been Closed on 10 October 2017.</p>	
4.8.2	<p>Records of training for each employee shall be maintained.</p> <ul style="list-style-type: none"> - Minor compliance – 	<p>Buatan I POM and Buatan Estate:</p> <p>Training records consist of the certificates, attendances and training materials were kept in the individual operating units, e.g Record training for each employees is recorded in "Personal Data Training", e.g. Mr. Sahidan (operator heavy machinery) was attended "Sertifikasi Operator Pesawat Angkut dan Angkat" on 04/02/2016 by Vendor "Jasindo Mandiri", Sustainability awareness on 18 January 2017, basic fire training on 14 March 2017.</p> <p>Mr. Afriando Flora Kiranando (Asisten Afdeling III) were attended 4 training: Habit & Behaviour Planter dated 2nd March 2015, Refreshing training for pest and disease 29th April 2015, Hatch & Carry 1st October 2015, Fertilizer training 15th December 2015, Sustainability awareness on 16 January 2017, HCV training on 9 April 2017. In</p>	Comply

**RSPO Public Summary Report
Revision 4 (November /2016)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>Buatan estate and Buatan I POM record of training for each employee are available as personnel training record.</p> <p>Mr. Sahter Barus (Process Assisstant); attended training electrical on 8th April 2014, GMP Plus on 7th April 2014, communication skill on 27th March 2014, Sustainability awareness on 16 January 2017, HCV training on 9 April 2017.</p> <p>Mr. Yakob Panjaitan (Process Assisstant); attended EMS 28th January 2015, Evaluasi Aspek dan dampak lingkungan on 28th January 2015; HSE on 10th December 2015; Sustainability awareness on 16 January 2017, HCV training on 9 April 2017.</p> <p>Scheme Smallholders:</p> <p>Representative from KUD Bhakti Mandiri attended training related on AMDAL (Social Environmental Impact Assessment), HCV, soil and water conservation on 2nd June 2016. Based on document review against "Buku Panduan Petani", the training record for each smallholder listed in the book. Based on interview with smallholder No.1732, 1731 from KT100, smallholder No.1510, 1522 and 1523 from KT58, and smalholder No.2614 and 2620 from KT116, explained the KUD or PT. Inti Indosawit Subur provides training for smallholder. Typ of training covering fertilizer application, FFB quality, health and safety for harvesting, etc.</p>	
Principle 5: Environmental responsibility and conservation of natural resources and biodiversity			
Criterion 5.1			
Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			
5.1.1	Environmental impact assessment document(s)	Buatan I POM, Buatan Estate and Scheme Smallholders:	Comply

**RSPO Public Summary Report
Revision 4 (November /2016)**

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

Criterion / Indicator	Assessment Findings	Compliance
	<p>mill effluent, application of empty fruit bunch, transport of crude palm oil, palm kernel and logistics, provision and use of clean water).</p> <ul style="list-style-type: none"> - Impact from supporting activities (energy source operation, central workshop operation, temporary hazardous waste storage, landfill operation); <p>Review and evaluation upon future activity:</p> <ul style="list-style-type: none"> - Activity in tissue culture laboratory; - Replanting activity; Within the replanting activity review, team has identified type of impact such as: change in micro climate, air quality decrease, increase of noise, dynamics in quantity and quality of surface water, erosion and sedimentation, decrease in terrestrial flora and fauna, disturbance in aquatic life, effect on community health. - The document has also completed with environmental management and monitoring plan, gives description type of impact, source of impact, impact parameter, management objective, management/monitoring plan, period of management/monitoring, PIC for management/monitoring. <p>The environmental impact assessment carried out by PT. Holistika Primagrahita with team consist of:</p> <p>Team leader: Ir.Nur Iskandar (Fisheries/AMDAL B); Physic/Chemical team: Azni Hamzah, S.Si (Chemical/AMDAL B); Biology team: Khairunnazmi, S.Pi (Aquatic biology/AMDAL B), Marualat Harahap (Agriculture/AMDAL B); Activity: Marualat Harahap (Agriculture/AMDAL B); Social team: Yandra Mufialdo, S.Sos (Social economy); Mapping: M.Irsyadul Anwar, S.Pi</p> <p>For Kernel Crushing Plant and Biogas Plant, EIA available under document "UKL-UPL (Environmental Management Effort / Environmental Monitoring Effort)" year 2012. Capacity of KCP 260 MT/day. UKL UPL has been approved by Local authorities</p>	

**RSPO Public Summary Report
Revision 4 (November /2016)**

Criterion / Indicator	Assessment Findings	Compliance
	<p>through letter No.660/BLH-AM/2012/202 dated February 2012. Identified impacts: domestic solid waste, POME, hazardous waste, emission, dust, and noise from KC activities.</p> <p>KUD (cooperative) holds a set of copy of latest AMDAL documents in the Cooperative office, similar to company.</p> <p>EIA of scheme small holder has been covered by the "Dokumen Pengelolaan dan Pemantauan Lingkungan", for mill with capacity 60 tonnes FFB/hour , Own Estate 5,781 hectares, and Plasma 12,000 hectares. The EIA (DPPL) has met the applicable requirement and has been approved on 2009 through Governor Decree number Kpts.975/X/2009 dated 28th October 2009.</p> <p>All significant impacts have been identified i.e. reduction of soil and water quality, reduction of air quality, impact to socioeconomic of local community, etc. Plan to monitor and manage of each identified environment impact have been provided and documented. The EIA document contained evidence of involvement of surrounding community during study and public consultation with relevant stakeholder.</p> <p>Based on interview with smallholder No.1732, 1731 from KT100, and smalholder No.2614 and 2620 from KT116, explained the type of environmental impact from their oil palm plantation.</p> <p>No.1732: water pollution, soil erosion, degradation on wildlife;</p> <p>No.1731: soil erosion, water contamination, dead fish from chemical application/fertilizer application;</p> <p>No.2614: in the guide book: air pollution, soil erosion, water contamination, GHG;</p> <p>No.2620: soil erosion, burning/fire;</p> <p>Smallholder No.1510, 1522 and 1523 stated that the environmental impact is in form</p>	

Criterion / Indicator		Assessment Findings	Compliance
		of soil erosion -> leads to landslide, and water contamination.	
5.1.2	<p>Environment management plan document to prevent negative impacts, its implementation report and revision (if the identification of impact requires changes in current company's practices) shall be available. The company's management shall appoint the responsible person(s) for the implementation of the document.</p> <p>- Minor compliance -</p>	<p>Buatan I POM, Buatan Estate:</p> <p>There is an environmental management and monitoring plan in term of "Rencana Pengelolaan dan Pemantauan Lingkungan" under Section IV of EIA document. Plan has covered all significant impacts with detail activities programme, relevant regulation, person in charge, and time table. Review of record and field inspection found all activities plan have been implemented and reported in "Laporan RKL RPL", it was reported regularly to the government, e.g. RKL – RPL report semester I 2017 (period January – June 2017), the evidence of acceptance RKL RPL report by government is available in place., e.g. acceptance by BLH Prov. Riau on 4 July 2017. Summary of management plans for mill:</p> <ul style="list-style-type: none"> - Air quality and noise, to be managed by emission and transportation arrangement. Has been implemented through periodic maintenance of machinery, traffic sign, safety briefing to workers, etc. - Odour from waste, to be managed by good WWTP management. Has been implemented by WWTP construction, SOP of WWTP management. - Ground water quality, to be managed by WWTP and monitoring wells. Has been implemented by WWTP construction and monitoring wells construction. - Surface water quality, managed by good WWTP management, drainage, etc. Has been implemented. - Employment and bussines opportunities, managed by local manpower absorption and coordination. Has been implemented by employment for local people as seen in labor register. <p>Scheme smallholders:</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>Environmental management plan of scheme smallholder available Section IV of EIA document. The plan has covered all significant impacts with detail activities programme, relevant regulation, person in charge, and time table. Summary of management plan are:</p> <p>Ground water quality, managed by Land Application and monitoring wells</p> <ul style="list-style-type: none"> - Surface water quality, managed by land application of POME, safe chemical use, integrated pest management, etc. - Erosion and sedimentation, managed by soil conservation procedures, river buffer zone and steep soil protection, etc. - Flora and fauna composition change, managed by conservation area, signboard of fauna protection, river buffer zone protection, - Employment and bussines opportunities, managed by local manpower absorption and coordination - Social jealousy, managed by prioritizing local manpower and partisipatory - Community's health and hygiene - Soil quality changes, managed by natural vegetation conservation and Land Application <p>Based on interview with smallholder No.1732, 1731 from KT100, and smalholder No.2614 and 2620 from KT116, explained the type of environmental impact from their oil palm plantation.</p> <p>No.1732: water pollution -> control the spraying and fertilizer application, soil erosion -> no blanket spraying, frond stacking, degradation on wildlife -> no hunting;</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>No.1731: soil erosion -> no spraying, water contamination -> avoid spryaing near water body, dead fish from chemical application/fertilizer application -> control application;</p> <p>No.2614: in the guide book: air pollution -> managing transport FFB, soil erosion -> minimise spraying, water contamination, GHG;</p> <p>No.2620: soil erosion -> no planting on slope, burning/fire -> mechanical replanting, no burning waste;</p> <p>Smallholder No.1510, 1522 and 1523 stated that the environmental impact is in form of soil erosion -> leads to landslide, and water contamination. The management through frond stacking.</p>	
5.1.3	<p>Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.</p> <p>- Minor compliance –</p>	<p>Buatan I POM, Buatan Estate and Scheme Smallholders:</p> <p>In 2009, company has prepared a supplementation document, "Dokumen Pengelolaan dan Pemantauan Lingkungan (DPPL) as evaluation upon new activity, covering construction of new palm oil mill and supporting facilities, as well as construction of tissue culture laboratory in PT. Inti Indosawit Buatan Group. The environmental management and monitoring document has been approved through "Surat Keputusan Gubernur Riau No.Kpts.975/X/2009 tentang Penetapan Dokumen Pengelolaan dan Pemantauan Lingkungan (DPPL) Penambahan Kapasitas Produksi PMKS PT. Inti Indosawit Subur dan Kegiatan Pendukungnya, Sentral Workshop Buatan dan Pembuatan Kultur Jaringan berlokasi di Kecamatan Pangkalan Kerinci dan Kecamatan Pelalawan, Kabupaten Pelalawan; Kecamatan Kerinci Kanan dan Kecamatan Dayun, Kabupaten Siak, Provinsi Riau. The environmental document has explained evaluation upon operational activity, as well as the impact.</p> <p>Impact evaluation upon ongoing activities:</p> <ul style="list-style-type: none"> - Impact from main activities in oil palm plantation (spraying team operation, 	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>natural vegetation conservation;</p> <ul style="list-style-type: none"> - Impact from main activities in palm oil mill: use of manpower within palm oil mill, material processing, palm oil mill effluent processing, land application, empty fruit bunch application, transportation of CPO, PK and logistic, clean water utilization; - Impact from supporting activities: operational of energy source, operation of central workshop, temporary storage of hazardous waste, activity related to waste disposal/landfill area; <p>Impact evaluation from upcoming activities:</p> <ul style="list-style-type: none"> - Tissue Culture Laboratory activities; - Replanting activities; <p>The impact assessment for replanting has identified impacts such as: changes in micro climate, a decrease in air quality, increase in noise level, quantity and quality of surface water, soil erosion and sedimentation, loss of flora and fauna, disturbance to aquatic biota, community health and surrounding environment health.</p> <p>The document has also completed with environmental management and monitoring plan. The plans were explaining type of impact, source of impact, impact parameter, management purpose, management and monitoring plan, management/monitoring location, management/monitoring timeframe, etc.</p>	
<p>Criterion 5.2</p> <p>The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>			
5.2.1	Record(s) on the results of High Conservation	Buatan Estate and Scheme Smallholder:	Comply

Criterion / Indicator	Assessment Findings	Compliance
<p>Value (HCV assessment) that includes both the planted area and the relevant wider landscape-level considerations (such as wildlife corridors) shall be available.</p> <p>- Major compliance -</p>	<p>Company has conducted the HCV identification in coordination with “Fakultas Kehutanan Institut Pertanian Bogor” on March –April 2009, under “Laporan Final Kajian Penuh Identifikasi dan Analisis Keberadaan High Conservation Value di Areal PT Inti Indosawit Subur, Kebun Buatan Provinsi Riau”. The HCV assessment conducted based on “Panduan Kawasan Bernilai Konservasi Tinggi di Indonesia”, issued by Konsorsium Revisi HCV Toolkit Indonesia dated 12/07/2008.</p> <p>Based on HCV identification total HCV area identified was 55.56 ha in Buatan Estate. Buatan Estate is divided in two supply base: Division I, II and III as supply base Buatan I POM and Division IV, V and VI as supply base Buatan II POM. So that the HCV area in Division I, II and III as supply base Buatan I POM was 27.78 ha.</p> <p>HCV identified consist of:</p> <ul style="list-style-type: none"> - HCV 1.1, 1.2 and 4.1: Riparian zone Kerinci Besar River (38.9 Ha); - HCV 1.1, 1.2 and 4.1: Riparian zone Laniago River (4.50 Ha); - HCV 1.2 and HCV 6: Conservation forest for Manggeris trees (Pohon Madu): 10.5 Ha; - HCV 1.2 and HCV 6: Conservation forest for Manggeris trees (Pohon Madu): 3.60 Ha; - HCV 6: ancient graveyard: 0.66 Ha; <p>HCV identification was consulted to the relevant stakeholder and HCV map is available in place. HCV assessment also including Smallholder Buatan area and used in scheme smallholder operation.</p> <p>The HCV identification document has explained the general condition of landscape surrounding company’s plantation: there is no protected forest/ecosystem that feasible for wildlife to maintain its viability. Therefore no recommendation for wildlife corridor.</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p>5.2.2</p>	<p>Where rare, threatened or endangered (RTE) species and or other HCVs are present or affected by the plantation and mill operations, an appropriate measures that are expected to maintain or enhance them shall be implemented through a management plan.</p> <p>- Major compliance -</p> <p>Buatan Estate and Scheme Smallholder:</p> <p>Based on HCV Identification assessment, it was found that there are 8 mammals species and 10 birds species according to national regulation (PP No.7 tahun 1999, CITES and IUCN). It was found RTEs during HCV identification, such as:</p> <ul style="list-style-type: none"> - 8 mammals species: Rusa Sambar (<i>Cervus unicolor</i>), Kucing Hutan (<i>Felis bengalensis</i>), Owa (<i>Hylobates agilis</i>), Monyet Ekor Panjang (<i>Macaca fascicularis</i>), Trenggiling (<i>Manis javanica</i>), Musang luwak (Paradoxurus hermaphrodites), Lutung Dada Putih (Presbytis femoralis) and Kancil (<i>Tragulus javanica</i>); - 10 birds species: Burung Madu Sepah Raja (<i>Aethopyga siparaja</i>), Raja Udang Meninting (<i>Alcedo meninting</i>), Baza Hitam (<i>Aviceda leuphotes</i>), Rangkong Badak (<i>Buceros rhinoceros</i>), Tokhtor Sunda (<i>Carpococcyx radiceus</i>), Beo (<i>Gracula religiosa</i>), Cekakak cina/belukar (<i>Halcyon pileata</i>), Cekakak Batu (<i>Lacedo pulchella</i>), Betet Ekor Panjang (<i>Psittacula langicauda</i>) and Elang Ular Bido (<i>Spilomis cheela</i>); <p>Based on field visit, PT. Inti Indosawit Subur – Buatan demonstrate efforts to protect rare species and its habitat through planting of wooden tree, HCV area patrol, flora and fauna monitoring. The Estates have maintained notice-boards at the entrance to the properties and next to buffer zones or worker housing to prohibit the capture or hunting of fauna and disturbance of vegetation.</p> <p>PT. Inti Indosawit Subur – Buatan created posters listing all protected flora and fauna, endangered and threatened species and placed on location accessible to public such as Estate offices, worker housing, village offices as well as entrance way to plantation area.</p> <p>The company conducted monitoring of HCV and RTEs regularly (every six month), the last monitoring was conducted in July 2017 for period January – June 2017.</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Group manager Smallholder Buatan has determined HCV management and monitoring plan as recommend in HCV Assessment report. Management plan to conserve RTE species for such as highlights members adjacent to protected areas/natural waterways/potential HCVs including as part of the regular field checks to ensure compliance, i.e clear boundaries and no encroachments, monitoring of RTE species. List of HCVS and RTEs findings display on the notice board is available during onsite audit.</p>	
<p>5.2.3</p>	<p>Program(s) to socialize the status of protected, rare, threatened or endangered (RTE) to all workers shall be available, including records of appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance –</p> <p>Buatan Estate and Scheme Smallholder:</p> <p>PT Inti Indosawit Subur has a program to socialize the status of protected, rare, threatened or endangered (RTE) to all workers. Socialization has conducted through muster morning in each division by field assistant, latest refreshment to workers conducted on 17 June 2017. Company also provided signboard regarding HCV protection and RTE species protection in the strategic place as a campaign to awareness the workers/people.</p> <p>Company also has implemented appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species. Sanction and process based on UU No. 5 tahun 1990. Based on interview with worker representative and field workers – workers have understand protection of plant and animal. The workers also aware of company policy prohibits hunting, raising and killing protected animal.</p> <p>Refreshment and awareness regarding HCV and wildlife protection performed by company through muster morning in each division/afdeling PT Inti Indosawit Subur – Buatan Estate and POM. Refreshment and awareness to smallholder scheme (KUD, WKAK and smallholder member) has also conducted by ICS management on January 2017.</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>5.2.4 Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available, and the results of monitoring are to be used to follow-up on the improvement of the management plan.</p> <p>- Minor compliance –</p>	<p>Continous monitoring documentation and report regarding the status of RTE species and HCV presented in "laporan Monitoring tumbuhan dan Satwaliar PT Inti Indosawit Subur, Kebun Buatan" Periode Juli – December 2016.</p> <p>Monitoring documentation such as: "Daftar Temuan Satwa liar di Areal kebun" contain information regarding result of wildlife and RTE species monitoring, "tabel Monirtoring Kerusakan kawasan lindung" contain information regarding result of HCV area monitoring and HCV condition monitoring such as illegal hunting, HCV area disturbance, and HCV condition. Latest monitoring both RTE species and HCV area conducted on June 2017.</p> <p>Evaluation the effectiveness of management and monitoring plan implementation reported each semester in "laporan Monitoring tumbuhan dan Satwaliar PT Inti Indosawit Subur, Kebun Buatan". Evaluation result and recommendation of management and monitoring contain in the report. This recommendation give the feedback and improvement to conservation management plan.</p> <p>Scheme Smallholder:</p> <p>The responsibilities of group members smallholder is covered in "SOP Konflik Dengan Satwa Dilindungi No. 015/DOK/SOP/PT.KLB-AA/2016" dated 2 December 2016. All member shall be observe and identified the presence of RTE species in their kavling/plantation and noted in the logbook and report to ICS "Petugas Penyuluhan"; the report will be submited to Group Manager. Group manager, ICS and member together involving to conserve the HCV and RTE species.</p> <p>Plasma Buatan can be demonstrated the result of RTE species and HCV monitoring on "Formulir Daftar Temuan Satwa Liar". Logbook with details of threats to HCV (including sightings of RTE) available at the site office. According to the procedure, all member has responsible to report the presence of RTE species, animal conflict, and threats to HCVs in their kavling. They report to ICS or KT and forward to Group</p>	<p>NC# 1487836- 201706-N2</p> <p>OPEN</p>

Criterion / Indicator		Assessment Findings	Compliance
		Manager ICS.	
5.2.5	Where HCV areas overlapped with an identified local community's land, there shall be evidence of a negotiated agreement that optimally safeguard their HCVs and the local community's rights. - Minor compliance –	Buatan Estate and Scheme Smallholder: All HCV and conservation areas within the company areas. Based on document verification, field visit and interview with stakeholders, there was no HCV area under existing rights of local community.	Comply
Criterion 5.3			
Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.			
5.3.1	A documented identified source of all waste and pollution, shall be available. - Major compliance -	Buatan Estate and Buatan I POM: Waste products has been identified and documented under the "Evaluasi Aspek-Dampak Lingkungan" (Environmental Aspect impacts). This document is updated once a year, last updated on January 1 st , 2017. This document covering all operation in Estates and mill. PT Inti Indosawit Subur – Buatan I POM and Estate has waste management plan, identifying type and source of waste and the disposal plan. Company prepared a procedure to handle hazardous waste titled "Prosedur Penanganan Limbah B3" No.AA-KL-06-EFP explains methods to collecting the waste, recording in balance and disposal through licensed third party transporter. The company store hazardous waste in temporary storage with permit, The hazardous waste is sent to the registered collector/transporter which approved by Environmental Ministry, namely PT Indostar Cargo. Scheme Smallholder: Plasma Buatan can be demonstrated "Identifikasi Sumber Polusi di Perkebunan	Comply

**RSPO Public Summary Report
Revision 4 (November /2016)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>Petani Kebun Plasma Buatan PT Inti Indosawit Subur 2017". List of source of waste and pollutant such as: ex fertilizer sack and innerbag, domestic waste in housing area, etc.</p> <p>ICS Group Plasma Buatan has defined the procedure "Pengelolaan Kemasan Ex (Bekas) Pupuk di Kebun" No. 035/DOK/SOP/PT.IIS KLB-AA/2016 dated 2 December 2016. All ex fertilizer sack was prohibit to dispose in plantation and housing area. All the ex fertilizer sack usage must be identified and reported to Group Manager ICS. Ex fertilizer sacks were rinsed and reused as loosefruit sack and the innerbag plastic is delivered to the collector. Group manager also has develop the mechanism of domestic waste management. The mechanism has disseminated to all KUD and KT member. Domestic waste management performed by segregating the organic and inorganic waste. Organic waste used as composting and anorganic waste was select by type of waste such as: paper and plastic waste collected and deliver to collector, Glass and steel was collected and deliver to PT IIS waste storage and other inorganic waste deliver to final sanitary landfill.</p>	
5.3.2	<p>There shall be evidence that all chemicals and their empty containers are disposed of responsibly.</p> <p>- Major compliance -</p>	<p>Buatan Estate and Buatan I POM:</p> <p>PT Inti Indosawit Subur – Buatan I POM and Estate collects all hazardous waste from estates and mill into temporary hazardous waste storage in central workshop compound. The temporary hazardous waste storage has a valid permit based on "Surat Keputusan Badan Penanaman Modal dan Pelayanan Perijinan Terpadu. Nomor : KPTS.503/BPMP2T-PLY/14/2016, Dated 18 March 2016, the license valid until 5 year 2021.</p> <p>PT Inti Indosawit Subur has an agreement in transporting the hazardous waste to contractor: PT Indo Star Cargo. The type of hazardous waste to be transported: used oil, old battery, waste oil, old lamps, used chemical container, contaminated waste and used filter. The contractor holds valid permit based on Recommendation letter from Ministry of Environment No. B-5055/Dep.IV/LH/PDAL/05/2014 dated 6</p>	<p>NC # 1514963- 201708-M8 CLOSED on 10/10/2017</p>

**RSPO Public Summary Report
Revision 4 (November /2016)**

Criterion / Indicator	Assessment Findings	Compliance
	<p>May 2014 regarding recommendation of hazardous waste transporting for PT Indo Star Cargo valid for 5 years.</p> <p>There are record of transfer from estate to mill, as Catatan Serah-Terima Limbah B3 (AA-KL-602-FM). For example on May 6th, 2017, for Waste oil 9 Drum, Oil Filter 2 Drum, Chemical waste 17 Drum, Battery 17 Pcs. Hazardous waste manifest number OL 0022087 Date 6/05/2017.</p> <p>Company has manifest of hazardous waste transaction to legal collector PT Indo Star Cargo. The last shipment to collector is: Buatan I POM.</p> <p>Records of hazardous waste balance "Lembar Neraca Limbah Bahan Berbahaya dan Beracun" period August 2017 were evident and updated; identifying incoming and outgoing hazardous waste in store.</p> <p>During audit, found Non conformity as below:</p> <ul style="list-style-type: none"> - Based on a visit to Clinic of "Asian Agri Sehat" in Buatan Estate and interview with Paramedical, the auditor was informed and confirmed that the medical waste management was done by buried. However, the Asian Agri Clinic has not been able to show the approval of B3 Waste burial issued by the Head of the Regency/City Environmental Agency as required in article 27 paragraph 1 of PermenLHK no. 56 tahun 2015 on Tata Cara dan Persyaratan Teknis LB3 dari FASKES (technical procedures and requirements of hazardous waste and FASKES). - Based on the visit at in emplacement EKO2, the auditor team found ex-knapsack and used oil bottle have not controlled properly as in required in SOP of waste pesticide management which is SOP of hazardous waste management No.AA-KL-06-EFP. <p>Corrective action has made by company and verified by auditor on 10 october 2017.</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>The non conformity has been Closed on 10 October 2017.</p> <p>Scheme Smallholder:</p> <p>Group manager Smallholder Buatan has a policy and mechanism to manage the waste from ex fertilizer sack according to procedure of "Pengelolaan Kemasan Ex (Bekas) Pupuk di Kebun No. 035/DOK/SOP/PT.IIS KLB-AA/2016" dated 2 December 2016.. The ex fertilizer sack must be handled by triple rinse and use as loosefruit sack, the innerbag of fertilizer was delivered to collector. During site visit and interview with smallholder member in KUD Bhakti Mandiri, KUD Jaya Makmur, KUD Sumber Rezeki and KUD Sejahtera, they were well aware of the mechanism.</p> <p>Group manager has monitored the usage of ex fertilizer sack in Plasma Buatan each month. The monitoring record were evident in "Monitoring Penggunaan Bekas Karung Pupuk untuk Tempat Brondolan".</p> <p>Based on interview with smallholder No.1732, 1731 from KT100, and smalholder No.2614 and 2620 from KT116, smallholder No.1510, 1522 and 1523 from KT58, explained the bag from fertilizer re-use for loose fruit collection; the inner plastic from fertilizer bag was collected by mandor and sent for scheduled waste.</p>	
5.3.3	<p>A documented waste management plan to avoid or reduce pollution and its implementation shall be available.</p> <p>- Minor compliance –</p>	<p>Buatan I POM and Estate:</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 inorganic waste is separated in linesite, organic waste to the landfill and some of inorganic waste is collected for re-cycle.</p> <p>Scheme Smallholder:</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>Individual member Plasma Buatan have a documented waste management in "Buku Pintar Petani Plasma". All the ex fertilizer sack number and usage were recorded in the book.</p> <p>All member was use the ex fertilizer sack as a loosefruit bag and the innerbag plastic is deliver to collector. All the member has implementing the procedure of "Pengelolaan Kemasan Ex (Bekas) Pupuk di Kebun" No. 035/DOK/SOP/PT.IIS KLB-AA/2016 dated 2 December 2016.</p> <p>During site visit and interview with smallholder member in KUD Bhakti Mandiri, KUD Jaya Makmur, KUD Sumber Rezeki and KUD Sejahtera, they have aware and implement the mechanism and procedure of waste disposal.</p>	
<p>Criterion 5.4</p> <p>Efficiency of fossil fuel use and the use of renewable energy is optimized.</p>			
5.4.1	<p>A plan for improving efficiency of the use of fossil fuels and to optimize renewable energy shall be in place and monitored.</p> <p>- Minor compliance –</p>	<p>Buatan I POM and Estate:</p> <p>Plan for Improving efficiency has been stated on Program Manajemen Lingkungan 2017 point no. 2 " Meningkatkan efisiensi pemakaian solar dump truck " Monitoring for fossil fuel used has been made monthly. Eq. Used fossil fuel for Truck and Bus, Pick Up, Ambulance, Heavy equipment and supporting machine.</p> <p>Fossil fuel records are maintained and the trends shown. Energy use records include accurate measurements of renewable energy use per ton of FFB processed. Company already maximize the renewable energy use. All the shell and fiber are consumed internally as boiler fuel. Fossil fuel usage is recorded for operational purpose, including the efficiency analysis.</p> <p>Scheme Smallholder:</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>Smallholders did not monitor the usage of fossil fuel which mainly for the transportation of the FFB. Farmers: Engage casual workers for the activities in the farm such as spraying and harvesting.</p> <p>Group manager has developed the management plan to reduce pollutants and emissions, presented in "Pedoman Pemanfaatan Efisiensi Sumber Energi" dated 8 January 2017.</p> <ul style="list-style-type: none"> - Optimize FFB transportation, not to return to Kavling - Penataan TPH along the collection road to become one way to ease the FFB transportation - Reducing the use of grass cutting machine for weeds control and cooperate with TUS team to handle the weeds control in farmer kavling - Convert the generator usage to become PLN electric usage to reduce the emission. 	
<p>Criterion 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>			
5.5.1	<p>Records of land clearing with zero burning shall be available, referring to the ASEAN Policy on Zero Burning (2003) or other recognised techniques based on the existing regulations.</p> <p>- Major compliance -</p>	<p>Buatan I POM and Estate: No open burning was noted during field visit and interviewed with local communities and workers.</p> <p>Scheme Smallholder: Based on interview with smallholder No.1732, 1731 from KT100, and smallholder No.2614 and 2620 from KT116, smallholder No.1510, 1522 and 1523 from KT58, stated no fire in smallholder's oil palm plantation.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
5.5.2	<p>Where fire has been used for eradication of pest during replanting, the records of the analysis of the use of fire and permit from the authorised agency shall be available.</p> <p>- Minor compliance -</p>	<p>Buatan I POM and Estate:</p> <p>PT Inti Indosawit Subur – Buatan Estate has developed an early warning system, to monitor the risk of fire. The system “Sistem Peringkat Bahaya Kebakaran 1 & 2”. The monitoring system calculating the field condition, ignition risk, potential drought and smoke, fire handling, fire fighting difficulty and weather index. Patrol report indicating any fire incident.</p> <p>Visit to replanting area 2016, the land preparation is using mechanical method. No any open burning was noted for land preparation.</p> <p>Scheme Smallholder:</p> <p>No any open burning was noted for land preparation and any activity in KUD Bhakti Mandiri, KUD Jaya Makmur, KUD Sumber Rezeki and KUD Sejahtera. Replanting plan has been drawn up in the near future. The replanting plan was available under “Schedule Pelaksanaan Replanting Kebun Plasma Buatan”. For instance KUD Bhakti Mandiri: 2017 for 872 Ha (planting year 1989 and 1990); 2019 for 108 Ha (planting year 1991 and 1992); changed into 562 Ha in 2017 for planting year 1989 and 1990 and 418 Ha for 2019 (planting year 1991 and 1992). KUD Bhakti Mandiri demonstrated “Deklarasi Replanting” dated 17th May 2016 by 9 smallholder groups which will start replanting in 2017.</p>	Comply
<p>Criterion 5.6</p> <p>Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>			
5.6.1	<p>Document(s) assessing pollution and emission sources, including gaseous, particles, soot emissions and effluent, shall be available. (see Criterion 4.4)</p>	<p>Buatan I POM and Estate:</p> <p>Based on Significant pollution and GHG emission was identified, for estates comes from using of pesticides, action plan to reducing pesticide was made such as program of integrated pest control where minimize to use chemical/pesticides, .</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>Graph of emission and pollutant were provided to monitor trend of them in monthly basis.</p> <ol style="list-style-type: none"> 1. Using EFB as organic fertilizer. 2. Planting beneficial plant 3. Efficiency of fossil fuel. 4. Using fibre and shell for boiler 5. Capturing methane gas from POME 6. Increasing renewable energy usage as electricity from methane capture facility <p>Identification of significant pollution and GHG emission in each unit/station as documented in "Environmental Aspect & Impact List", consist of: input, environmental aspect, caused, environmental impact potential, and control.</p> <p>Company has develop mitigation program to reduce GHG emission.</p> <p>Scheme Smallholder:</p> <p>Group manager has prepared the list significant pollutants and identify sources of emissions, presented in "Identifikasi Sumber Polusi di Perkebunan Petani Kebun Plasma Buatan PT Inti Indosawit Subur 2017". List of significant pollutant such as: emission from FFB transportation, water pollutant from fertilizing and spraying activity, emission from generator usage.</p>	
5.6.2	<p>Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plan to reduce or minimize them implemented.</p> <p>- Major compliance -</p>	<p>Buatan I POM, Estate and Sheme Smallholder:</p> <p>Identification of pollutant and GHG, such as: usage of an-organic fertilizer, pesticide, fossil fuel usage, peat land, and POME.</p> <p>The company also has minimized pollutant and GHG through using EFB as organic</p>	Comply

**RSPO Public Summary Report
Revision 4 (November /2016)**

Criterion / Indicator		Assessment Findings	Compliance
		fertilizer, implementing IPM to reduce pesticides usage, using fiber and shell for boiler, and capturing POME by Biogas Plant by Kubota with Thermophilic anaerobic process.	
5.6.3	<p>A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available.</p> <p>- Minor compliance –</p>	<p>Buatan I POM, Estate and Sheme Smallholder:</p> <p>Emission monitoring system by using "RSPO PalmGHG" system calculation. Emission from estate, smallholder and mill operation was calculated and monitored, emission reduction achieved.</p> <p>Monitoring of any pollutant has been done in daily, weekly and monthly basis, report of monitoring was recorded in the "RKL/RPL" report, and this report submitted to the related institution every 6 month.</p> <p>The company has prepared a strategy in effort to reduce and mitigate pollution and emission. Monitoring of pollution and emission quality for plantation has been planned and implemented,</p> <p>e.g. air quality ambient for boiler and Genset, water quality test for river (upstream and downstream), effluent water quality, noise, etc.</p> <p>Regular monitoring and calculation of polluting and emission from estate and mill available using Palm GHG Calculator V.3.0.1 . Emission from estate and mill activities during year 2016 are: 0.42 tCO₂e/tCPO and 0.42 tCO₂e/TPK.</p> <p>During audit, found Non conformity as below:</p> <p>Audit team was found that the calculation for Buatan I POM, using PalmGHG ver.3.0 was not accurate – compared against the estate and mill operational database. Example of database seen:</p> <ul style="list-style-type: none"> - The figure for FFB supplied from Buatan Estate stated 88,508 tons – whereby the planted hectarage of 2,007 Ha resulting in yield 44.1 ton FFB/Ha/year. The 	<p>NC # 1514963- 201708-M9</p> <p>CLOSED on 10/10/2017</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>database shown the FFB figure from Buatan Estate (supplying of Buatan I POM) was 32,228 tons.</p> <ul style="list-style-type: none"> - The figure for FFB supplied from Buatan Smallholder stated 165,169 tons – whereby the planted hectarage of 3,690 Ha resulting in yield 44.1 ton FFB/Ha/year. The data provided shown the FFB figure from Buatan Smallholders (supplying to Buatan I POM) was 65,616 tons. <p>Corrective action has made by company and verified by auditor on 9 - 10 october 2017. The non conformity has been Closed on 10 October 2017.</p>	

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

Criterion / Indicator		Assessment Findings	Compliance
	<p>been conducted with the participation of affected parties.</p> <p>- Major compliance -</p>	<p>During the preparation for Social Impact assessment team and company management have involved communities through interviews and meetings with village peoples, farmers, village officials and regency officials.</p> <p>Record of meeting with affected parties and stakeholder are available and can be demonstrated. Participation with affected parties is by interview directly and use a questionnaire conducted on 13- 19 April 2009, questionnaires can be demonstrated at the time of the audit.</p>	
6.1.3	<p>Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, through consultation with the affected parties, shall be available, documented and timetabled, including responsibilities for implementation.</p> <p>- Major compliance -</p>	<p>Buatan I POM, Estate and Scheme smallholders:</p> <p>Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones presented in "Rencana Kelola Dampak Sosial dan Rencana Pemantauan Dampak Sosial" such as:</p> <ol style="list-style-type: none"> 1) Impact: decrease of surface water quality to river body and community of Batu Anam village. Management efforts: Maintain conservation areas along the river that are sub-basins around the factory area and provide periodic health services for affected communities due to water bone disease. 2) Impact: Reduced levels of public health. Management efforts: Providing health services to affected communities. 3) Impact: Community attitude and perception, management effort: cooperate with community leaders and village government apparatus in solving problems in plantation. <p>However, during audit found Non conformity as below:</p> <ul style="list-style-type: none"> - Based on document verification company has done SIA monitoring in 2011, 2012, 2013 and 2015, however the result of monitoring is not relevant with the identification that has been done in 2009. 	<p>NC # 1514963- 201708-M10 CLOSED on 9/10/2017</p>

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Monitoring of SIA only covered the economics of the surrounding community. - SIA monitoring cannot be demonstrate that it has been consulted with affected parties. <p>Corrective action has made by company and verified by auditor on 9 - 10 october 2017. The non conformity has been Closed on 9 October 2017.</p>	
6.1.4	<p>The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.</p> <p>- Minor compliance –</p>	<p>Buatan I POM, Estate and Scheme smallholders:</p> <p>Company has reviewed social impact assessment and the latest review conducted on 2016, the company publishes the effectiveness identification report on the effort to manage the social impact aspects recorded in the report "Identification Effectiveness of Social Management Effort of PT Inti Indosawit Subur – Buatan I POM and Buatan Estate period 2017 and issued the Matrik Arahan Program, for example:</p> <ul style="list-style-type: none"> - Limited ability in planning village development - Lack of funding for social activities in the desa, program: Funding for youth activities and implementation of religious activities in the village. - Limited capacity of village funding for road repairs, improved road repair assistance in the village. <p>Non Conformity:</p> <p>Company has conducted the SIA review in 2016 however the result is not covered the main issue according to Mitigation and management plan of SIA, the reviews only covered the economic condition monitoring of the surrounding community.</p> <p>Corrective action has made by company and verified by auditor on 9 - 10 october 2017. The non conformity has been Closed on 9 October 2017.</p>	<p>NC # 1514963- 201708-N2 CLOSED on 9/10/2017</p>

Criterion / Indicator		Assessment Findings	Compliance
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance –	<p>Buatan I POM, Estate and Scheme smallholders:</p> <p>Social Impact Assessment was conducted as documented in “Social Impact Assessment PT Inti Indosawit Subur Kebun Buatan di Kabupaten Siak dan Kabupaten Pelalawan Propinsi Riau, on 2009 by Fakultas Kehutanan Institut Pertanian Bogor. Evidence of participation with affected parties is to use a questionnaire conducted on 13- 19 April 2009, questionnaires can be demonstrated at the time of the audit.</p> <p>Social impact assessment has included the smallholder area and pay attention to the impacts of smallholder schemes.</p>	Comply
<p>Criterion 6.2</p> <p>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>			
6.2.1	Communication and consultation procedures shall be documented. - Major compliance -	<p>Buatan Estate and mill:</p> <p>Company has developed a communication procedure under “Mekanisme Penanganan Permintaan Informasi Stakeholder “(No. SOP; AA-GL-5008.1-R1) dated 22nd August 2011, which explains the company responses against all information request sent by stakeholders including response time of 14 working days after information request accepted. In addition, record related to information request and company response kept and maintained for three (3) years.</p> <p>Based on public stakeholder consultation with KUD/cooperative chairman, local contractor, NGO and public official, it was revealed that company has communication in good manner. Company also provide response to information request in accordance to authority and the communication SOP.</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>Scheme smallholders:</p> <p>All KUDs has a consultation and communication procedures as documented in "Mekanisme Komunikasi, konsultasi dan keluhan, dated 3rd January 2011. The procedure covers mechanism to receive information request, receive complaint, request for consultation; handle information/consultation request and handle complaint; provide response to such requests in timely manner. The procedure also completed with flowchart for ease of use in farmer level.</p> <p>Based on interview with smallholder No.1732, 1731 from KT100, and smalholder No.2614 and 2620 from KT116, smallholder No.1510, 1522 and 1523 from KT58, explained the method of communication and consultation through KUD, subsequently through KT and then cascaded to smallholder.</p>	
6.2.2	<p>The company shall have official(s) who is responsible for consultation and communications with parties.</p> <p>- Minor compliance -</p> <p>Buatan Estate and mill:</p> <p>The company has appointed officers responsible to carried out communication and consultation with local communities is Public Relations Department – Mr. Lindu Simatupang, the Public relation officer in PT. Inti Indosawit Subur – Buatan Group. The appointment was through "Memorandum Group Manager PT. Inti Indosawit Subur - Buatan No.388/ES-KBN/Memo/06/2015 perihal Tugas dan Tanggungjawab Humas Kebun Buatan" dated 1st June 2015. The letter explicitly mentioned the roles is to consulting and communicating with community and follow up the result of consultation and communication.</p> <p>The public relation officer is reporting directly to Estate Manager.</p> <p>Scheme smallholders:</p> <p>KUD has appointed each KUD Head as the responsible officer to communicating and consulting with stakeholder as per "Surat Keputusan No.6/Kpts/KUD-BM/II/2012 tentang Penunjukan/Pengangkatan Petugas Komunikasi dan Konsultasi KUD Bhakti</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	Mandiri" dated 10 th February 2012.	
6.2.3	<p>The company shall have a list of stakeholders, records of communications, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders.</p> <p>- Minor compliance -</p> <p>Buatan I POM, Estate and Scheme smallholders:</p> <p>Company has a list of stakeholder which update on annual basis in "Updated Daftar Stakeholders PT. Inti Indosawit Subur – Buatan Group", latest update was on May 2017. From the document, it was known that company is consulting and communicating with 28 parties from government authorities: government in village-level, district-level, regency-level, and agencies such as Badan Pertanahan Nasional/BPN (national land body), Badan Konservasi Sumber Daya Alam/BKSDA (natural resources conservation agency); 32 parties from community-level: cooperative staff, community figures, mass media, etc.;</p> <p>28 parties from contractors: outside FFB suppliers, FFB-collectors, school bus transport contractors, employee housing repair contractor, heavy machinery contractors, etc.;</p> <p>4 Non-governmental Organizations: WWF, Scale Up, LSM Penjarah, LSM Lembaga Cegah Kejahatan Indonesia.</p> <p>Record seen:</p> <p>The company has recorded the stakeholders communication as Log Book, in January until June 2017 there 13 requests information, e.g:</p> <ul style="list-style-type: none"> - Information request from BLH Kabupaten Pelalawan on reporting of handling of hazardouse waste per three months (April - June 2017 reported on 20 July 2017. - The company also prepared the log book to communication with local communities. In 2017, there was no communication with local comunities. - The company in periodicaly has a meeting with all stakeholders in every 5 years. 	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>Last meeting conducted was on 15 June 2015. The meeting was attended by smallholders, local government, managemet of scheme smallholders.</p> <p>All KUD has prepared a list of stakeholder 2017 which consist of 32 stakeholders such as village head, Cooperative agency in Siak Regency, all other Koperasi Unit Desa/KUD (smallholder cooperatives), local supplier, PT. Inti Indosawit Subur - Buatan, bank and other financial agencies, etc.; Consultation and communication recorded in "Rekaman Komunikasi dan Aspirasi Anggota dan Masyarakat".</p>	
<p>Criterion 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p>			
6.3.1	<p>The mechanism, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested, as long as that information is supported with adequate initial evidence.</p> <p>- Major compliance -</p>	<p>Buatan Estate and Mill</p> <p>Company has established a mechanism to handle complaint from external party, as written in "Mekanisme Penanganan Keluhan" – complaint handling mechanism (Doc. No. SOP AA-GL-5005-RO-01) while complaint from internal regulated under "Mekanisme Penyampaian Keluhan dan Penyelesaian Keluhan Karyawan" – Employee' complaint and resolution mechanism (Doc. No. SOP-AA-HR-3008-RO 05). These mechanisms has been communicated to external parties and disseminated to PT IIS employees. Based on interview with local communities, Gender committee leader and worker union leader; they understood the procedure and mechanism to communicating complaint and/or grievance to company.</p> <p>Scheme smallholders:</p> <p>The scheme smallholders has a mechanism of consultation and communication in "Mekanisme Komunikasi, Konsultasi dan Keluhan", dated 3rd January 2011. The procedure has been communicated to all member on 10 January 2017 and also recorded into the "Buku Pintar" for each of farmer.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		Based on interview with smallholder No.1732, 1731 from KT100, and smallholder No.2614 and 2620 from KT116, smallholder No.1510, 1522 and 1523 from KT58 explained the mechanism for complaint and grievance settlement has been explained, as described in "Buku Panduan Petani". However, there is no complaint and/or grievance from another party received so far.	
6.3.2	There shall be records of process and outcome of dispute resolution. - Major compliance -	<p>Buatan Estate and Mill</p> <p>Workers and stakeholder grievance recorded in the log book "Monitoring Keluhan Karyawan". Sample: On 17/04/2017 there was damage in the housing employees (the bathroom floor was broken and the bathroom door was broken) has been followed up/repared on 18/04/2017. Buatan Estate and Mill has been recorded i.e:</p> <ul style="list-style-type: none"> - On 17 March 2017 on behalf of SY, related request for repairing the roof of a leaky room and has been followed up on 19 March 2017. - On 30 may 2017 on behalf of RN, related for repair of doors, has been followed up on 2 June 2017 <p>Scheme smallholders:</p> <p>Based on log book of record there is no complaint was received during this audit.</p>	Comply
<p>Criterion 6.4</p> <p>Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>			
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be available,	<p>Estate and Scheme smallholders:</p> <p>There is mechanism for land dispute resolution, SOP AA-GL-5003.1-R1 related to "Penanganan Konflik Lahan" effective 22/08/2011.</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
<p>referring to decision of the Constitution Court. - Major compliance –</p>	<p>The procedure covers land dispute handling mechanism, negotiation process, and verification upon legal ownership evidence up to land compensation. Should negotiation process fails, any land dispute will be processed through legal/litigation mechanism. During the process, a complete record is maintained.</p> <p>Based on mechanism, public relation officer will receive information of any complaint, grievance and land dispute/claims and records under the logbook.</p> <p>PT IIS-Buatan I have not acquiring any additional land and not involved in any land compensation payments. Therefore the mechanism only applicable to resolve land dispute within company's HGU. Land ownership from previous landowner becomes important document in order to continue negotiation process against land claim. Land claim without supporting evidence of land ownership, will be treated with approach and legal manner.</p> <p>There is no negotiation/compensation payment currently for both estate and scheme smallholders. The land has settled now, no any complaint was received in the last few years. In Scheme smallholder's area, it was settled since the "PIR Project" started due to this project from Central Government, where the land status is "Clean and Clear".</p> <p>Scheme smallholders:</p> <p>KUD Bhakti Mandiri: The scheme smallholder area of PT. Inti Indosawit Subur – Buatan falls in government program for "Perkebunan Inti Rakyat – Transmigrasi/PIR-Trans" as per "Keputusan Menteri Transmigrasi No.Kep.90/MEN/1990 related "Izin Pelaksanaan Transmigrasi PIR-Trans kepada PT. Inti Indosawit Subur I dengan Komoditas Kelapa Sawit di Lokasi Pangkalan Kuras, Kabupaten Kampar dan Pasir Penyau, Kabupaten Indragiri Hulu, Provinsi Riau" dated 29th July 1991.</p> <p>Based on this official letter, the whole smallholder plantation area of PT. Inti</p>	

Criterion / Indicator		Assessment Findings	Compliance
		Indosawit Subur – Buatan was gazetted by government therefore, no compensation to traditional land owner, because the land was a state land, free from ownership right. Currently, all scheme smallholder member has been granted with "Sertifikat Hak Milik/SHM" (land title) from "Badan Pertanahan Nasional/BPN" (national land body) – See 2.2.1.	
6.4.2	<p>A procedure for calculating and distributing fair compensation shall be established, implemented, monitored and evaluated in a participatory way. Corrective actions are taken as a result of this evaluation.</p> <p>- Minor compliance –</p>	<p>Buatan Estate:</p> <p>PT. Inti Indosawit Subur – Buatan has prepared a mechanism to identify and calculate fair compensation or loss of legal or customary rights to land set out in the standard operating procedure (SOP) "Prosedur Penyelesaian Sengketa Lahan No.AA-GL-5003-1-R2", dated 8th May 2015. The mechanism has taken into account FPIC Guide for RSPO Member 2015, whereby the procedure regulated information convey, negotiation, participative boundary measurement, involvement of other party and neighboring parties – in the boundary of the conflicted area (if any).</p> <p>Scheme Smallholders:</p> <p>Based on interview, KUD Bhakti Mandiri and KUD Sejahtera, sampled smallholder member and relevant authority, Dinas Perkebunan Kabupaten Pelalawan (plantation agency); there was no case of land conflict between smallholder member and/or conflict with other party related to land status or boundary.</p> <p>Cooperatives have a conflicts resolution mechanism in "Mekanisme Penanganan Konflik" dated 1st August 2014. The mechanism explaining flow process to resolution on land conflict, with involvement of company, village government and all related agencies.</p>	Comply
6.4.3	Compensation claims, process and outcome of any negotiated agreements shall be documented, with evidence of the participation of affected	<p>Buatan Estate:</p> <p>Based on stakeholder consultation, there is no expansion plan in business plan. There is no land conflict between PT. Inti Indosawit Subur – Buatan with other party</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
	<p>parties.</p> <p>- Major compliance –</p>	<p>including with surrounding village.</p> <p>Scheme smallholder:</p> <p>The scheme smallholder area of PT. Inti Indosawit Subur – Buatan falls in government program for “Perkebunan Inti Rakyat – Transmigrasi/PIR-Trans” as per “Keputusan menteri Transmigrasi No.Kep.90/MEN/1990 tentang Izin Pelaksanaan Transmigrasi PIR-Trans kepada PT. Inti Indosawit Subur I dengan Komoditas Kelapa Sawit di Lokasi Pangkalan Kuras, Kabupaten Kampar dan Pasir Penyau, Kabupaten Indragiri Hulu, Provinsi Riau” dated 29th July 1991.</p> <p>From this background, it was understood the scheme smallholder obtained the land ownership through government program PIR-Trans. Therefore it was not gone through compensation process to previous traditional landowners because the land was state land, free from ownership right. Currently, all scheme smallholder members have been granted with “Sertifikat Hak Milik/SHM” (land title) from “Badan Pertanahan Nasional /BPN”.</p>	
<p>Criterion 6.5</p> <p>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>			
6.5.1	<p>Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.</p> <p>- Major compliance -</p>	<p>Buatan Estate and Mill:</p> <p>The company determines minimum wages based on the Government regulation every year. The minimum wages in 2017 as regulated in SK Gubernur Riau no. 120/I/2017; regarding “Upah minimum sector pertanian/Perkebunan karet, Kelapa, kelapa sawit dan Pabrik Prov. Riau tahun 2017, dated 26 January 2017 as Rp 2.516.812,-</p> <p>Memorandum from company to all unit No.010/HR-AAS/MEMO/04/16, dated 22 April</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
	<p>2017, regarding "Petunjuk kenaikan upah tahun 2017".</p> <p>Sample has been taken:</p> <p>On Behalf of HS (SKU-B), details: basic salary as Rp 2,195,500,-, over time Rp 2,915,429,-, deductions Rp 94,267 (mangkir, BPJS-Kesehatan and BPJS Ketenagakerjaan), take home pay as Rp 5,016,662,-.</p> <p>On Behalf of FN (PHL) 15 working days, details: basic salary as Rp 1,568,602,-, premi Rp 465,449,-, deductions Rp 61,918 (mangkir, BPJS-Kesehatan and BPJS Ketenagakerjaan), take home pay as Rp 1,972,133,-.</p> <p>Basic Salary above excluded rice allowance: 15 kg/employees, wife 9 kg, children 7.5 kg/each for 3 children (rice price; Rp. 8.350/kg in April 2016)</p> <p>Based on review of payments slip, there is no worker paid below minimum wages, e.g. payment slip in June 2017</p> <p>Scheme Smallholder:</p> <p>Payment for employee in scheme smallholder PT IIS – Buatan I is based on Decree of Governors Prov. Riau no. Kpts.1058/XI/2016, dated 31 October 2016; regarding "Upah Minimum Kabupaten/Kota Se Provinsi Riau tahun 2017, Siak Regency of Rp 2,392,249.23 per month.</p> <p>Based on interview with smallholder No.1732, 1731 from KT100, and smalholder No.2614 and 2620 from KT116, there is an agreement between workers and smallholder/KUD on pay rate per tonne and payment period (monthly basis). The payment rate is relevant according to regulation.</p> <ul style="list-style-type: none"> - No.1731: pay rate Rp.130,000/ton FFB, harvesting round 3 times/month, payment on monthly basis; - No.1732: pay rate Rp.130,000/ton FFB, harvesting round 3 times/month, 	

**RSPO Public Summary Report
Revision 4 (November /2016)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>payment on monthly basis, work time 08.00 – 11.00AM;</p> <ul style="list-style-type: none"> - No.2614: pay rate Rp.130,000/ton FFB, harvesting round 3 times/month, payment on monthly basis after FFB price paid; - No.2620: pay rate Rp.130,000/ton FFB, harvesting round 3 times/month, payment on monthly basis; - No.1510: pay rate Rp.150,000/ton FFB, harvesting round 3 times/month, payment on monthly basis – after block owners paid for the FFB sales; - No.1522: pay rate Rp.150,000/ton FFB, harvesting round 3 times/month, payment on monthly basis – after block owners paid for the FFB sales; - No.1523: pay rate Rp.150,000/ton FFB, harvesting round 3 times/month, payment on monthly basis – after block owners paid for the FFB sales; 	
6.5.2	<p>Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to the workers.</p> <p>- Major compliance -</p>	<p>Buatan Estate and Mill:</p> <p>Worker Agreement (PKB) between company and labour union is referred in working regulation, Worker Agreement was registered by Dirjen Pembinaan Hubungan Industrial dan Jaminan Sosial Tenaga Kerja No. Kep.88/PHIJSK-PKKAD/PKB/VI/2015, dated 18th June 2015 (Valid 21st April 2015 - 20th April 2017). Based on document review, it was noted that the term and condition, such as: working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc, are covered in PKB and contracts which have been signed by labor union.</p> <p>All employees also has signed a contract with detail term and condition, included temporary workers, e.g. contract with Mr. Asrian Pulungan, no 004/IIS-KMB/SPK/VI/2016, dated 11 June 2016.</p> <p>Base on email from HRD (Erwin Suprpto) and PD.SDP.PP-SPSI Riau dated 12</p>	<p>NC # 1514963- 201708-M11 CLOSED on 9/10/2017</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>August 2017 that PKB BKS PPS period 2017-2019 is still in progress in discuses between BKP-PPS and PP.FSP.PP-SPSI.</p> <p>In addition, payment and employment condition for temporary daily has been regulated in work contract between worker an company. All contracts are prepared in Indonesia Language as understood language and signed by both parties.</p> <p>However during field audit and interview with workers, found Non conformity:</p> <ul style="list-style-type: none"> - Based on the interviews of some PHL workers that the workers have not understood related to the contract of work (interview to SKU: ST (fertilizer), BHL: MVA (TUS), RST (G. Committee) and SKU: SP (Nurse) PHL who has not signed a 3-year contract of work (a/n MVA), Nursery workers during interview did not understand and care with the contract - There is no appropriate explanation on the basis of BHL's working contract in Mill for 3 months. <p>Corrective action has made by company and verified by auditor on 9 - 10 october 2017. The non conformity has been Closed on 9 October 2017.</p> <p>Scheme Smallholders:</p> <p>Contract is available, e.g. Mr. A*****n No.34/KKB/KUD-BS/III/2011, dated 12th March 2011, Mr. Ar****i No.32/KKB/KUD-BS/III/2011, dated 12th March 2011.</p> <p>KUD Sejahtera has a employee, Mrs. R*** A, as bookkeeper. Cooperative and the employee has a working agreement under "Surat Perjanjian Kerja No.006/SK/KUD-SJ/XII/2016 dated 6th January 2016. The work agreement covers rights and obligations for both parties: salary, work hour, leave, overtime, agreement time-frame; available in Bahasa Indonesia and signed by both parties.</p>	
6.5.3	Growers and millers shall provide adequate	Buatan Estate and mill:	NC #

Criterion / Indicator	Assessment Findings	Compliance
<p>housing, water supplies, medical, educational and welfare amenities to national standards or above, where such public facilities are unavailable or inaccessible.</p> <p>- Minor compliance –</p>	<p>The company has prepared facilities for their workers, such as:</p> <ul style="list-style-type: none"> - Housing complex (399 units) - Elementary (1 unit) and kindergarden (1 units) - Polyclinic (1 unit) - Mosque (2 units) - Church (1 unit) - Creche (1 units) - School bus (2 units) - Ambulance (1 unit) - Sport facilities - Etc. <p>Company performed regular water quality test, whereby the source from worker housing's well.</p> <p>Non conformity:</p> <p>The company has prepared a budget for housing maintenance. (in 2016 : Rp 26,000,000 and in 2017 : Rp 124,000,000). Based on interviews with homeowners in Buatan I POM (Mrs S, Mr. M) and Buatan Esate (Mr A) obtained information that the process for housing maintenance is done by filing a complaint to the company as in SOP AA-HR-308.5.R0, and the company will be followed up.</p> <p>However based on visits in housing area, auditor found, such as:</p> <ol style="list-style-type: none"> 1. Several houses with damaged conditions (damaged ceiling), drainage system that did not work properly, insufficient emergency response facilities (APAR in 	<p>1514963-201708-N3</p> <p>Status: OPEN</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>KBN / 02/14)</p> <p>2. Lack of evidence that the addition of house building has obtained permission from the company, as required in PKB article XIV paragraph 3.e</p> <p>Corrective action has made by company and will be verified by auditor on the next surveillance assessment. The Minor NC status still Open.</p> <p>Scheme smallholders:</p> <p>All workers in Plasma has own house with water and electricity supplies from government (PLN). Based on interview with smallholder No.1732, 1731 from KT100, and smalholder No.2614 and 2620 from KT116, smallholder No.1510, 1522 and 1523 from KT58 explained the worker has their own house in the village.</p>	
6.5.4	<p>There shall be demonstrable efforts to improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance –</p>	<p>Buatan Estate and mill:</p> <p>The company has minimarket which managed by the cooperative and traditional market is nearby surrounding company area, mostly goods needed by employees is provided by the minimarket. Price in minimarket was affordable and cheaper than traditional market nearby company area. Price control by cooperative and all member including workers and company management.</p> <p>Scheme smallholders:</p> <p>There is a market in the village which smallholder workers stay. Access road and the availability of foods and other basic needs was easy to found with competitive price/affordable. Price determined by the market and control by government.</p>	Comply
<p>Criterion 6.6</p> <p>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>			

Criterion / Indicator		Assessment Findings	Compliance
6.6.1	<p>A record of the company's policy in understandable language recognising freedom of association, shall be available.</p> <p>- Major compliance –</p>	<p>Buatan Estate and mill:</p> <p>Freedom of association policy documented in "Kebijakan perusahaan, dated 01 December 2014" which state that: "Menghormati hak setiap karyawan untuk membentuk atau menjadi anggota serikat pekerja sesuai dengan keinginannya dan untuk melakukan tawar menawar secara kolektif". Freedom of association policy is written in Bahasa Indonesia, so that all employees can understand.</p> <p>This policy has been informed to all employees and being placed into notice board in public area. The last socialization on January 2017 to all employees of Buatan Estate and Mill.</p> <p>Scheme Smallholders:</p> <p>ICS policy is also recorded in "Buku Pintar" owned by every farmer. Freedom of association policy documented in "Kebijakan Koperasi", dated 01st March 2015 which stated that: "Menjamin kesejahteraan anggota dengan memberikan jaminan sosial bagi anggota sesuai dengan perundangan yang berlaku".</p> <p>Based on interview with smallholder No.1732, 1731 from KT100, and smalholder No.2614 and 2620 from KT116, explained the freedom of association is recognized because they're organizing in form of Kelompok Tani/KT, Koperasi Unit Desa/KUD and was free to speak their mind during Rapat Anggota Tahunan.</p> <p>Smallholder No.1510, 1522 and 1523 explained they are part of larger organization such as Kelompok Tani (KT) and Koperasi Unit Desa (KUD).</p>	Comply
6.6.2	<p>Records of meetings with labor unions or workers representatives shall be available.</p> <p>- Minor compliance –</p>	<p>Buatan I POM, Estate and Scheme smallholders:</p> <p>The Company already has trade union officials, based on Decree of the Dewan Pengurus Cabang Serikat Pekerja Indonesia Branch of Pelalawan district (SP. PP-SPSI), and proof registration in Disnakertrans dated 20 May 2014.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>SPSI meeting meeting:</p> <ol style="list-style-type: none"> 1. September 30, 2016, on the discussion of regular meeting schedules with PT IIS management for the period of 2017. 2. Date 17 January 2017; on the SPSI Work Program in 2017. 3. Date 18 April 2017; on Discussion of subsidized electricity cost of PLN <p>Plasma Buatan/Smallholder has no union labor organization, whereas some employees (spray and office staff) are members of the union labor of inti Buatan I Estate.</p>	
<p>Criterion 6.7 Children are not employed or exploited.</p>			
6.7.1	<p>There shall be documented evidence that minimum age requirements are met.</p> <p>- Major compliance –</p>	<p>Buatan Estate:</p> <p>The company has own policed signed by management on 1st December 2014 that stated that: It is not allowed all children to work in every activities/processes in company. Based on document review of list of workers "Data Karyawan" Kebun Buatan, update May 2016, interview with workers and obervation during field visit, it was no found workers hired under 18 years.</p> <p>Buatan Estate: the youngest worker is Mr. Riki Riadi Ginting (birth: 24 Dec 1997, joined in the company on 8 March 2016 – 20 year and 6 month).</p> <p>Buatan I POM:</p> <p>The company has own policed signed by management on 1st December 2014 that stated that: It is not allowed all children to work in every activities/processes in company. Based on document review of list of workers "Data Karyawan" Buatan POM, update May 2015, interview with workers and obervation during field visit, it</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>was no found workers hired under 18 years.</p> <p>Sample taken: List of employee – July 2016 “Data Karyawan PMKS Buatan”, the youngest employee was Alex Sahat Martua (date of birth 13th July 1988, joined in 20th February 2007) at 19 years old.</p> <p>Scheme smallholders:</p> <p>Management of ICS has policy, “Kebijakan Koperasi” dated 1st March 2015, which stated “Melarang anak-anak bekerja dalam setiap kegiatan KUD” – to prohibit all children to work in any activities in the cooperative operation.</p> <p>Based on verification, the age of worker was over 18 years old.</p>	
<p>Criterion 6.8</p> <p>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p>			
6.8.1	<p>A company’s policy on equal opportunity and treatment for work shall be available and documented.</p> <p>- Major compliance –</p>	<p>Buatan Estate and mill:</p> <p>The company has Equal Opportunities policy as documented in “Kebijakan Perusahaan”, dated 1st December 2014: “Memperlakukan seluruh karyawan secara adil, baik dalam hal penerimaan, penilaian kondisi dan lingkungan kerja, serta keterwakilan tanpa memandang suku, kasta, asal Negara, agama/ kepercayaan, cacat, gender, orientasi seksual, keanggotaan serikat pekerja, afiliasi politik dan atau umur” - to treat all member of cooperative in fair manner, and respect human rights, and representative without any discrimination on tribe, race, caste, country of origin, religion/belief, disability, gender, sexual orientation, union affiliation, political affiliation or age.</p> <p>The company has communicated this policy, e.g., the last socialization was conducted on January 2017, attended 76 workers, another company policy</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>dissemination on 7th February 2017, attended 81 workers in Buatan I POM; and in 20nd January 2017, attended 65 workers in Buatan Group Estate.</p> <p>Scheme smallholders:</p> <p>Management ICS has had equal opportunities policy and also was available in all KUD (Koperasi Unit Desa) "Kebijakan Koperasi", dated 1st January 2017: "memperlakukan seluruh karyawan koperasi secara adil dan menghormati HAM, serta keterwakilan tanpa memandang suku, kasta, asal negara, agama/kepercayaan, cacat, jender, orientasi seksual, keanggotaan serikat pekerja, afiliasi politik dan atau umur" – to treat all member of cooperative in fair manner, and respect human rights, and representative without any discrimination on tribe, race, caste, country of origin, religion/belief, disability, gender, sexual orientation, union affiliation, political affiliation or age.</p> <p>The policy has been disseminated to smallholder member on 9-23 January 2017, list of attendants was available.</p>	
6.8.2	<p>Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated.</p> <p>- Major compliance –</p>	<p>Buatan Estate and Mill:</p> <p>At the time of audit performed, interviews of male and female workers confirmed that the company anti-discrimination policy was strictly enforced. They were not aware of any cases of discrimination, e.g. document review of salary payment did not find any evidence of discrimination.</p> <p>Scheme smallholders:</p> <p>Buatan Smallholder has a policy of anti-discriminacy. This policy has been socialized on January 10 - February 10, 2017 which was attended by all plasma plant employees of 37 employees, consisting of 12 staff employees, 13 office employees and 12 TUS employees.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>Socialization of ICS Group policy:</p> <ul style="list-style-type: none"> - January 31, 2017; attended by KUD management, WKAK (inter-group communication forum), farmers group and farmer board and some community leaders including the local village head. - On 24 January 2017; attended by KUD management, WKAK (inter-group communication forum), farmers group and farmer board and some community leaders including the local village head. - January 11, 2017; attended by KUD management, WKAK (inter-group communication forum), farmers group and farmer board and some community leaders including the local village head, included attended by the Department of Agriculture <p>At the time of audit performed interviews of male and female workers confirmed that the company anti-discrimination policy was strictly enforced.</p>	
6.8.3	<p>Records of evidence that equal opportunity and treatment for work shall be available.</p> <p>– Minor compliance -</p>	<p>Buatan Estate and Mill:</p> <p>The company has had procedure hiring workers regulated that hiring and promotion of workers based on skill, work experiences, and job evaluation.</p> <p>The company is conduct performance evaluation of workers annually as documented in "Rekapitulasi Appraisal PB 2015, with scoring for Kualitas kerja (work quality), kuantitas kerja (work quantity), sikap kerja (behavior), kerjasama (team work), discipline, tanggung jawab (responsibility).</p> <p>In the period January – December 2016, there are no employee recruitment and also positions promotion.</p> <p>The company is conduct performance evaluation of workers annually.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>Scheme smallholder:</p> <p>ICS Group Manager's Policy related the equal opportunity for workers, dated January 2, 2017, points 9; "Menghormati hak asasi manusia dengan memperlakukan seluruh karyawan maupun petani secara adil, baik dalam hal penerimaan, penilaian, kondisi dan lingkungan kerja, serta keterwakilan tanpa memandang suku, kasta, asal Negara, agama/kepercayaan, cacat, jender, orientasi seksual, keanggotaan serikat pekerja, afiliasi politik dan/atau umur".</p> <p>Based on field observations and document verification, Plasma Buatan I has provided career opportunities to all employees, either at the ICS Group manager office or at the KUD Office.</p>	
<p>Criterion 6.9</p> <p>There is no harassment or abuse in the work place, and reproductive rights are protected.</p>			
6.9.1	<p>A policy to prevent sexual and all other forms of harassment and violence, shall be documented, implemented and communicated to all levels of the workforce.</p> <p>- Major compliance –</p>	<p>Buatan I POM, Estate and Scheme smallholders:</p> <p>The company has a policy to prevent sexual and all other forms of harassment and violence as per "Kebijakan Perusahaan", that's signed by Managing Director, dated 01 December 2014, in pon 15. "To prevent any sexual or physical abuses happen to women as well as to protect their reproductive rights".</p> <p>The the company aslo has prepared Standard Operating Procedures no SOP-A-HR-309.01-R0," tentang penanganan dan pencegahan pelecehan seksual dengan tujuan untuk keseragaman ketentuan dan prosedudr berhubungan dengan penanganan pelecehan seksual"</p> <p>The company has communicated this policy continously, the last socialization was conducted on 26 July 2017, attended by 17 workers under document of notulen</p>	<p>NC # 1514963- 201708-M12</p> <p>CLOSED on 9/10/2017</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Rapat Komite Gender KBN dan Sosialisasi SOP pelecehan seksual.</p> <p>The policy is prominently displayed on notice boards at the Mills and the Estates muster areas. Interviews of female staff, workers and union representatives confirmed that the company implemented the sexual harassment policy.</p> <p>The cooperative has policy to prevent sexual harassment and violence against women in "Kebijakan KUD" dated 1st August 2013, Point 6 which stated "Mencegah pelecehan seksual dan berbagai bentuk kekerasan terhadap perempuan serta melindungi hak hak reproduksinya – <i>prevent sexual harassment and violence as well as protect reproductive rights for women</i>. The policy has been disseminated to smallholder members</p> <p>Based on interview with smallholder block No.1732, 1731 from KT100; smallholder No.2614 and 2620 from KT116; and smallholder No.1510, 1522 and 1523 from KT58, explained the smallholder has been provided with explanation on policy to prohibit sexual harassment.</p> <p>Non Conformity found during audit:</p> <ul style="list-style-type: none"> • The leader of "Komite Gender" doesn't understand regarding the work programme, term and reference and Procedure / mechanism related to matters, eg: procedure in case of sexual harassment, related to menstruation leave (H1) which has been described in PKB. • During the interview with the workers at the child care, it was found that the women did not understand on gender committee's role and grievance mechanism when reporting (any) case related to sexual harassment. <p>Corrective action has made by company and has been verified by auditor on 9 – 10 October 2017. The Major NC status has been Closed on 9 October 2017.</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p>6.9.2 A policy to protect the reproductive rights, shall be documented, implemented and communicated to all levels of the workforce.</p> <p>- Major compliance –</p>	<p>Buatan I POM, Estate and Scheme smallholders:</p> <p>The company has a policy to prevent sexual and all other forms of harassment and violence as per “Kebijakan Perusahaan”, that’s signed by Managing Director, dated 01 December 2014, in pon 15. “To prevent any sexual or physical abuses happen to women as well as to protect their reproductive rights”.</p> <p>The company has communicated this policy continuously, the last socialization was conducted on 26 July 2017, attended by 17 workers under document of notulen Rapat Komite Gender KBN dan Sosialisasi SOP pelecehan seksual.</p> <p>There is a gender committee actively meets and discussing general agenda and other issue related to handling sexual harassment, dissemination of sexual harassment prevention. Based on interview with Gender Committee, company has implemented the protection of women reproductive rights, in form of maternal leave, period leave, regular pregnancy check for female sprayers and strictly prohibit pregnant and/or breastfeeding female worker applying pesticides.</p> <p>The cooperative has policy to prevent sexual harassment and violence against women in “Kebijakan KUD” dated 1st August 2013, Point 6 which stated “Mencegah pelecehan seksual dan berbagai bentuk kekerasan terhadap perempuan serta melindungi hak hak reproduksinya – <i>prevent sexual harassment and violence as well as protect reproductive rights for women.</i> The policy has been disseminated to smallholder members</p>	<p>Comply</p>
<p>6.9.3 A specific grievance mechanism which respects anonymity of complainants where requested, and as long as they are supported with adequate information, shall be documented, implemented, and communicated to all workforce.</p>	<p>Buatan Estate and Mill:</p> <p>Standard Operating Procedure, No. SOP: XX-HR-308.5-RO; Revision: 0, Desember 11th 2009: Employees complaints: submission and settlement.</p> <p>Mechanism for complaints management where it needs to protect its confidentiality for complainer was found in company policy’s draft as in one of points of this</p>	<p>Comply</p>

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance –	<p>policies stated that: "To provide appropriate information for those who inquiry it and to protect its confidentiality for whistleblower cases in accordance to law regarding environmental and social issue, food safety, health and safety work, so that it enables them to more participate to the decision making processes for improving company's performance.</p> <p>Scheme Smallholders:</p> <p>Scheme smallholder is adopting company policy on the grievance mechanism which respects anonymity and protects complainants, stated in the Cooperative's Communication, Consultation, and Grievance.</p> <p>During the audit, there is no issue found and has been confirmed during stakeholder consultation with local community and workers.</p>	
<p>Criterion 6.10</p> <p>Growers and millers deal fairly and transparently with smallholders and other local businesses.</p>			
6.10.1	<p>Current and past prices paid for Fresh Fruit Bunches (FFB), shall be publicly available.</p> <p>- Minor compliance -</p>	<p>Buatan I POM and Scheme Smallholders:</p> <p>The company has displayed the FFB price in Mill's notice board and smallholders able to access the FFB price by phone. The FFB price based on "Hasil Rapat Penetapan Harga Pembelian TBS Kelapa sawit Produksi Pekebun di Propinsi Riau".</p> <p>The FFB price is updated weekly (every Tuesday).</p> <p>The last FFB price period 9-15 August 2017 (nomor 30/TPH TBS – VIII/2017 for planting ages 3 – 25 year, due to planting year plasma more than 25 year, there is agreement between PT. IIS and Plasma using average FFB price for planting age 21 – 25 divided 5 as "Kesepakatan Bersama Penetapan Harga TBS Plasma, FKPPKS, KUD dan Manajemen Kebun Plasma Buatan PT. IIS, Asian Agri", dated 1 August</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>2017. The FFB price for this period is Rp. 1,579.62/tonnes FFB.</p> <p>Based on interview with smallholder block No.1732, 1731 from KT100; smallholder No.2614 and 2620 from KT116; and smallholder No.1510, 1522 and 1523 from KT58, explained the workers current and past FFB price recorded in "Buku Panduan Petani".</p> <p>Example seen and cross-checked: Period 2-8 August 2017: Rp.1,523.27/kg; Period 9-15 August 2017: Rp.1,566.56/kg;</p>	
6.10.2	<p>Pricing mechanisms for Fresh Fruit Bunches (FFB) and inputs/services shall be explained and documented (where these are under the control of the mill or plantation).</p> <p>- Major compliance -</p>	<p>Buatan I POM and Scheme Smallholders:</p> <p>The company has provided explanation on the FFB pricing formula and based on interview with smallholders, they understood of FFB pricing mechanism and no complaint was noted regarding FFB price.</p> <p>The FFB price is updated weekly (every Tuesday) with formula :</p> $HTBS = K [(HCPO \times RCPO) + (HIS \times RIS)]$ <p>HTBS = Harga TBS (FFB Price) K = Indeks "K" HCPO = Harga CPO (CPO price) RCPO = Rendemen CPO (OER) HIS = Harga Kernel RIS = Rendemen Kernel (KER).</p>	Comply
6.10.3	<p>Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and</p>	<p>Buatan Estate and Mill:</p> <p>Based on document review that agreement between company and local contractor is</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
	transparent. - Minor compliance -	confirmed that contract is made fairly, legal and transparent, e.g. Mill: Contract with Plasma (KUD. Bhakti Mandiri and KUD Sejahtera) for supply FFB No.07/SPK-TBS/IIS-PT/XI/93 "Perjanjian Kerjasama antara Petani Peserta PIR-Trans dengan PT. Inti Indosawit Subur" Record seen: - Contract with CV. Sinar Indah Permata, SPK No.011/MM-AAS/EXT/01/16, dated 4 th January 2016 for build one (1) unit worker house. - Contract with CV. Hari Mas, SPK No.173/MM-AAS/EXT/04/16, dated 7 th April 2016 for bulid Filing building. - Contract with PT. Prisan Artha Lesatri, SPK No.022/ADD SPK/P2/KBN/XI/2015, dated 16 th November 2015 electrical installation in Buatan Group. Surat Pesanan Lokal no 396/PBS/06/17, dated 10 June 2017 kepada Usaha Baru untuk memesan kerikil 7.6 M3, sejumlah Rp 1,520,000	
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	Buatan Estate and mill: Evidence of payment is reviewed and interview with local contractor confirmed that payment for contractor timely manner. e.g: Bukti pengeluaran bank BRI no voucher PU/17/06/5023, dated 22 June 2017 diberikan kepada Usaha Baru untuk pembelian 6000 pcs batu bata sejumlah Rp 2,880,000.	Comply
Criterion 6.11			
Growers and millers contribute to local sustainable development where appropriate.			
6.11.1	Records of contributions to local development based on the results of consultation with local	Buatan Estate and mill: Company has prepared Corporate Social Responsibility/CSR program on yearly basis.	Comply

Criterion / Indicator	Assessment Findings	Compliance
<p>communities shall be available. - Minor compliance -</p>	<p>For example, Buatan Estate has 27 activities, categorized in 6 types, up to August 2017:</p> <ul style="list-style-type: none"> ▪ Social (11 activities), such as donation for the poor and orphanage in Delima Jaya village, Buana Sakti village, Delik village, Lalang Kabung village; Donation for religious festives in Simpang Perak Jaya village, Suka Mulia village, Lalang Kabung village; Donation for Lembaga Adat Melayu Riau (LAMR); ▪ Economic (3 activities), assistance freshwater fish farming in Delima Jaya Village, Aid for Catfish Cultivation and Fish Cultivation Training ▪ Education (1 activity), education programme that is "Sekolah Sawit Lestari SMKN 1 Makmur" in Makmur Village. ▪ Infrastructure (3 activities), providing drilling wells in Mekar Jaya Village, assistance cement as many 200 sack for renovation Mesjid Al Muhajirin, Chairs assistance for Indonesian Pentecostal Church. ▪ Environmental (1 activity), Greening on the Riau Province Cross Roads 'Pelalawan-Siak' as many as 2000 trees <p>Based on interview with stakeholder, community felt that company has implemented CSR 2017 programme in good manner. For 2016, company has planned for 27 activities related to social, economic, education, and infrastructure – completed with timeframe and objective target.</p> <p>Scheme smallholders:</p> <p>The policy to contribute to surrounding community available in each "Anggaran Dasar Koperasi Unit Desa". The document stated cooperative 2.5% for social activities and 2.5% for local development. The local development activities have been delivered on 15 February 2017 in form of FKPI Pelalawan Regency; Religious festivities on 20 May 2017.</p>	

Criterion / Indicator		Assessment Findings	Compliance
6.11.2	<p>Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve scheme smallholder productivity.</p> <p>- Minor compliance -</p>	<p>Company and Scheme Smallholders:</p> <p>Scheme Manager assist the scheme smallholders, such as:</p> <ul style="list-style-type: none"> ▪ Company has communicated and trained oil palm plantation, health and safety and soil and water conservation; ▪ Company helps smallholder cooperative to conduct leaf analysis and soil analysis to prepare fertilizer recommendation; ▪ Company provide and guarantees the fertilizer supplies for smallholder cooperatives; ▪ Company supports the implementation of best management practices for weed control – in form of spraying team for smallholder plantation; ▪ Technical support, such as training, cooperative management and provide permanent resources (Scheme Manager, Assistant and supervisor in each cooperative); ▪ Road maintenance. etc 	Comply
<p>Criterion 6.12</p> <p>No forms of forced or trafficked labor are used.</p>			
6.12.1	<p>There shall be evidence that no forms of forced or trafficked labor are used.</p> <p>- Major compliance -</p>	<p>Buatan Estate and Mill:</p> <p>Based on interview with worker union committee and gender committee, there was no indication of forced labour and/or human trafficking. All employees have had work agreement, regulating the rights and obligation of company and employee. The work agreement including working hour and salary payment.</p> <p>Based on document verification and salary payment, shows employee have</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		<p>been paid in accordance to minimum wage regulation.</p> <p>Scheme Smallholders:</p> <p>Similar to estate and mill, there is no forced and trafficked labour was noted during assessment.</p>	
6.12.2	<p>It shall be demonstrated that no contract substitution has occurred.</p> <p>- Minor compliance -</p>	<p>Buatan Estate and Mill:</p> <p>Based on interview with worker union committee and gender committee, there was no indication of contract substitution occurred. All employees have work agreement, explaining the rights and obligation including scope of work.</p> <p>Scheme Smallholders:</p> <p>Similar to estate and mill, there is no contract substitution was noted.</p>	Comply
6.12.3	<p>Where migrant/foreign/honorary workers are employed, a special worker policy and procedures and the evidence of implementation shall be available.</p> <p>- Major compliance -</p>	<p>Buatan Estate and Mill:</p> <p>Based on interview with worker union committee and gender committee, as well as the employee it can be demonstrated that there is no use of migrant/foreign/honorary worker. During document review of employee data and list of employee shown that there is no migrant/foreign/honorary workers are employed by company.</p> <p>All employee including temporary workers have work agreement; regulating the scope of work, work agreement timeframe, working hour, salary payment, overtime and Jamsostek. Procedures against employee has been set by company in HR procedure regarding workers/employee. Company also has determined the policy to protect the employee presented in Company Policy that's signed by Managing Director, dated 01st December 2014.</p> <p>Scheme Smallholders:</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
		KUD has a policy related to use of migrant worker inside "Kebijakan Koperasi". Based on document verification and interview with worker shows no migrant worker used in cooperative.	
Criterion 6.13			
Growers and millers respect human rights.			
6.13.1	<p>A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations.</p> <p>- Major compliance -</p>	<p>Buatan Estate and Mill:</p> <p>The company has established human rights policy, dated 01 December 2014, it has been communicated to the workforce, e.g.</p> <ul style="list-style-type: none"> • Socialisation on 02 January 2017 for harvesters. • Socialisation on 05 March 2017 for staff. • Socialisation on 10 March 2017 for staff. <p>Scheme smallholders:</p> <p>ICS Group Manager's Policy related the human right recorded on point 9; "Menghormati hak asasi manusia dengan memperlakukan seluruh karyawan KUD maupun petaniecara adil, baik dalam hal penerimaan, penilaian, kondisi dan lingkungan kerja, serta keterwakilan tanpa memandang suku, kasta, asal Negara. Agama/kepercayaan, cacat, jender, orientasi seksual, keanggotaan serikat pekerja, afiliasi politik dan / atau umur".</p> <p>This policy has been communicated or disseminated to all Plasma and KUD employees in January - February 2017.</p> <p>During this audit there is no any human rights violation was noted including in scheme smallholder area.</p>	Comply

Criterion / Indicator		Assessment Findings	Compliance
Principle 7: Responsible development of new plantings			
Criterion 7.1			
A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.			
7.1.1	An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented. - Major compliance –	Note that there was no new planting in Buatun Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
7.1.2	Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts. - Minor compliance -	Note that there was no new planting in Buatun Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
7.1.3	Where the development includes an outgrower scheme (<i>skema kemitraan</i>), the impacts of the scheme and the implications of the way it is managed shall be given particular attention. - Minor compliance -	Note that there was no new planting in Buatun Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
Criterion 7.2			

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

Criterion / Indicator		Assessment Findings	Compliance
7.3.2	<p>Reports of comprehensive HCV assessment, which involves stakeholder consultation and includes record of land-use change since November 2005, shall be available. This HCV assessment shall be conducted prior to any conversion or new planting.</p> <p>- Major compliance –</p>	<p>Note that there was no new planting in Buatán Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.</p>	N/A
7.3.3	<p>Records of land preparation and clearing dates shall be available.</p> <p>- Minor compliance –</p>	<p>Note that there was no new planting in Buatán Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.</p>	N/A
7.3.4	<p>An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower’s relevant operational procedures. (see Criterion 5.2)</p> <p>- Major compliance –</p>	<p>Note that there was no new planting in Buatán Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.</p>	N/A
7.3.5	<p>Evidence of consultation with the affected community shall be available in order to identify the area required by such community to fulfill its basic needs, by considering the positive and negative changes to the livelihood as a result of plantation operations. Such matters shall be included in the HCV analysis and management plan (see Criteria 5.2).</p>	<p>Note that there was no new planting in Buatán Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.</p>	N/A

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance –		
Criterion 7.4			
Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.			
7.4.1	Indicative maps showing marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided. - Major compliance –	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
7.4.2	Where limited planting on fragile and marginal soils, including peat, is proposed, a documented plan shall be developed and implemented to protect them without incurring adverse impacts. - Major compliance –	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
Criterion 7.5			
No new plantings are established on local people’s land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.			
7.5.1	Evidence shall be available that affected local peoples understand they have the right to say ‘yes’ or ‘no’ to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A

Criterion / Indicator		Assessment Findings	Compliance
	<p>agreement with the grower/miller is signed and ratified by these local peoples (see Criteria 2.2, 2.3, 6.2, 6.4 and 7.6)</p> <p>- Major compliance –</p>		
<p>Criterion 7.6</p> <p>Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</p>			
7.6.1	<p>Records of identification and assessment of legal, customary and user rights shall be available.</p> <p>- Major compliance –</p>	<p>Note that there was no new planting in Buatun Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.</p>	N/A
7.6.2	<p>A procedure for identifying people entitled to compensation shall be available.</p> <p>- Major compliance –</p>	<p>Note that there was no new planting in Buatun Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.</p>	N/A
7.6.3	<p>Records of calculation system and distribution of fair compensation shall be available.</p> <p>- Major compliance –</p>	<p>Note that there was no new planting in Buatun Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.</p>	N/A
7.6.4	<p>Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development.</p> <p>- Minor compliance –</p>	<p>Note that there was no new planting in Buatun Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.</p>	N/A

Criterion / Indicator		Assessment Findings	Compliance
7.6.5	The process and outcome of any compensation claims shall be documented and made available to the affected communities and their representatives. - Minor compliance –	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
7.6.6	Evidence shall be available that the affected communities and rights holders have access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands. - Minor compliance –	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
Criterion 7.7			
No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN Guidelines or other regional best practice.			
7.7.1	Records of zero burning implementation on land clearing, referring to the ASEAN Policy on zero burning (2003) and recognised techniques based on the existing regulations shall be available. - Major compliance –	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
7.7.2	In exceptional cases where fire has to be used for preparing land for planting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A

Criterion / Indicator		Assessment Findings	Compliance
	Implementation of the ASEAN on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance –		
Criterion 7.8			
New plantation developments are designed to minimize net greenhouse gas emissions.			
7.8.1	The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated. - Major compliance –	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
7.8.2	Records of a plan to minimize net GHG emissions shall be available. - Minor compliance –	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
Principle 8: Commitment to continuous improvement in key areas of activity			
Criterion 8.1			
Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			
8.1.1	The action plan for monitoring shall be available, based on a consideration of the social and	The company has prepared the Program of Continuous Improvement, as per document "Master Plan Continuous Improvement tahun 2017", such as:	Comply

Criterion / Indicator	Assessment Findings	Compliance
<p>environmental impacts and routine evaluation of the plantation and mill operations. As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of certain chemicals (Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Optimising the yield of FFB production (Criterion 4.2) <p>- Major compliance –</p>	<ol style="list-style-type: none"> 1. Control of soil erosion and degradation 2. Integrated Pest Management (IPM) 3. Road Infrastructure 4. Water Mangement Plan 5. Building 6. Reduced Use of Gramaxone <p>Monitoring the use of gramaxone:</p> <p>2007: 6,202 liters 2008: 4,833 liters 2009: 3,749 liters 2010: 1,200 liters 2011: 1,200 liters 2012: 841 liters 2013: 1,000 liters 2014: 900 liters 2015: 800 liters 2016: 480 liters Plan: 365 liters</p> <p>The company also has conducted internal audit activities, asin document of "Internal Audit Sustainability Intergarsi", on 31st May, 2017 - June 2, 2017 ", audits</p>	

**RSPO Public Summary Report
Revision 4 (November /2016)**

Criterion / Indicator	Assessment Findings	Compliance
	<p>conducted by Mr. Ari Azhari, Irwan Indra. There are 6 Issues found, including: Update logbook for outgoing and incoming requests, work programs and work realization of gender committees, individual record training updates, etc.</p> <p>All findings of non-conformity have been closed on June 12, 2017.</p> <p>The company also has shown the VA Report - Inti, no KBN/VA/FULL01-17, date of visit 27 February - 03 March 2017, by Ngu Heng Shiow. All inputs from the visits are monitored in the "Monitoring Progress Action Plan VA Report" document, eg: Fertilization (EFB Application), Disease Pests, trenches and trails and castration activities and consolidated inserts.</p> <p>Buatan I POM also has prepared the Environmental Management Program document 2017, ie.g: Optimizing the operation of biogas for electrical energy used for TBS and KCP process and addition of 1 unit gas engine with capacity 1400KW, utilization of POME to produce biogas and installation of wet scrubber unit/similar particulate lifting device to protect the contamination in boiler station.</p>	

**RSPO Public Summary Report
Revision 4 (November /2016)**

Appendix B: Approved Time Bound Plan

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

RSPO Public Summary Report
Revision 4 (November /2016)

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

**RSPO Public Summary Report
Revision 4 (November /2016)**

Pangkalan	Sennah Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 26 th May 2015
Sentral & Batu Anam	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 8 th July 2015
Pulau Maria	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 7 th September 2015
Nagri Lama	Nagri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2018 to 2013	Certified on 6 th April 2015
Aek Kuo	Aek Korsik Village, Aek Natas District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2016 to 2013	Certified on 6 th April 2015

RSPO Public Summary Report
Revision 4 (November /2016)

Appendix C: Certification Unit RSPO Certificate Details

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

BSI RSPO Certificate No: RSPO 638918

Date of Initial Certificate Issued: 16th September 2010

Date of Expiry: 15th September 2020

RSPO membership number: 1-0022-06-000-00, dated 06th February 2006

Applicable Standards: **RSPO P&C INA NI 2016**; *RSPO Supply Chain Certification Standard November 2014*
 Module Module E - CPO Mills: Mass Balance

PT. Inti Indosawit Subur – Buatan I Palm Oil Mill and Supply Base						
Location Address	Delik Village and Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau Province, Indonesia					
GPS Location	101° 49' 30" E & 00° 26' 04" N					
CPO Tonnage Total	51,208.00 MT					
PK Tonnage Total	12,418.00 MT					
CPO Claimed for Certification*	23,908.00 MT					
PK Claimed for Certification *	5,831.00 MT					
Own estates FFB Tonnage	41,811.00 MT					
Scheme Smallholder FFB tonnage	73,654.00 MT					
Estates	Production Area		Other use & Infras (ha)	HCV (ha)*	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)				
Buatan Estate	2,007	0	106.22	27.78	2,141	41,811
KUD Bhakti Mandiri	980	0	0	0	980	19,905
KUD Jaya Makmur	920	0	0	0	920	16,246
KUD Sumber Rejeki	820	0	0	0	820	18,017
KUD Sejahtera	976	0	0	0	976	19,486
TOTAL	5,703	0	134	27.78	5,837	115,465

Note : HCV area are included in the planted area. Total HCV area in Buatan Estate was 55.56 ha divided in Division I, II and III (Buatan I POM supply base) with area 27.78 ha and in Division IV, V, VI (Buatan II POM supply base) with area 27.78 ha.

RSPO Public Summary Report Revision 4 (November /2016)

Appendix D: Assessment Plan

Assessment plan CAV2 PT Inti Indosawit Subur – Buatan I POM

Date	Time	Subjects	MJ	EW	IF	EP	AH	PS
Sunday 06/08/2017	06.00 – 08.00	Flight Jakarta – Pekanbaru	√	√	√	√		
		Travel from Airport to Hotel in Pekanbaru by Taxi	√	√	√	√		
		Stay a while in Pekanbaru for Auditor coordination	√	√	√	√		
	13.00 – 15.00	Travel from Pekanbaru to PT IIS – Buatan I By Car and Pick up by Client	√	√	√	√		
	15.00	Check in at Hotel Unigraha (near to site)	√	√	√	√		
Monday 07/08/2017	08.00 – 09.00	Opening Meeting Presentation by PT. IIS – Buatan I POM, Estate AND Smallholder Presentation by BSI Indonesia	√	√	√	√		
	09.00 – 12.00	Buatan Estate: Field Visit: Plantation upkeep (herbicide application programs, manual, etc), harvesting, fertilizer application, terracing, road maintenance, IPM implementation, etc. HCV MM implementation Interview with Workers	√					
		OHS implementation : Workshop, Pesticide and agrochemical storage, Equipment storage, Diesel fuel storage, Clinic, Housing complex Interview with Workers				√		
		HGU pegs maintenance, Public facility, Interview with Gender committee, Union labor		√				
	12.00 – 14.00	Break	√	√	√	√		
	14.00 – 17.00	Buatan Estate: Document review Best management practices Agronomy, OHS implementation, EMS implementation, Social and Labour, HCV, Continual improvement, etc.	√	√	√	√		
Tuesday 08/08/2017	08.00 – 12.00	Buatan I POM Field Visit: Weight bridge, Mill process from incoming FFB to CPO storage tank/PK, Clinic, PPE, safe working environment, walk ways, signs, EFB. POME treatment, emissions, diesel tanks, fire extinguishers, first aiders and boxes, workshop, storage, Worker and staff interviews (OHS, contract, salary), housing complex, etc	√			√		
	12.00 – 14.00	Break	√	√	√	√		
	14.00 – 17.00	Buatan I POM: Document Review Best management practices Mill, OHS implementation, EMS implementation, Social and Labour, Continual improvement, etc. Interview with workers	√	√	√	√		
Wednesday 09/08/2017	08.00 – 12.00	Buatan I POM: Supply Chain for CPO Mills (RSPO SCCS)						√
		Scheme Smallholder Document Review: Group manager and member requirement to demonstrate conformity/compliance with RSPO P & C INA NI 2016 and Group Certification	√	√	√	√		

RSPO Public Summary Report
Revision 4 (November /2016)

Date	Time	Subjects	MJ	EW	IF	EP	AH	PS
		Checklist: Legal requirement, Best management practice Agronomy, HCV, EMS, OHS implementation, Social and labor, Continual improvement, etc.						
	12.00 – 14.00	Break	√	√	√	√		
	14.00 – 17.00	Scheme Smallholder Field Visit: Field visit to Kavling/Block member of Smallholder to verify conformity with Certification Group Standard, BMP, OHS-EMS Implementation, HCV, Social and Labor, Continual improvement, etc. (4 sample) Member document review	√	√	√	√		
Thursday, 10/08/2017	08.00 – 12.00	Scheme Smallholder Field Visit: Field visit to Kavling/Block member of Smallholder to verify conformity with Certification Group Standard, BMP, OHS-EMS Implementation, HCV, Social and Labor, Continual improvement, etc. (4 sample) Member document review	√	√	√	√		√
		Interview with Local Government : BLH, Disbun, Disnakertrans, BPN Kab. Pelalawan			√		√	
		Interview with Local NGO, Local Contractor, Village head, Public figure, Local community, other interested party			√		√	
	12.00 – 14.00	Break	√	√	√	√	√	√
	14.00 – 17.00	Scheme Smallholder Field Visit: Field visit to Kavling/Block member of Smallholder to verify conformity with Certification Group Standard, BMP, OHS-EMS Implementation, HCV, Social and Labor, Continual improvement, etc. (6 sample) Member document review	√	√	√	√	√	√
Friday, 11/07/2017	08.00 – 12.00	Scheme Smallholder Field Visit: Field visit to Kavling/Block member of Smallholder to verify conformity with Certification Group Standard, BMP, OHS-EMS Implementation, HCV, Social and Labor, Continual improvement, etc. (6 sample) Member document review	√	√	√	√	√	√
	12.00 – 14.00	Break	√	√	√	√	√	√
	14.00 – 17.00	Scheme Smallholder Field Visit: Field visit to Kavling/Block member of Smallholder to verify conformity with Certification Group Standard, BMP, OHS-EMS Implementation, HCV, Social and Labor, Continual improvement, etc. (6 sample) Member document review	√	√	√	√	√	√
Saturday 12/07/2017	08.00 – 12.00	Scheme Smallholder Field Visit: Field visit to Kavling/Block member of Smallholder to verify conformity with Certification Group Standard,	√	√	√	√	√	√

**RSPO Public Summary Report
Revision 4 (November /2016)**

Date	Time	Subjects	MJ	EW	IF	EP	AH	PS
		BMP, OHS-EMS Implementation, HCV, Social and Labor, Continual improvement, etc. (6 sample) Member document review						
	12.00 – 14.00	Break	√	√	√	√	√	√
	14.00 – 15.00	Report preparation	√	√	√	√	√	√
	15.00 – 16.30	Closing Meeting	√	√	√	√	√	√
	16.30 – 18.30	Traveling to Pekanbaru	√	√	√	√	√	√
Sunday 13/07/2017	08.00 - up	Traveling to Jakarta	√	√	√	√	√	√

	Name	Role	Assessment aspects
1	Mujinius Jalaraya	Team Leader	Best Management Practices for Estate, HCV management, Continual improvement (Fluent in English and Bahasa Indonesia)
2	Aswan Hasibuan	Team member	OHS, Best management Practices for Mill, SCCS for Palm Oil Mill
3	Imam Fakhrurozi	Team member	Social audit, External Stakeholder Consultation (Fluent in English and Bahasa Indonesia)
4	Edy Widodo	Team member	Social audit, Legal, Internal Stakeholder Consultation (Fluent in English and Bahasa Indonesia)
5	Eri Pradana	Team member	EMS for Palm oil plantation (Fluent in English and Bahasa Indonesia)
6	Pratama Sedayu	Team member	Legal aspect, OHS, EMS
7	Nicholas Cheong	Observer	Observing audit
8	Haye Semail (ASI)	Observer	Witness audit for BSI
9	Kishore kumar	Observer	Witness audit for BSI

Appendix E: Stakeholders Contacted

<p>Internal Stakeholders</p> <ol style="list-style-type: none"> 1. Gender Committee of PT Inti Indosawit Subur – Buatan I POM and Estate 2. Employee PT PT Inti Indosawit Subur – Buatan I POM and Estate (harvester, sprayer, manuring worker, operator, etc) 	<p>Union/Contractors/Local Communities</p> <ol style="list-style-type: none"> 1. Worker union representative of PT PT Inti Indosawit Subur – Buatan I POM and Estate 2. Local community and village head of Makmur Jaya Village and Lalang Kabung Village 3. Local contractor for electric installation; 4. Local contractor for house repair;
<p>Government Departments</p> <ol style="list-style-type: none"> 1. Dinas Tenaga Kerja dan Transmigrasi Kabupaten Pelalawan (Manpower and Transmigration Office – Pelalawan Regency) 2. Badan Lingkungan Hidup Kabupaten Pelalawan (Environmental Office – Pelalawan Regency) 3. Dinas Perkebunan Kabupaten Pelalawan (Agriculture and Plantation Service – Pelalawan Regency) 4. Dinas Koperasi Kabupaten Pelalawan (Cooperative office - Pelalawan Regency) 	<p>NGO</p> <ol style="list-style-type: none"> 1. Invitation letter to comment was sent to national NGO before audit, there was no comment submit by NGO. 2. Local NGO – Media Gagasan Riau

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

Criterion E.1. Definition			
	Requirement	Evidence	Compliance
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.	PT Inti Indosawit Subur – Buatan I POM holds current RSPO P&C Certificate No.SPO 638947. In the current certificate, PT. Inti Indosawit Subur – Buatan I POM implemented Mass Balance supply chain system. PT. Inti Indosawit Subur only claimed the FFB proportion from certified supply bases which comprise of company-own estate, and scheme smallholder cooperatives. The other supply base, coming from third party contractors/collectors as non-certified FFB source.	Yes
Criterion E.2. Explanation			
E.2.1	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.	Buatan I POM demonstrates the estimate of certified CPO and PK products. BSI verifies the estimate of CPO and PK products during each assessment. During this assessment, the actual of production CPO and PK is recorded in daily, monthly and yearly basis.	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).	Buatan I POM facility has fulfilled all registration and reporting requirements for the MB supply chain through the RSPO supply chain managing organization (e-trace). Active e-trace account available under No.RSPO_PO1000000021, valid license period 29 th December 2016 – 15 th September 2017.	Yes
Criterion E.3. Documented procedures			
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:	Buatan I POM facility has implemented supply chain and traceability procedure under SOP "Traceability" No.AA-MPM-OP-1400.17-R4 dated 25 th February 2015 and "Book Keeping" No.AA-MPM-OP-1400.18-R4, updated 25 th February 2015.	Yes
	a) Complete and up to date procedures covering the implementation of all the elements in these requirements	The procedure explains in all aspects of supply chain and traceability scope starting from FFB harvesting, FFB delivery to Palm Oil	Yes

		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 rd April 2015, the company has appointed the responsible person for handling supply chain along their supply chain is Mill Manager. Based on interview with Mill Manager, he has knowledge how supply chain procedures implemented, he was worked in Asian Agri Mill for more than 3 years which managed RSPO certified mill.	Yes
E.3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBS.	Buatan I POM has a documented procedure for the incoming FFB, processing and outgoing palm products (CPO and PK). Marking is made on the receiving documents to differentiate the certified and non-certified FFB received. Records: Procedure AA-MPM-OP-1400.17-R4 (traceability) and Procedure AA-MPM-OP-1400.18-R4 (Mass Balance). SOP Traceability shows the procedure traceability CPO & PK, Despatch of CPO & PK, LHP PMKS, Procedure Traceability CPKO – receiving of PK, despatch of CPKO and Laporan Harian Produksi KCP.	Yes
Criterion E.4. Purchasing and goods in			
E.4.1	The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBS received.	Receiving FFB Plasma: Buatan Estate: Surat Pengantar TBS dated 29 th May 2017, marked with certified RSPO 638947, 192 bunches, from Buatan Estate Division III, block C89a, planting year 1989, transporting truck BM9117TH. Weighbridge ticket No.PBSA117202682, source from Buatan Estate, Division III, block C89a, planting year 1989, harvest date 29 th May 2017, weigh 5,430 kg, certificate ID RSPO 638918, transporting truck BM9117TH, country of origin Indonesia, receiving mill Buatan I POM. Surat Pengantar TBS dated 29th May 2017, marked with certified RSPO638918, 188 bunches, from Buatan Estate Division III, block C90c and C90e, planting year 1990, transporting truck BM8344TC. Weighbridge ticket No.PBSA117202695, source from	NC#1514963-201708-M13 CLOSED on 9/10/2017

		<p>Buatan Estate, Division III, block C90c and C90e, planting year 1990, harvest date 29th May 2017, weigh 5,900 kg, certificate ID RSPO 638918, transporting truck BM8344TC, country of origin Indonesia, receiving mill Buatan I POM.</p> <p>Scheme Smallholders: Surat Pengantar Buah No.534 dated 29th May 2017, marked with certified RSPO638918, 340 bunches, from KT 161 Sido Mukti, transporting truck BM9372CI. Weighbridge ticket No.PBSA217203565, source from KT 161 Sido Mukti, transporting truck BM9372CI, harvest date 29th May 2017, weigh 9,166 kg, certificate ID RSPO638918, transporting truck BM9372CI, country of origin Indonesia, receiving mill Buatan I POM.</p> <p>Third Party FFB: Surat Pengantar TBS dated 29th May 2017, 331 bunches, from Sunardi, transporting truck BM9073CI. Weighbridge ticket No.PBSA517206224, source from Supplier Sunardi TBS-Luar ST00049, dated 29th May 2017, weigh 6,605 kg, transporting truck BM9073CI, country of origin Indonesia, receiving mill Buatan I POM – non-certified.</p> <p>Surat Pengantar TBS dated 29th May 2017, 610 bunches, from APSSKBM/Karya Bhakti Mandiri, transporting truck BM9821FG. Weighbridge ticket No.PBSA517206234, source from APSSKBM/Karya Bhakti Mandiri ST00027, dated 29th May 2017, weigh 7,860 kg, transporting truck BM9821FG, country of origin Indonesia, receiving mill Buatan I POM – non-certified.</p> <p>NC Major: Buatan I Palm Oil Mill was unable to demonstrate consistent verification of certified and non-certified FFBs received; this condition was not in line with company procedure "Traceability" No.AA-MPM-OP-1400.17-R4 dated 25th February 2015.</p>	
E.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	As per procedure "Book Keeping" No.AA-MPM-OP-1400.18-R4, updated 25 th February 2015, section 6.5 stated Head of Environment and Sustainability will inform the CB should there is a projected overproduction of certified tonnage.	Yes

		Currently no projected overproduction for Buatan I POM.	
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.	Buatan I POM has consistently records and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on three-monthly basis as documented in "Mass Balance Book Keeping of CPO and PK". All book keeping has met requirement and balance.	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.	According to book keeping document of CPO at PBD mill, all volumes of palm oil and palm kernel oil that are delivered are deducted from material accounting system according to conversion ratios stated by RSPO. All FFB received, CPO/PK produced and CPO/PK despatch is recorded in daily basis (Processing daily Report), monthly report (Production and Despatch Report), 3 monthly basis (CPO/PK Production and sales balance".	Yes
	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 basis, 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

Actual Tonnage Certified Palm Production 09/2016 – 08/2017

Mill	Capacity	CPO (MT)	PK (MT)
Buatan I POM	90 tons FFB/hour	21,761	5,613

Actual Tonnage Sales of Certified Palm Products 09/2016 – 08/2017

Mill	Certified CPO Sales (MT)	Certified PK Sales (MT)	Remarks
Buatan I POM	0	5,542.49	Palm trace transaction

Actual Tonnage Sales of Certified Palm Products (Under Other Schemes) 08/2016 – 07/2017

Mill	Certified CPO Sales (MT)	Certified PK Sales (MT)	Other Scheme (s)
Buatan I POM	9,640	0	ISCC

Actual Tonnage Sales of Conventional Palm Products 08/2016 – 07/2017

Mill	Certified CPO Sales (MT)	Certified PK Sales (MT)	Remarks
Buatan I POM	0	0	Non certified

Month	Certified Supply Base (from own certificate scope) (MT)		
	Buatan Estate	Buatan Smallholder	Total FFB/Month (MT)*
September 2016	2,135	6,571	8,706
October 2016	1,488	7,162	8,650
November 2016	1,560	7,928	9,488
December 2016	2,268	7,701	9,969
January 2017	2,052	7,397	9,449
February 2017	2,854	7,459	10,313
March 2017	3,124	5,596	8,720
April 2017	3,219	2,915	6,134
May 2017	3,234	5,880	9,114
June 2017	3,388	5,567	8,955
July 2017	4,377	7,233	11,610
August 2017	3,751	5,555	9,306
Total	33,450	76,964	110,414

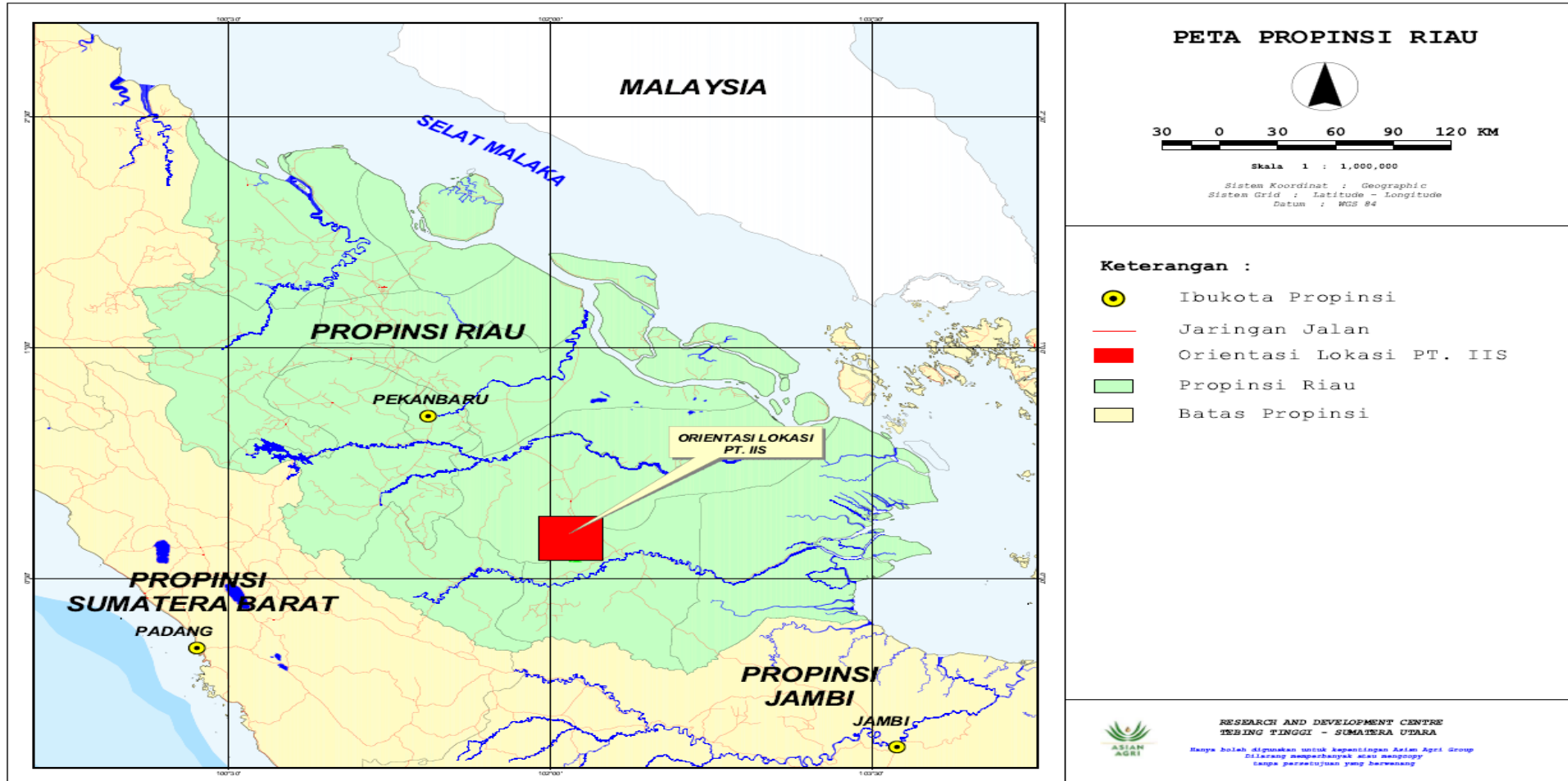
Month	Estimate Certified Supply Base (from own certificate scope) (MT)		
	Buatan Estate	Buatan Smallholder	Total FFB/Month (MT)*
September 2017	3,939	6,915	10,854
October 2017	4,000	7,024	11,024
November 2017	3,783	6,632	10,415
December 2017	3,475	6,049	9,524
January 2018	1,894	5,794	7,688
February 2018	1,995	5,222	7,217
March 2018	2,223	5,235	7,458
April 2018	2,357	5,067	7,424
May 2018	2,807	5,224	8,031
June 2018	2,824	5,869	8,693
July 2018	3,513	6,614	10,127
August 2018	9,001	8,009	17,010
Total	41,811	73,654	115,465

Appendix G: Location Map of Certification Unit and Supply bases

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

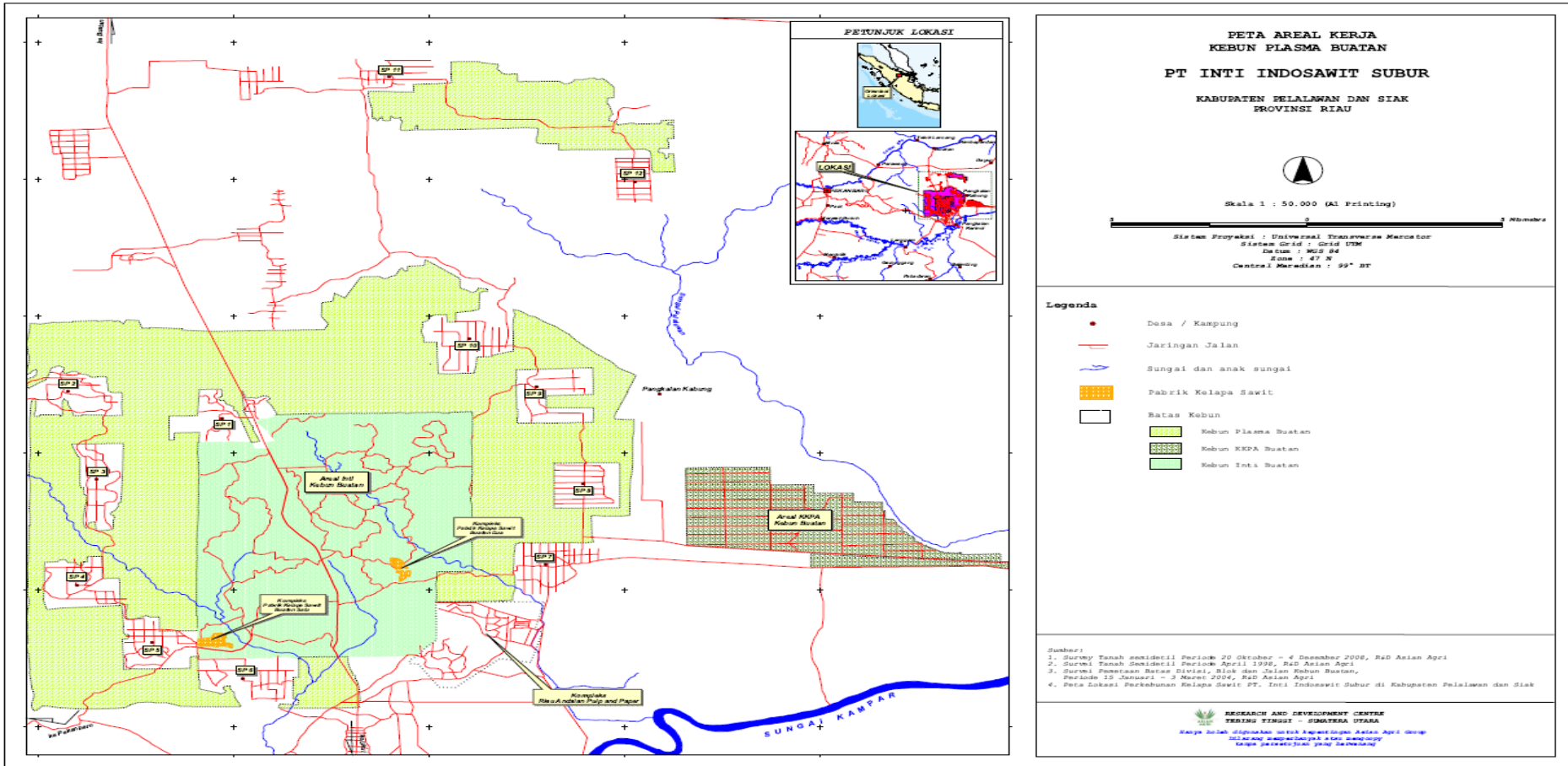


Map 2. Location of PT. Inti Indosawit Subur – Buatan I POM in Riau Province, Indonesia.



Appendix H: Estate Field Map

Map 3. Location of Inti Indosawit Subur – Buatan I POM and neighbouring entities



Appendix I: Smallholder Sampled List

Total Smallholder member was 1,097. Smallholder sampled: $0.8\sqrt{1,097} \times 1.2 = 32$ sample.

Location	KUD	HAMPARAN (KT)	Name of Smallholder	No. Kavling/Block
SP 3	BHAKTI MANDIRI	33	SUPARDI	740
			TARLI MANULANG	780
			WAHYU SUGENG R	782
			SUMALANG	783
		34	JAMIN	820
			JAROH	859
			GIMIN	865
			SUDADI	867
SP 4	JAYA MAKMUR	99	SLAMET	1719
			TUMINI	1657
			ISHARSYAH	1678
			TARAHAN GINTING	1718
		58	MUSIMIN	1502
			SUPARDI	1522
			SUNARYO	1523
			RUBIYANTO	1510
SP 5	SUMBER REJEKI	100	KAMISO	1732
			MUNASAN	1731
			EKO YONO	1741
			SURADI	1740
		73	MISLAM	2098
			KARNO	2099
			KASIMUN	2218
			JULIONO	2095
SP 6	SEJAHTERA	116	JUMARI	2626
			SUNARDI	2619
			YANTO	2620
			SURASMO	2614
		117	DHATMO GANI RESMANA	2629
			SARPONO	2628
			MARWOTO	2605
			NADIRIN	2692

Appendix J: GHG Reporting Executive Summary

The GHG emissions that were produced in 2016 for PT Inti Indosawit Subur - Buatan I Palm Oil Mill and supply base was calculated using the GHGpalm Calculator version 3.0. The assessment team had verified the data input in the GHGplam Calculator against operations records. Palm GHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

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

The summary of the Nett GHG emitted in 2016 for Buatan I Palm Oil Mill and supply base are as following:

Emission per product	tCO ₂ e/tProduct
CPO	0.42
PK	0.42

Extraction	%
OER	19.86
KER	5.00

Production	t/year
FFB process	97,844
CPO Produced	20,008
PK Produced	4,898

Land use	Ha
OP Planted Area	5,568.24
OP Planted on peat	0
Conservation area (forested)	0
Conservation area (non forested)	44.76
Total	5,613.00

Summary of Field Emission and Sink

	Own Crop		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e /FFB	tCO ₂ e	tCO ₂ e /FFB	tCO ₂ e	tCO ₂ e /FFB	tCO ₂ e	tCO ₂ e /FFB
Emission								
Land Conversion	0	0	14,471.42	0.22	0	0	14,471.42	0.22
CO ₂ Emission from fertilizer	642.1	0.02	2,371.36	0.04	0	0	3,013.46	0.06
NO ₂ Emission	2,696.48	0.04	2,923.73	0.04	0	0	5,620.21	0.08
Fuel consumption	520.56	0.02	95.82	0	0	0	616.38	0
Peat oxidation	0	0	0	0	0	0	0	0
Sink								
Crop sequestration	0	0	-13,716.99	-0.21	0	0	-13,716.99	-0.21
Conservation sequestration	0	0	0	0	0	0	0	0
Total	3,859.14	0.08	6,145.34	0.09	27,749.28	0		0.15

Summary of Mill Emission and Credit

	tCO ₂ e	tCO ₂ e/tFFB
Emission		
POME	13,104.56	0.04
Fuel Consumption	187.33	0
Grid Electricity Utilisation	33	0
Credit		

Export of Grid Electricity	-66.52	0
Sales of PKS	-1,8000.4	-0.05
Sales of FFB	0	0
Total	-4,742.02	-0.01

Summary of Kernel Crusher Emission and Credit (Not applicable)

Emission Source	tCO₂e
PK from own mill	6,640.27
PK from other source	0
Fuel consumption	0
Total crusher emission	6,640.27

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

POME Diverted to Anaerobic Digestion:	
Divert to anaerobic diversion (%)	19
Divert to methane captured (flaring) (%)	0
Divert to methane captured (energy generation) (%)	81

Appendix K: List of Abbreviations Used

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