

**RSPO PRINCIPLE AND CRITERIA**  
**– Annual Surveillance Assessment 1.2**  
**Public Summary Report**

<b>PT. EASTERN SUMATRA INDONESIA</b>
<p>Client company Address:            Gedung Bank Sumut 7<sup>th</sup> Floor,            Jl. Imam Bonjol No.18, Medan,            20152            Sumatera Utara Province            Indonesia</p>
<p>Certification Unit:            Bukit Maradja Palm Oil Mill</p> <p>Location of Certification Unit:            Nagori Marihat Bukit Village,            Gunung Malela District,            Simalungun Regency,            Sumatera Utara Province,            Indonesia</p>

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## Section 1: Scope of the Certification Assessment

1. Company Details			
<b>RSPO Membership Number</b>	1-0021-05-000-00	<b>Date</b>	7 <sup>th</sup> December 2005
<b>Company Name</b>	PT. Eastern Sumatra Indonesia		
<b>Address</b>	Head Office: Gedung Bank Sumut 7th Floor, Jl. Imam Bonjol No.18, 20152 Medan, Sumatera Utara Province, Indonesia  Site Location: Nagori Marihat Bukit Village, Gunung Malela District, Simalungun Regency, Sumatera Utara Province, Indonesia		
<b>Subsidiary of (if applicable)</b>	Part of SIPEF Group, Belgium		
<b>Contact Name</b>	Mr. Olivier Tichit (Director)		
<b>Website</b>	<a href="http://www.tolantiga.com">www.tolantiga.com</a>	<b>E-mail</b>	<a href="mailto:ortichit@sipef.com">ortichit@sipef.com</a>
<b>Telephone</b>	+62 61 415 2043	<b>Facsimile</b>	+62 61 452 0908

2. Certification Information			
<b>Certificate Number</b>	RSPO 632266	<b>Date</b>	17 <sup>th</sup> May 2015
<b>Scope of Certification</b>	Production of CPO and PK at Bukit Maradja POM with 2 estates as supply base, namely Bukit Maradja Estate (PT. Eastern Sumatera Indonesia) and Kerasaan Estate (PT. Kerasaan Indonesia).  Mill capacity of Bukit Maradja POM is 30 MT FFB/hour.		
Other Certifications			
<b>Certificate Number</b>	<b>Standard(s)</b>	<b>Certificate Issued by</b>	<b>Expiry Date</b>
01 100 106312	ISO 9001:2008	TUV Rheinland	14/09/2018
01 104 106312	ISO 14001:2008	TUV Rheinland	14/09/2018

3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Northing	Easting
Bukit Maradja Palm Oil Mill	Nagori Marihat Bukit Village, Gunung Malela District, Simalungun Regency, North Sumatera Province - Indonesia	03 <sup>o</sup> 00' 44.26" N	99 <sup>o</sup> 14' 08.06" E
Bukit Maradja Estate	Nagori Marihat Bukit Village, Gunung Malela District, Simalungun Regency, North Sumatera Province - Indonesia	03 <sup>o</sup> 00' 05.27" N	99 <sup>o</sup> 14' 08.06" E
Kerasaan Estate	Nagori Marihat Bukit Village, Gunung Malela District, Simalungun Regency, North Sumatera Province - Indonesia	03 <sup>o</sup> 03' 51.00" N	99 <sup>o</sup> 15' 53.53" E

4. Description of Supply Base							
Estate	Mature (ha)	Immature (ha)	Infrastructure & Other (ha)	HCV area (ha)	Total Planted (ha)	Total Hectarage	% of Planted

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Bukit Maradja Estate	2,627.37	284.02	168,84	97.71	3,098.01	3,177.94	91.61
Kerasaan Estate	2,077.09	219.00	39.9	26.42	2,296.09	2,362.41	97.19
<b>Total</b>	<b>4,704.46</b>	<b>503.02</b>	<b>208.74</b>	<b>124.13</b>	<b>5,207.48</b>	<b>5,540.35</b>	<b>94.4</b>

5. Plantings & Cycle								
Estate	Age (Years)					Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (May 2016 – April 2017)	Actual (May 2016 – April 2017)	Forecast (May 2017 – April 2018)
Bukit Maradja Estate	284.02	617.95	1,669.39	340.03	0	65,000	56,090	58,932
Kerasaan Estate	219.00	1,237.36	839.73	0	0	45,000	42,477	44,994
<b>Total</b>	<b>503.02</b>	<b>1,855.31</b>	<b>2,509.12</b>	<b>340.03</b>	<b>0</b>	<b>110,000</b>	<b>98,567</b>	<b>103,926</b>

6. Certified Tonnage									
Mill	Estimated (May 2016 – April 2017)			Actual (May 2016 – April 2017)			Forecast (May 2017 – April 2018)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Bukit Maradja POM	110,000	26,019	6,018	98,567	22,958	5,445	103,926	24,423	5,716

\* The OER/KER for the forecast May 2017 – April 2018: *OER 23,5% and KER 5.5%*

## 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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[www.bsigroup.com](http://www.bsigroup.com)

BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (RSPO-ACC-19) to conduct RSPO assessment since 10/31/2014 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 Annual Surveillance Assessment 1.2 was conducted from 23-28 February 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 Principles & Criteria INA NI September 2016 and RSPO Supply Chain Certification Standard 2014 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 the smallholders sample were determined following the RSPO Certification Requirement for Group Certification 2010. 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. There was no smallholder audited, under the scope of PT. Eastern Sumatra Indonesia.

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

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not

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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 externally reviewed by RSPO 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**

<b>Assessment Program</b>					
<b>Name (Mill / Supply Base)</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
	<b>05/2016</b>	<b>05/2017</b>	<b>05/2018</b>	<b>05/2019</b>	<b>05/2020</b>
Bukit Maradja POM	X	X	X	X	X
Bukit Maradja Estate	X	X	X	X	X
Kerasaan Estate	X	X	X	X	X

**Tentative Date of Next Visit: February 24, 2018 - February 27, 2018**  
**Total No. of Mandays: twelve (12) mandays**

**BSI Assessment Team:**

**Aswan Hasibuan – Lead Auditor**

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, Social, Legal and Smallholder audits. He is fluently speaking in English and Bahasa Indonesia. During this assessment, he assessed on the environment, OHS and RSPO sccs for CPO mill

**Nanang Mualib – Team member**

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

**Imam Fakhrurozi – Team Member**

Imam holds degree in Agriculture Technology and graduated from Gadjah Mada University, Yogyakarta on 2011. He had 2 (two) years working experience related to oil palm industry, as a sustainability and HSE officer in oil palm Plantation Company in Indonesia. Imam has completed a number of relevant trainings, the training

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includes ISO 9001:2008 and EMS 14001:2004 Lead Auditor, Lead Auditor of SMK3, RSPO P&C Lead auditor endorsed course. 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 2015. During this assessment, he assessed on the aspects of mill and estate best practices, environment and OHS.

**Accompanying Persons: Nil**

### Section 3: Assessment Findings

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

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

**3.2 Progress against Time Bound Plan**

Time Bound Plan		
Requirement	Remarks	Compliance
<b>Summary of the Time Bound Plan</b>		
Does the plan include all subsidiaries, estates and mills?	Yes, SIPEF Group has disclose all of its companies, mills and estates. The timebound plan including un-certified units/companies.	Comply
Is the time bound plan challenging? <ul style="list-style-type: none"> <li>• Age of plantations.</li> <li>• Location.</li> <li>• POM development</li> <li>• Infrastructure.</li> <li>• Compliance with applicable law.</li> </ul>	SIPEF’s time bound plan is timely challenging. SIPEF NV has putting consideration on age of plantation, size of plantation as supply base with regards to location of palm oil mill in preparing the time bound plan.	Comply
Have there been any changes since the last audit? Are they justified?	Yes, there are changes in time bound plan compared to the latest annual surveillance assessment. PT. Agro Kati Lama, change the certification date from 2019 to 2021; PT. Agro Muara Rupit, change the certification date from 2019 to 2024; PT. Agro Rawas Ulu, change the certification date from 2019 to 2024. SIPEF NV provides sufficient explanation on the changes in implementation of timebound plan: SIPEF latest projections stipulates that company will have enough crop to justify the building of the two mills by the year 2021 (for Kati Lama Mill) and 2024 (for Muara Rupit Mill), as indicated in the time-bound plan. The target years for the building of these mills have been set taking into consideration the current rate of planting in the three estates and plasma schemes that will consitute the supply base of	Comply



	the two mills.  Audit team accepted management explanation on the matter.	
If there have been changes, circumstances occurred?	Yes, there are changes in time bound plan compared to the latest annual surveillance assessment. PT. Agro Kati Lama, from 2019 to 2021; PT. Agro Muara Rupit, from 2019 to 2024; PT. Agro Rawas Ulu, from 2019 to 2024.  SIPEF NV provides sufficient explanation on the changes in implementation of timebound plan: SIPEF latest projections stipulates that company will have enough crop to justify the building of the two mills by the year 2021 (for Kati Lama Mill) and 2024 (for Muara Rupit Mill), as indicated in the time-bound plan. The target years for the building of these mills have been set taking into consideration from latest management review on the current rate of planting in the three estates and plasma schemes that will constitute the supply base of the two mills.  Audit team accepted management explanation on the matter.	Comply
Have there been any stakeholder comments?	Yes. Stakeholder comments are noted. Company informed certification body on the stakeholder comments and follow up the comment in appropriate manner. Certification body does aware of stakeholder comments, and incorporate any stakeholder comment into part of assessment and reported in public summary report.	Comply
Have there been any newly acquired subsidiaries?	No newly acquired company.	Comply
Have there been any isolated lapses in implementation of the plan?	No isolated lapse. SIPEF NV provides adequate evidence related to changes in implementation of the plan.	Comply
<b>Un-Certified Units or Holdings</b>		
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Yes. Company conduct internal audit for un-certified unit/company. Internal audit plan: Internal audit PT. Agro Kati Lama, for first half 2017 has been carried out, subsequent internal audit planned for 4-9 <sup>th</sup> August 2017. Internal audit PT. Agro Muara Rupit, dated 6 – 11 <sup>th</sup> March 2017 and 18 – 23 <sup>rd</sup> September 2017. Internal audit PT. Agro Rawas Ulu, dated 27 <sup>th</sup> February – 4 <sup>th</sup> March 2017 and 11 – 16 <sup>th</sup> September 2017.	Comply
No replacement after dates defined in NIS Criterion 7.3: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> </ul>	Audit team does notice PT. Umbul Mas Wisesa was following RSPO Remediation and compensation procedure. Remediation and compensation plan was evident, progress report in line with plan was evident. For all other non-certified unit, land clearing/conversion/planting was carried out after HCV assessment carried out.	Comply

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<ul style="list-style-type: none"> <li>Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>		
<p>Any new plantings since January 1<sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.</p>	<p>All new planting after January 1<sup>st</sup>, 2010 have undergone and complies with RSPO New Planting Procedure.  Record seen:  RSPO NPP for PT. Mukomuko Agro Sejahtera has been uploaded in RSPO website for public notification on 6<sup>th</sup> March 2012.</p>	<p>Comply</p>
<p>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.</p>	<p>No land conflict noted. Company demonstrated land conflict is following FPIC principle. Audit team verifies through internal audit record for un-certified unit/company.  Record seen:  Internal audit PT. Agro Kati Lama seen. Internal audit report shows 25 non-conformities and findings were raised. The internal audit report indicated, there was no land conflict noted. However, internal audit raised findings related to consistent provision of documented negotiation records. Management unit was conducting correction and corrective action to rectify this issue.</p>	<p>Comply</p>
<p>Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</p>	<p>No outstanding labor dispute noted. Audit team verifies through internal audit record for un-certified unit/company.  Record seen:  Internal audit PT. Agro Kati Lama seen. Internal audit report shows 25 non-conformities and findings were raised. The internal audit report indicated, there was no labor dispute/industrial dispute noted.</p>	<p>Comply</p>
<p>Did the company conduct an internal audit? If so, has a positive assurance statement been produced?</p>	<p>Yes, SIPEF NV conducted internal audit for all of un-certified unit/company. Audit team verifies through internal audit record for un-certified unit/company. SIPEF NV provides positive assurance statement.  Record seen:  Internal audit PT. Agro Kati Lama seen. Internal audit report shows 25 non-conformities and findings were raised. The internal audit report indicated, there was no land conflict noted.  Positive assurance statement has been provided by General Manager South Sumatera Operation, as lined out in "Pernyataan Kesanggupan Memenuhi Prinsip dan Kriteria RSPO dan Kebijakan-Kebijakan Perusahaan", dated 19<sup>th</sup> December 2016. The statement indicated that PT. Agro Kati Lama, PT. Agro Rawas Ulu and PT. Agro Muara Rupit – as a member of RSPO, committed to respect and implement company policies, as well as following and implementing all RSPO requirements related to development of new plantation. Companies are committed to perform continuous improvement to comply with all principle and criteria. Companies also committed to follow up all finding, both internal and external.</p>	<p>Comply</p>
<p>Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.</p>	<p>No outstanding legal non-compliance identified. Audit team verifies through internal audit record for un-certified unit/company. Record seen:  Internal audit PT. Agro Kati Lama seen. Internal audit report shows 25 non-conformities and findings were raised. The internal audit report indicated, there was no serious legal non-compliance</p>	<p>Comply</p>

	identified. However, internal audit raised findings related to consistent update on list of relevant laws and regulations. Management unit was conducting correction and corrective action to rectify this issue.	
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**3.3 Details of findings**

The nonconformity is listed below. The summary report of the assessment by criteria is listed in Appendix A. During the surveillance assessment, there was no nonconformity raised at PT Eastern Sumatra Indonesia – Bukit Maradja Palm Oil Mill certification unit.

Non-Conformity		
NCR #	Description	Category (Major/Minor)
	<b>Requirements</b> Nil	
	<b>Evidence of Nonconformity</b> Nil	
	<b>Statement of Nonconformity</b> Nil	

Observation	
OFI #	Description
1	Indicator 5.3.3 The Company has a temporary storage licensed of hazardous waste, i.e in BM POM (SK BLH No.188.45/893/SEKRT-2015) and in Kerasaan Estate (SK BLH No.188/892 /Sekrt-2015). The Company has also shown documents Cooperation Agreement between the Polyclinic Company and Hospital dr. Djasament Saragih in Pematangsiantar City dated 19-05-2015, related to the management of medical waste, while up to this audit, the agreement was terminated. This needs to be followed up immediately, however the company has sent the medical waste to collectors are licensed (PT Amindy Barakah)

Positive Findings	
PF #	Description
1	Company is developing the composting project for efficiency and optimize the usage of organic fertilizers (EFP applications),
2	Kerasaan Estate is developing the Insectarium (Sycanus croceovittatus) as part of Integrated Pest Management (IPM)

<b>Issues raised by Stakeholders</b>	
<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 Eastern Sumatra Indonesia – Bukit Marajda 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>	
<b>IS #</b>	<b>Description</b>
<b>1</b>	<p><b>Issues</b>  <b>Nagori Bukit Maradja Village, Nagori Marihat Bukit Village, Nagori Lingga Village, Kerasaan Village, Purbaganda Village</b></p> <ul style="list-style-type: none"> <li>- Until now, there was no land dispute between company and surrounding community.</li> <li>- Company was actively participated in religious festivities, coordinated by government authority of Simalungun Regency.</li> <li>- PT Eastern Sumatra Indonesia and PT. Kerasaan Indonesia have provided clean water aid to Tanjung Medan Village in form of bore well.</li> <li>- Community was expecting company to improve the participation for free-medical activity and productive economy development activities.</li> <li>- PT Eastern Sumatra Indonesia and PT. Kerasaan Indonesia have carried out land compensation for land belong community with traditional rights during land compensation phase.</li> <li>- PT Eastern Sumatra Indonesia and PT. Kerasaan Indonesia have conducted Corporate Social Responsibility/Community Development program in good manner, in particular road maintenance program and provision of clean water for needing community member.</li> <li>- Opportunity for employment and rate of local manpower absorption from company is sufficient. Adequate job vacancy was given to community/village. The recruitment process was following selection and adjustment on roles and responsibility. Community/village wishes the process can be maintained, and improved.</li> </ul> <p><b>Management Responses</b></p> <ul style="list-style-type: none"> <li>- There was no land conflict in area of PT Eastern Sumatra Indonesia and PT. Kerasaan Indonesia have</li> <li>- PT Eastern Sumatra Indonesia and PT. Kerasaan Indonesia are actively participated in religious festivities.</li> <li>- Company aknowledge the input from local community related to provision of bore well.</li> <li>- Company wishes the aid related to medical service and/or productive economy activities prepared with proposal.</li> <li>- Company provides aid and donation to local community, in accordance to proposal being presented to company. For instance provision of clean water supply for the needing community.</li> <li>- Company always give job opportunity for community around mill and estate, in accordance to company need and vacancy availability.</li> </ul>

	<p><b>Audit Team Findings</b></p> <ul style="list-style-type: none"> <li>- Audit team acknowledge the inputs from community, and verified company's response.</li> </ul>
<b>IS #</b>	<b>Description</b>
<b>2</b>	<p><b>Issues</b>  <b>Region Manager PT Solusi Security Indonesia – Contractor for Securities Personnel</b></p> <ul style="list-style-type: none"> <li>- Company has communicating to contractor related to environment management, use of PPE, etc.</li> <li>- Contractor has provided PPE for its worker.</li> <li>- Contractor has registering all of its worker with social insurance, "BPJS Ketenagakerjaan and BPJS Kesehatan".</li> <li>- Contractor has paid the worker salary above the minimum wage.</li> <li>- All workers both operators and helpers was originated from surrounding community/villages.</li> <li>- PT Eastern Sumatra Indonesia and PT. Kerasaan Indonesia have made the payment in line with the timeframe stipulated in the work agreement.</li> <li>- Hazardous waste produced on the field was managed by sending to contractor's office in Rantau Parapat.</li> </ul> <p><b>Management Responses</b></p> <ul style="list-style-type: none"> <li>- PT Eastern Sumatra Indonesia and PT. Kerasaan Indonesia have been communicating the policy on environment management, use of PPE, code of ethical conduct, etc. Hazardous waste from contractor operation was sent to the office.</li> <li>- Contractor has provided PPE for its worker, as per work agreement.</li> <li>- Contractor has registered all of its worker under BPJS Ketenagakerjaan and BPJS Kesehatan, as per work agreement.</li> <li>- Contractor has paid the salary of its worker, following minimum wage regulation.</li> <li>- The majority of contractor's worker comes from surrounding community/villages.</li> <li>- PT Eastern Sumatra Indonesia and PT. Kerasaan Indonesia pays the contractor ontime.</li> </ul> <p><b>Audit Team Findings</b></p> <p>Audit team consider this as positive finding.</p>
<b>IS #</b>	<b>Description</b>
<b>3</b>	<p><b>Issues</b>  <b>Workers Union</b>  <b>Ketua SP-BUMM Induk PT ESI</b>  <b>Ketua SP-BUMM ESI</b>  <b>Ketua Serikat Pekerja Kerasakan Indonesia Mandiri (SP-KIM)</b></p> <ul style="list-style-type: none"> <li>- Worker union represented by the chairman, secretary, Bukit Maradja Estate leader and Kerasaan Estate leader.</li> <li>- Relationship between worker union and company is relatively good. Meeting between company and worker union was on regular basis, in line with bi-partite meeting.</li> <li>- There has been no grievance from worker throughout 2016.</li> <li>- Company has provided facility for the worker, housing with clean water and electricity, medical clinic, school, school bus, religious house, sport facility, etc.</li> <li>- There is a bi-partite organization, for mediation between worker and company.</li> <li>- All normative rights has been stipulated in the collective work agreement. Worker union has always been involved in policy making related to manpower/industrial relatino. This was reflected during preparation of "Perjanjian Kerja Bersama/PKB" – collective work agreement. Currently the collective work agreement has been established for period 2017-2019.</li> <li>- Company has implemented minimum wage, as in "Upah Minimum Sektoral Kabupaten" for salary payment standard. The standard was referring to 2016 standard. However, company was accommodating meeting for salary increment – to be in line with minimum wage 2017 regulation.</li> <li>- Company has registering all worker under "BPJS Ketenagakerjaan" for social insurance.</li> <li>- There is an annual worker performance evaluation, in order to determine promotion, etc.</li> </ul>

	<ul style="list-style-type: none"> <li>- Company has communicated the health and safety policy, provided personal protective equipment (PPE) for all worker, provided first aid box at various premises. Company has also performed regular medical check up for all worker.</li> <li>- Company has communicated the complaint and grievance settlement mechanism.</li> </ul> <p><b>Management Responses</b></p> <ul style="list-style-type: none"> <li>- In order to maintain good relationship, company meeting with worker union on monthly base.</li> <li>- There has been no complaint from worker, only reports related to request for house repair.</li> <li>- Company provides housing, clean water, worker’s hall, religious house, sports facility, school.</li> <li>- LKS Bipartit – bi-partite organization has been established as “Peraturan Menteri Tenaga Kerja dan Transmigrasi No.32 tahun 2008.</li> <li>- All normative requirements have been stipulated in collective work agreement.</li> <li>- Company has fulfilled worker’s normative right such as salary payment in accordance with regulation, provision of personal protective equipment, registering all worker under “BPJS Ketenagakerjaan” for social insurance, and other rights in line with regulation and collective work agreement.</li> <li>- Company carried out annual worker performance evaluation.</li> <li>- No industrial relation dispute noted.</li> <li>- Medical check up for all worker provided on December 2016.</li> <li>- Company is respecting and uphold each worker rights to organize and collective bargain. In line with company policy, worker union in PT Eastern Sumatra Indonesia and PT. Kerasaan Indonesia named “SP-BUMM, SP-KIM”.</li> <li>- Company and worker union has agreed to established bipartite organization.</li> <li>- Company has a mechanism for complaint and grievance settlement, and has been communicated accordingly.</li> </ul> <p><b>Audit Team Findings</b></p> <p>Audit team has verified the statement from worker union and company. Audit team consider the input as positive findings.</p>
<p><b>IS #</b></p>	<p><b>Description</b></p>
<p><b>4</b></p>	<p><b>Issues</b></p> <p><b>Ketua Komite Gender PT ESI</b>  <b>Anggota Komite Gender PT KI</b>  <b>Anggota Komite Gender PT KI</b></p> <ul style="list-style-type: none"> <li>- Company has implementing the female worker’s right such as regular medical checkup for female sprayers, menstrual leave right, maternal leave and breast-feeding leave, gender equality in payment, etc.</li> <li>- Policy on gender equality, female worker protection, protection of female worker’s reproductive rights has been disseminated during regular meeting, morning muster and available on notice boards.</li> <li>- No sexual harassment case and/or violence case noted and/or recorded up to now.</li> <li>- Most of female worker, conducting work in plant upkeep.</li> <li>- Company has conveyed the mechanism for complaint and grievance settlement.</li> </ul> <p><b>Management Responses</b></p> <ul style="list-style-type: none"> <li>- Company communicating the policy on gender and mechanism for grievance related to sexual harrassment through regular meeting, morning muster.</li> <li>- Policy related to gender equality, protection of reproductive rights and related policies available on notice board at each estate and palm oil mill.</li> <li>- Company gives equal opportunity to work, for male and female worker, in accordance to skill and company need.</li> <li>- In order to protect worker’s right, female worker in particular, company helps the establishment of gender committee. Gender committee is the organization to accommodate complaint and reports related to gender issue: harrassment, insult, etc.</li> <li>- Company giving the reproductive rights for female workers, in accordance to relevant regulation</li> </ul>

	<p>and collective work agreement.</p> <ul style="list-style-type: none"> <li>- Company has a specific mechanism for complaint and grievance settlement related to gender issue. This has been communicated to all worker.</li> </ul>
	<p><b>Audit Team Findings</b> Audit team has verified and accepted the statement from gender committee and company.</p>
<b>IS #</b>	<b>Description</b>
<b>5</b>	<p><b>Issues</b> <b>Kepala Dinas Lingkungan Hidup Kabupaten Simalungun;</b></p> <ul style="list-style-type: none"> <li>- For the hazardous waste management, company has in cooperation with license collector and transporter, the performance has been reported to "Badan Lingkungan Hidup Kabupaten Simalungun".</li> <li>- PT Eastern Sumatra Indonesia and PT. Kerasaan Indonesia have consistently monitor and managed the environment – as well as reporting the environment management performance on regular basis.</li> <li>- PT Eastern Sumatra Indonesia and PT. Kerasaan Indonesia have consistently reporting the management of POME and hazardous waste from palm oil mill.</li> <li>- "Badan Lingkungan Hidup Kabupaten Simalungun" wanted to be positioned as company's partner in environment management.</li> <li>- No report from community related to environmental pollution from operation/activity of PT. Eastern Sumatra Indonesia.</li> <li>- No report from community related to land conflict/land dispute in the area of PT. Eastern Sumatra Indonesia.</li> <li>- Community was expecting company to improve the participation for free-medical activity and productive economy development activities</li> </ul> <p><b>Management Responses</b></p> <ul style="list-style-type: none"> <li>- PT. Eastern Sumatra Indonesia and PT. Kerasaan Indonesia have consistently monitor and managed the environment, as per environment management and monitoring plan "RKL/RPL" – and reporting the environment management performance on regular basis to "Badan Lingkungan Hidup Kabupaten Simalungun".</li> <li>- PT. Eastern Sumatra Indonesia has consistently reporting the management of POME and hazardous waste from palm oil mill.</li> <li>- PT. Eastern Sumatra Indonesia and PT. Kerasaan Indonesia fully support government program. However, the type of support will be determine in accordance to the proposal/application for cooperation from "Badan Lingkungan Hidup Kabupaten Simalungun".</li> </ul> <p><b>Audit Team Findings</b> Audit team has verified the statement from "Badan Lingkungan Hidup Kabupaten Simalungun" and company. Audit team accepts the comments.</p>
<b>IS #</b>	<b>Description</b>
<b>6</b>	<p><b>NGO</b> <b>Ketua LSM GARI</b></p> <ul style="list-style-type: none"> <li>- Cooperation with the surrounding community has been going well in accordance with the proposal of the community.</li> <li>- There was once reported the environmental pollution caused by operational, but it has been corrected by the company and it's been no more reports related to the environmental pollution of the community.</li> <li>- There were no reports of land disputes with local communities</li> <li>- Ask the company to subscribe to a newspaper published locally.</li> <li>- Most benefits are felt by the manufacture of the road that connects the Purbaganda Village – Wonorejo Village along approximately 1.5 km by companies.</li> <li>- There were no reports of negative impact of replanting activities of the community.</li> </ul>

	<p><b>Management Responses</b></p> <ul style="list-style-type: none"> <li>- positive comment, it will be improved continuously.</li> </ul>
	<p><b>Audit Team Findings</b></p> <p>Audit team has verified the statement from the NGO and company. Audit team accepts the comments.</p>
<b>IS #</b>	<b>Description</b>
<b>7</b>	<p><b>Persatuan Wartawan Republik Indonesia (PWRI) Simalungun</b></p> <ul style="list-style-type: none"> <li>- Companies quickly to respond to the complaint/requests from surrounding communities.</li> <li>- The communities have been given access avail of the grass in the plantations as a source of fodder.</li> <li>- CSR program should to be developed to productive economic activities on the surrounding communities adjust to the character of the people around the plantation (dairy farms).</li> <li>- The communities have understood the prohibition of the company for grazing cattle in the plantation area</li> </ul>
	<p><b>Management Responses</b></p> <p>positive comment, it will be improved continuously.</p>
	<p><b>Audit Team Findings</b></p> <p>Audit team has verified the statement from the PWRI and company. Audit team accepts the comments.</p>

**3.3.1 Status of Nonconformities Previously Identified and Observations**

There are no NC raised in pevious assessment

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



Observation	
OBS #	Description
<b>1</b>	<p><b>RSPO P&amp;C Generic 2013 Indicator 4.7.6:</b></p> <p>Company has conducted medical checkup for workers who are involved in chemical substances and others risk areas (e.g. high noise area). It is nice to carry out general medical checkup for all workers, as per developed plan.</p> <p><b>Action Taken:</b></p> <p>Bukit Maradja POM has implemented the general medical checkup for all workers on December 2016, attended by 45 employees conducted by company doctor (dr Gunawan), the POM also conducted a special medical checkup, on 20 May 2016, attended by 46 employees (including general , conducted by Klinik Spesialis Anugerah Ibu. The report of result MCU is available. Total effective employee in February 2017, 96 employees.</p> <p>Status: the observation has been closed on 28 February 2017. Action taken is sufficient to meet this observation.</p>
<b>2</b>	<p><b>RSPO P&amp;C Generic 2013 Indicator 5.6.2:</b></p> <p>PT. Eastern Sumatera Indonesia demonstrates plan to reduce or minimize greenhouse gas (GHG) emissions. However, it is need to consider reducing or minimizing pollution and greenhouse gas emissions with detail in target, timeline and person in charge. PT Eastern Sumatera Indonesia demonstrates plan to reduce or minimize greenhouse gas (GHG) emissions. However, it is need to consider reducing or minimizing pollution and greenhouse gas emissions with detail in target, timeline and person in charge.</p>



	<p><b>Action taken:</b>  PT. Eastern Sumatra Indonesia and PT Kerasaan Indonesia have prepared GHG mitigation plan for palm oil mill and estate operation. The detail in target, timeline and person in charge has been identified.</p> <p>Status: the observation has been closed on 28 February 2017. Action taken is sufficient to meet this observation.</p>
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**3.3.2 Summary of the Nonconformities and Status**

CAR Ref.	CLASS	ISSUED	STATUS
1033270M1	Major	03/03/2014	13/05/2014
1033270M2	Major	03/03/2014	13/05/2014
1033270M3	Major	03/03/2014	13/05/2014
1033270N1	Minor	03/03/2014	28/03/2015
1033270N2	Minor	03/03/2014	28/03/2015
1033270N3	Minor	03/03/2014	28/03/2015
1033270N4	Minor	03/03/2014	28/03/2015
1170504M1	Major	28/03/2015	22/04/2015
1170504M2	Minor	28/03/2015	18/03/2016
1170504N1	Minor	28/03/2015	18/03/2016
1170504N2	Minor	28/03/2015	18/03/2016
1170504N3	Minor	28/03/2015	18/03/2016
1170504N4	Minor	28/03/2015	18/03/2016

<b>Assessment Conclusion and Recommendation</b>	
<p>The auditors conclude that Bukit Maradja Palm Oil Mill and its supply base are complying with the RSPO certification system 2007, RSPO Generic Standard 2013, Indonesian Nasional Interpretation September 2016 and RSPO SCCS 2014 for CPO Mill. Its recommend that the RSPO certificate for Bukit Maradja Palm Oil Mill and and its supply base is approved and continued</p>	
<b>Acknowledgement of Assessment Findings by PT. Eastern Sumatra Indoneisa – Bukit Maradja POM</b>	<b>Report Prepared by</b>
<b>Name:</b> Mr. Olivier Tichit	<b>Name:</b> Aswan Hasibuan
<b>Company name:</b> PT. Eastern Sumatera Indonesia (Bukit Maradja POM)	<b>Company name:</b> On behalf of BSI Services Malaysia Sdn Bhd
<b>Title:</b> Director	<b>Title:</b> Lead Auditor
<b>Signature:</b>  <b>Date:</b> 02 Mei 2017	<b>Signature:</b>  <b>Date:</b> 23/04/2017

**Appendix A: Summary of Findings**

Criterion / Indicator	Assessment Findings	Compliance
<b>Principle 1: Commitment to Transparency</b>		
<b>Criterion 1.1:</b>		
Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
<b>1.1.1</b> List of information related to criterion 1.2 that can be accessed by relevant stakeholders shall be available. - Minor compliance -	<p>The company has a procedure for receiving and responding to inquiry and/or information request as in "Prosedur Pemberian Tanggapan terhadap Permintaan Informasi No.ENC/SOP/08" dated 6<sup>th</sup> April 2015. The procedure stated, initial response provided in seven (7) working days by unit manager; an additional three (3) working days if the inquiry requires GMO or department head authorization; an additional seven (7) working days if the inquiry requires Medan Head Office authorization – at the latest, after information request accepted by unit.</p> <p>Documents related financial can only be shared upon discretion of General Manager, Group policies and procedures are available in public area in estates and mill.</p> <p>See indicator 1.2.1</p>	Comply

Criterion / Indicator	Assessment Findings	Compliance
<p><b>1.1.2</b> Records of requests for information and responses to the information requested shall be available. - Major compliance -</p>	<p>Company has prepared a mechanism for information request and information provision as per "Prosedur Pemberian Tanggapan terhadap Permintaan Informasi" Doc.No.ENC/SOP/08/dated 06/04/2015. Information requests and responses were recorded in log book "Buku Rekaman Permintaan Informasi dan Tanggapan". Based on Information provision mechanism, the person in charge during the process: Manager is responsible, as per authority to receive and provide response, and recording under log book. General manager office/Senior Manager Administration responsible to help information/data requested by manager if needed.</p> <p>Within the procedure, company has detailed the timeframe in responding information request: Direct response from manager provided seven (7) working days maximum – after information received. For response which requiring coordination, will be followed up to General Manager Office in three (3) working days maximum. General manager office will respond in seven (7) working days maximum.</p> <p>For information request, which requires coordination with Head Office, conducted in twenty five (25) working days, maximum.</p> <p>Bukit Maradja POM There are some request from</p> <ul style="list-style-type: none"> <li>- Vocational Amik tunas bangsa for practical work, on 07/04/2016, responded by mill manager</li> <li>- Requested for practical work fro SMK Swasta HKBP Pematang Siantar, has been responded by Mill manager.on 10/08/2016.</li> </ul> <p>Bukit Mardja Estate There are some request from</p> <ul style="list-style-type: none"> <li>- Politeknik Negeri Payakumbuh for practical work, on 10/04/2016, responded by Estate manager</li> <li>- Requested for practical work from Student of University Islam Sumatera Utara, has been responded by Estate manager on 12/08/2016.</li> </ul>	<p>Comply</p>

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Criterion / Indicator	Assessment Findings	Compliance
	Kerasaan Estate Request of information from stakeholder recorded in communication book. Some information has responded as well, such as; <ul style="list-style-type: none"> <li>- Politeknik Pertanian Negeri Payakumbuh for internship on 08/03/2016 and responded on 11/08/2016</li> <li>- SMK Negeri 1 Raya for apprentice on 17/11/2016 and responded on 02/12/2016.</li> </ul>	
<b>Criterion 1.2:</b> Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		

Criterion / Indicator	Assessment Findings	Compliance
<p><b>1.2.1</b> Publicly available documents shall include, but are not necessarily limited to:</p> <ul style="list-style-type: none"> <li>a) Land titles/user rights (Criterion 2.2)</li> <li>b) Occupational health and safety plans (Criterion 4.7)</li> <li>c) Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8)</li> <li>d) HCV documentation (Criteria 5.2 and 7.3)</li> <li>e) Pollution prevention and reduction plans (Criterion 5.6)</li> <li>f) Details of complaints and grievances (Criterion 6.3)</li> <li>g) Negotiation procedures (Criterion 6.4)</li> <li>h) Continual improvement plans (Criterion 8.1)</li> <li>i) Public summary of certification assessment report</li> <li>j) Human Rights Policy (Criterion 6.13).</li> </ul> <p>Publicly available documents shall include, but are not necessarily limited to:</p> <ul style="list-style-type: none"> <li>- Major compliance –</li> </ul>	<p>Bukit Maradja POM</p> <p>Bukit Maradja POM has identified and determined document that available for public, as in "Dokumen-Dokumen yang Tersedia untuk Umum" dated 20 February 2017. The list consist of:</p> <ul style="list-style-type: none"> <li>- Akta Pendirian Perusahaan PT Eastern Sumatra Indonesia - deed of establishment;</li> <li>- Pemberian Hak Guna Usaha, under name PT Eastern Sumatra Indonesia - decree for land certificate issuance;</li> <li>- Surat Pendaftaran Usaha Perkebunan as Izin Usaha Pekebunan (IUP) - Plantation Business Permit;</li> <li>- Ijin Usaha Tetap (IUT)</li> <li>- Sertifikat (Tanda Bukti Hak)- Land certificate;</li> <li>- Dokumen Revisi Upaya Pengelolaan Lingkungan (UKL)</li> <li>- Dokumen Revisi Upaya Pemantauan Lingkungan (UPL)</li> <li>- Dokumen Perpanjangan Izin Pengkajian Pemanfaatan Air Limbah dari Industri Minyak Kelapa sawit (Land Application)</li> <li>- Ijin Tempat Penyimpanan Semnetara Limbah Bahan Berbahaya Beracun (LB3)</li> <li>- Laporan Pemantauan RKL-RPL tiap semester</li> <li>- Proogram Keselamatan dan Kesehatan Kerja (K3)</li> <li>- Rangkungan Publik Hasil Audit Sertifikasi</li> <li>- Kebijakan Perusahaan – Company Policies</li> <li>- Rekaman Pengurangan dan Pencegahan Polusi</li> <li>- Rencana Perbaikan Berkelanjutan</li> <li>- Izin Gangguan / HO/ SITU</li> <li>- Izin Lingkungan Pemanfaatn janjang Kosong Kelapa Sawit dengan Limbah Cair untuk di proses menjadi kompos – Land Application</li> </ul>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Bukit Maradja Estate:            Bukit Maradja estate has identified and determined document that available for public, as in "Dokumen-dokumen yang tersedia untuk Umum" dated February 2017. The list consist of:</p> <ul style="list-style-type: none"> <li>- Akta Pendirian Perusahaan PT Eastern Sumatra Indonesia – deed of establishment;</li> <li>- Pemberian Hak Guna Usaha PT Eastern Sumatra Indonesia – decree for land certificate issuance;</li> <li>- Izin Usaha Tetap atas nama PT Eastern Sumatra Indonesia – Plantation Business Permit;</li> <li>- Surat Pendaftaran Usaha Perkebunan atas nama PT Eastern Sumatra Indonesia – Plantation Business Registration;</li> <li>- Sertifikat Tanda Bukti Hak – Land certificate;</li> <li>- HCV Assessment by YASBI;</li> <li>- Izin TPS Limbah B3 – permit for hazardous waste storage;</li> <li>- Izin usaha Perkebunan;</li> <li>- Analisis Dampak Lingkungan;</li> <li>- Kebijakan Perusahaan</li> <li>- Dokumen Rencana Pengelolaan Lingkungan dan Rencana Pemantauan Lingkungan – Social Environmental Management and Monitoring Plan</li> <li>- Laporan-laporan Pelaksanaan RKL/RPL setiap semester – Report of Environmental management and monitoring;</li> <li>- Izin Gangguan (HO) atas nama PT Eastern Sumatra Indonesia – hinder ordonantie;</li> <li>- Prosedur Ganti Rugi Lahan – land compensation procedure;</li> <li>- Program Kesehatan dan Keselamatan Kerja – health and safety plan;</li> <li>- Rencana Perbaikan Berkelanjutan – continuous improvement plan;</li> <li>- Kebijakan-kebijakan Perusahaan – Company Policies;</li> <li>- Laporan Community Development/CSR – CSR and community development report;</li> <li>- Rencana Pengurangan dan Pencegahan Polusi – Pollution mitigation and precention plan;</li> <li>- Rangkuman Publik dan Laporan Hasil Sertifikasi – Public Summary from CB;</li> <li>- Rekaman Keluh Kesah Internal dan Eksternal – internal and external grievance record.</li> </ul>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>Kerasaan Estate:            Kerasaan estate has identified and determined document that available for public, as in "Dokumen-dokumen yang tersedia untuk Umum" dated 3 January 2017. The list consist of:</p> <ul style="list-style-type: none"> <li>- Akta Pendirian Perusahaan PT Eastern Sumatra Indonesia – deed of establishment;</li> <li>- Pemberian Hak Guna Usaha PT Eastern Sumatra Indonesia – decree for land certificate issuance;</li> <li>- Izin Usaha Tetap (IUP) - PT Eastern Sumatra Indonesia – Plantation Business Permit;</li> <li>- Surat Pendaftaran Usaha Perkebunan atas nama PT Eastern Sumatra Indonesia – Plantation Business Registration;</li> <li>- Sertifikat Tanda Bukti Hak – Land certificate;</li> <li>- HCV Assessment by YASBI;</li> <li>- Izin TPS Limbah B3 – permit for hazardous waste storage;</li> <li>- Kebijakan-kebijakan Perusahaan – Company Policies;</li> <li>- Rencana Pengurangan dan Pencegahan Polusi – Pollution mitigation and precention plan;</li> <li>- Prosedur Ganti Rugi Lahan – land compensation procedure;</li> <li>- Program Kesehatan dan Keselamatan Kerja – health and safety plan;</li> <li>- Rencana Perbaikan Berkelanjutan – continuous improvement plan;</li> </ul>	
<p><b>Criteria 1.3:</b>            Growers and millers commit to ethical conduct in all business operations and transactions.</p>		



<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
<p><b>1.3.1</b> There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.                      -Minor compliance</p>	<p>The company has established code of ethical business conduct, dated 17/01/2017, which include prohibition on sending gifts, souvenir, donation, bribery, commission and conflict of interest. The policy is available in Bahasa and English, appear in notice boards in both estates.</p> <p>Dissemination on code of ethical conduct policy:                      Based on discussion with worker union, interview with employee and local contractors, they have understand the message in code of ethical conduct policy.</p> <p>Record see:</p> <ul style="list-style-type: none"> <li>- Company socialized code of conduct on February 10<sup>th</sup>, 2017 to all employee/workers in BM Mil</li> <li>- The company also has communicated to the workforce and contractor, e.g. the socialization to the workforce on 17/01/2017, attended 48 workers and socialization to the contractor on 17//03/2016, attended 27 contractor's workers.</li> </ul>	<p>Comply</p>
<p><b>Principle 2: Compliance with applicable laws and regulations</b></p>		
<p><b>Criterion 2.1:</b>                      There is compliance with all applicable local, national and ratified international laws and regulations.</p>		

Criterion / Indicator	Assessment Findings	Compliance
<p><b>2.1.1</b> Evidence of compliance with relevant legal requirements shall be available.                      - Major compliance –</p>	<p>The Company has prepared the document "Evaluation of Regulatory Compliance Legislation" which every year is always updated. The document explains the details of every inquiry fulfillment of law (inquiry article by article), evidence of compliance and the evaluation of its fulfillment.</p> <p>Based on documents and operational verification showed that the company has fulfilled the regulations, e.g;</p> <p>a. Legality Permit for Operational</p> <ul style="list-style-type: none"> <li>• Akte pendirian notaris pembentukan PT. Eastern Sumatra nomor 225 tahun 1963, dated 23 September 1961, dengan pengesahan kehakiman berdasarkan Keputusan Menteri Kehakiman RI nomor J.A.5/129/16, dated 26 Nopember 1962.</li> <li>• Akte terakhir nomor 5, tanggal 31 Juli 2008, dengan pengesahan kehakiman nomor AHU-93761.AH.01.02, tahun 2008, dated 5 Desember 2008</li> <li>• Izin Usaha Tetap No. 23/II/PMA1979 dated 10 August 1987.</li> <li>• Renewal Ijin Usaha Tetap (IUT) PT. Esatern Sumatera Indonesia No. 392/T/Kehutanan Perkebunan/1998, dated 21st August 1998 and PT. Kerasaan Indonesia No. 400/T/Kehutanan Perkebunan/1998, dated 21st August 1998.</li> <li>• Operational Business Permit / Surat Pendaftaran Usaha Perkebunan (SPUP) PT. Eastern Sumatera Indonesia no. 208/Menhutbun-VII/2000, dated 10th March 2000 dan PT. Kerasaan Indonesia no. 180/Menhutbun-VII/2000, dated 3rd November 2000,</li> <li>• Based on Map of "RTRWP" Kab. Simalungun as per "Perda nomor 10 tahun 2012", area of PT. Eastern Sumatera Indonesia and PT. Kerasaan Indonesia is located at Non Forest Area /Areal Penggunaan Lain (APL).</li> </ul>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> <li>• Land titles/HGU No. SK.46/HGU/DA/75, dated on 21 October 1975 and continuing of HGU from "Menteri Negara Agraria/ Kepala BPN nomor 108/HGU/BPN/97", dated on 26th August 1997 with area 3,177.94 hectare (Certificate "HGU No. 2 tahun 1997, with total area 3,177.94 hectares for PT. Eastern Sumatera Indonesia).</li> <li>• HGU No. SK.45/HGU/DA/75, dated on 21st October 1975 and continuing of HGU from "Menteri Negara Agraria/ Kepala BPN nomor 90/HGU/ BPN/97", dated on 5th August 1997 with total area 2,362.03 hectares (Certificate "HGU No. 1 tahun 1997", with total area 2,362.03 hectares for PT. Kerasaan Indonesia).</li> </ul> <p>b. Environmental Permit</p> <ul style="list-style-type: none"> <li>• Environmental document named "UKL-UPL" was approved under "Keputusan Kepala Badan Pengendalian Dampak Lingkungan Daerah Kabupaten Simalungun" No. 188.4/70/Bpdl related to finalized environmental feasibility at Palm oil mill of PT Eastern Sumatera Indonesia (PT SIPEF), Bukit Maradja Estate, Simalungun District, North Sumatra Province dated on 26th February 2004 and last revision of "Rencana Pengelolaan Lingkungan (RKL) dan Revisi Rencana Pemantauan Lingkungan (RPL)" with scope of study palm oil estate area 3,178 Ha and palm oil mill 30 Ton TBS/hour as stated in the " Keputusan Bapedalda Kabupaten Simalungun No. 271/Bpdl/2008".</li> </ul>	

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> <li>• “Dokumen Upaya Pengelolaan dan Pemantauan Lingkungan (UKL- UPL)” is comply with letter of “Kepala Bapedalda Kabupaten Simalungun No. 442/Bpdl-2005 dated on 23rd December 2005 related aggrement of “Dokumen UKL/UPL PPT Kerasaan Indonesia” and revision of “Upaya Pengelolaan Lingkungan dan Upaya Pemantauan Lingkungan (UKL/UPL)” comply with letter agreement “Kepala Badan Lingkungan Hidup Kabupaten Simalungun No. 700/109/BLH/2009 dated on 8th April 2009 with scope of study 2,362 Ha palm oil estates.</li> <li>• Renewal Izin Pemanfaatan Air Limbah Industri Minyak Sawit pada Tanah di Perkebunan Kelapa Sawit PT. Eastern Sumatra Indonesia (Land Application permit) approved by Bupati Simalungun no. 188.45/3440/LINGHUP-2015, dated 23<sup>rd</sup> October 2015.</li> <li>• Izin Tempat Penyimpanan Sementara Limbah B3 (Temporary azardous waste storage), approved by BLH Kabupaten Simalungun, no. 188.45/893/Sektr-2015, dated 29 June 2015, (valid until 29 June 2020) for PT. Eastern Sumatera Indonesia and no. 188.45/892/Sektr-2015, dated 29 June 2015 (valid until 29 June 2020) for PT. Kerasaan Indonesia</li> <li>• Izin Pengambilan dan Pemanfaatan Air bawah tanah no. 188.45/503/293/ABT/BPPT-PM/2013, dated, 02nd May 2013 (Valid until 02<sup>nd</sup> May 2018) for PT. Eastern Sumatera Indonesia and</li> <li>• Izin Pengambilan dan Pemanfaatan Air bawah tanah PT. Kerasaan Indonesia no. 188.45/503/740/ABT/BPPT-PM/2013, no. 188.45/503/741/ABT/BPPT-PM/2013, and 188.45/503/742/ABT/BPPT-PM/2013, dated, 12th Novemper 2013 (Valid until 12<sup>th</sup> November 2018).</li> </ul>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>c. Others Permits</p> <ul style="list-style-type: none"> <li>• Permit of Machineries: Bukit Maraja Mill has a list of machineries: Boiler (2 units), Hoisting Cranes (2 units), Sterilizer (4 units), Generator (3 units), Steam Turbine (2 units). The list of mile machineries is documented in "Evaluation of compliance Recordings, 2017 - Bukit Maraja POM". License certificate is available,e.g.               <ul style="list-style-type: none"> <li>- Steam Vessel License (Sterilizer no. 2) no. Machine 02 / MPC / BM / 02, No. Permit AI; 02 / F.009.A</li> <li>- Permit of Boiller No. 2 to No. Mechine 20/23 SFPO have Operating License No. AI; 02 / F.015.A</li> <li>- Turbine no. 1, with No. Machine56.10.151.AO.01 has been Operating License No. IP; 02 / PTP / DTK-TR / III / 2010.</li> <li>- Turbine No. 2, with No. Machines 20 698 have Operating License No. IP; 01 / PTP / DTK-TR / III / 2011</li> <li>- The mile machineries inspection is conducted regularly from "Supervision of Occupational Safety, Disnaker Kab. Simalungun, e.g.; The last inspection of the Steam Vessel License (Sterilizer no. 2) is conducted on 23 March 2013 (the next inspection 23 March 2017), regulation of inspection is every 4 years; The last inspection of Turbine no. 2 is conducted on 16 February 2017, the next inspection on 16 February 2018, regulation of inspection is annually.</li> <li>- Perjanjian Kerja Bersama (PKB) between PT Eastern Sumatra Indonesia with Bukit Maradha Independent Trade Unions (SP-BUMM) passed by the Head of Manpower North Sumatra Province through Decree No. 29-6 / DTK-TR / 2017 dated January 25, 2017 and valid until January 8, 2019</li> </ul> </li> </ul>	

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> <li>The company had a policy of minimum age to work, Realizing UMR, the Protection of the Rights of Women Workers, freedom of association for workers, the Protection of Human Rights, Protection of Flora and Fauna protected, etc. in accordance with national laws and international conventions that have been ratified by Indonesia.</li> </ul> <p>PT Kerasakan Indonesia (PT KI)  The Company has prepared the document "Evaluation of Regulatory Compliance Legislation" which every year is always updated. The document explains the details of every inquiry fulfillment of law (inquiry article by article), evidence of compliance and the evaluation of its fulfillment.</p> <p>Based on documents and operational verification showed that the company has fulfilled the regulations, e.g;</p> <p>a. Legal and Operational Permit, e.g:</p> <ul style="list-style-type: none"> <li>Akte pendirian notaris pembentukan PT. Kerasakan Indonesia nomor 7 tahun 1963, tertanggal 7 April 1962, dengan pengesahan kehakiman berdasarkan Keputusan Menteri Kehakiman RI nomor J.A.5/120/8, dated 20 August 1962.</li> <li>Last Akte nomor 8, tanggal 31 Juli 2008, dengan pengesahan kehakiman nomor AHU-85520.AH.01.02, tahun 2008, datedl 5 Desember 2008.</li> <li>Renewal Ijin Usaha Tetap (IUT) No. 400/T/Kehutanan Perkebunan/1998, dated 21 August 1998.</li> <li>Surat Pendaftaran usaha Perkebunan (SPUP) sesuai dengan Surat Keputusan Menteri Kehutanan dan Perkebunan No. 180/Menhutbun-VII/2000, tanggal 3 Nopember 2000, dimana SPUP ini berlaku sebagai Izin Usaha Perkebunan</li> </ul> <p>b. Environmental Permit</p> <ul style="list-style-type: none"> <li>Document of Upaya Pengelolaan dan Pemantauan Lingkungan (UKL- UPL) as per Persetujuan Kepala Bapedalda Kabupaten Simalungun No. 442/Bpdl-2005 dated 23 December 2005 on Persetujuan Dokumen UKL/UPL PT Kerasakan Indonesia.</li> </ul>	

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> <li>Document of Revisi Upaya Pengelolaan Lingkungan dan Upaya Pemantauan Lingkungan as per Persetujuan Kepala Badan Lingkungan Hidup Kabupaten Simalungun No. 700/109/BLH/2009 dated 8 April 2009 under scope of palm oil plantation with area 2.362 Ha</li> </ul>	
<p><b>2.1.2</b></p> <p>A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>- Minor compliance –</p>	<p>The company has established procedure related effort to comply with changes in the regulation as regulated in SOP No. CA/SOP/01, dated 1 November 2011.</p> <p>In 2017, the company has identified 232 types of regulation as operational reference mill including:</p> <ul style="list-style-type: none"> <li>“Undang-Undang No.11 tahun 2005 tentang Ratifikasi International Covenant on Economic, Social and Cultural Rights (ICCPR)”;</li> <li>“Undang-Undang No.12 Tahun 2005 tentang Ratifikasi International Covenant on Civil and Political Rights (ISSPR)”;</li> <li>“Undang-Undang No.17 Tahun 2004 tentang Pengesahan Kyoto Protocol to the United National Framework Convention on Climate Change”;</li> <li>“Undang-Undang No.21 Tahun 2003 tentang pengesahan ILO Convention No.81 Concerning Labour inspection in industry and commerce”;</li> <li>“Undang-Undang No.1 Tahun 2000 tentang Ratifikasi Konvensi ILO No.182 mengenai Pelarangan dan tindakan segera penghapusan bentuk bentuk pekerjaan terburuk untuk anak”.</li> </ul> <p>In addition, the Company also identify the type of local regulations such as North Sumatera Governor Decree No. 188.44 / 639 / KPTS / 2016 on Minimum Wage in Simalungun Regency 2017.</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
<p><b>2.1.3</b> A mechanism for ensuring compliance shall be implemented.                      - Minor compliance –</p>	<p>In accordance with SOP No. CA / SOP / 01, dated 1 November 2011, the company has evaluated regulatory compliance is always updated every year and the results are written in the document "Evaluation of Regulatory Compliance Legislation".</p> <p>Procedure has regulated each of operation unit head shall be monitored and visited site location to check implementation of regulation. Company has developed a mechanism for ensuring compliance to regulation under document "Evaluasi Pemenuhan Peraturan Perundang-Undangan". In these documents, The compnay has evaluated in detail for each clause dan the evidence for compliance is available.</p> <p>In 2016, the company has conducted an evaluation of the seven types of legislation such as the Ministerial Regulation No. 6 2016 as a replacement Permenaker No. 4 of 1994 about religious holiday allowance for employees / workers in the company. Permenaker No. 9 and No. 10 of 2016 as a replacement for the Director General of Supervision Decree, Employment Guidance No. 45 of 2008; Regulation of 18 2016 about guidelines for the rejuvenation of oil palm plantations.</p> <p>The evaluation document describes in detail the evaluation of the fulfillment of article - per chapter and completed with the fulfillment.</p>	<p>Comply</p>



<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
<p><b>2.1.4</b> A system for tracking any changes in the law shall be available and implemented.                      - Minor compliance –</p>	<p>Company has developed a mechanism for tracking any changes in the law as stated in document CA/SOP/1 issued date 1st November 2011 (Prosedur Informasi Perubahan Undang-Undang dan Peraturan Pemerintah).</p> <p>The company has evaluated and updated on compliance annually, as in document "Pemantauan Penambahan atau perubahan Undang-Undang/Peraturan".</p> <p>In 2016 there are 7 regulation were evaluated, e.g:</p> <ul style="list-style-type: none"> <li>• Permenaker No. 6 tahun 2016 sebagai pengganti Permenaker No. 4 tahun 1994 tentang Tunjangan Hari Raya Keagaan bagi Pekerja/Buruh di Perusahaan.</li> <li>• Permenaker No. 9 dan No 10 Tahun 2016 sebagai pengganti Keputusan Dirjen Pengawasan, Pembinaan Ketenagakerjaan No 45 tahun 2008;</li> <li>• Permentan No. 18 tahun 2016 tentang pedoman peremajaan perkebunan kelapa sawit.</li> </ul> <p>In these document has evaluated in detail for each clause dan the evidence for compliance is available.</p>	<p>Comply</p>
<p><b>Criterion 2.2:</b>                      The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>		

<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
<p><b>2.2.1</b> 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>	<p>The company has demonstrated the document of legal ownership, history of land tenure ownership/control and the actual legal use of the land, such as;</p> <ol style="list-style-type: none"> <li>1. Land titles/HGU No. SK.46/HGU/DA/75, dated on 21<sup>st</sup> October 1975 and continuing of HGU from "Menteri Negara Agraria/Kepala BPN nomor 108/HGU/BPN/97", dated on 26th August 1997 with area 3,177.94 hectare. Certificate "HGU No. 2 tahun 1997, with total area 3,177.94 hectares for PT. Eastern Sumatera Indonesia.</li> <li>2. Land titles/HGU No. SK.45/HGU/DA/75, dated on 21<sup>st</sup> October 1975 and continuing of HGU from "Menteri Negara Agraria/Kepala BPN nomor 90/HGU/ BPN/97", dated on 5th August 1997 with total area 2,362.03 hectares. Certificate "HGU No. 1 tahun 1997", with total area 2,362.03 hectares for PT. Kerasaan Indonesia.</li> </ol>	<p>Comply</p>
<p><b>2.2.2</b> Legal boundaries are demonstrated clearly and maintained. - Minor compliance -</p>	<p>PT Eastern Sumatera Indonesia - Bukit Maradja Estate has a map of scale 1:50,000; showing the boundary poles of Bukit Maradja's land title, along with the geographic information.</p> <p>Generally, the company was identified the Legal boundary appropriate with existing identity in the Map Appendix Land Title Certificate in 2013. Based on the results of field visits in Legal boundary No. 23 Division III and No. 29, 30, 31 Division I (Kerasakan Estate) showed that whole Legal boundary had been repaired/ replaced with new Legal boundary in the form of stilt Cor Cement are colored blue, identity markers clearly legible and in accordance with existing identity in Map Land title.</p> <p>The Company has consistently perform maintenance Legal boundary every month and the results are written in Form "Checklist Legal Boundary Gardens Limit" for example, examination performed in January 2017 on the 12<sup>th</sup> by a designated officer (Br. Amin S and Sukarwan); in September 2016 held on December 23.</p> <p>The entire legal boundary had been made in the area of Parit Bondry in land title area, the legal boundary in outside Trenches Bondry.</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
<p><b>2.2.3</b></p> <p>In the event that there is a dispute or a dispute has occurred, adequate evidence of legitimate acquisition and compensation or compensation settlement process through conflict resolution which has been received through Free, Prior and Informed Consent by all related parties shall be provided.</p> <p>- Minor compliance -</p>	<p>PT Eastern Sumatra Indonesia (Bukit Mardaja Estate)</p> <p>Based on the documents verification of Statement Area PT ESI, there is no land conflict with other parties.</p> <p>In 1995 was happened land dispute between the company and society, then have been resolved through Simalungun District Court as a last resort.</p> <p>In 1996 appealed and in 1998 was appealed and it was decided in 2000 by the Supreme Court Letter No. 413 / H / 2000 / 830.K / PDT / 1998 dated July 31, 2000 a copy of the Decision of the Supreme Court on the extent of Cassation on 24 February 2000 Reg. No. 830.K / PDT1998 in the case of Hendrik Sihombing, etc with PT SIPEF Indonesia.</p> <p>In 2009, there were a back lawsuit by the community to PT Tolan Tiga Indonesia (the first defendant), the Government of Simalungun (Defendant II) and the National Land Agency (Defendant III) and there has been a District Court decision Simalungun No. 33Pdt.G2009 / PN.Sim dated August 18, 2010 which ruled that the lawsuit can not be accepted.</p> <p>Based on the results of public consultation with the surrounding villages (Desa Bukit Maraja, Marihat Bukit Desa and Desa Lingga) and NGOs to mention that during the few last years have been no reports from the public related to land disputes between the Community and the company.</p> <p>Based on the results of public consultation with relevant agencies (Environment Agency Simalungun, Simalungun District Land Office, Department of Agriculture and Plantation Simalungun) that in 2016 there were no reports of land disputes between the company and other parties including local communities.</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>PT Kerasakan Indonesia (Kerasaan Estate):            Based on the documents verification of Statement Area of PT KI showed that there is no land conflict with other parties.            Based on the results of public consultation with the surrounding village (Desa Kerasakan I and Desa Purbaganda) and NGO (NGO GARI and PWRI), during the few last years have been no reports from the public related to land disputes between the Community and the company.            Based on the results of public consultation with relevant agencies (Environment Agency Simalungun, Simalungun District Land Office, Department of Agriculture and Plantation Simalungun), during 2016 there were no reports of land disputes between the company and other parties, including the surrounding communities</p>	
<p><b>2.2.4</b></p>	<p>There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.            - Major compliance –</p>	<p>Comply</p>

<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
<p><b>2.2.5</b> 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 –</p>	<p>There is no noted land dispute during audit</p> <p>Based on the results of public consultation with the head of the surrounding village (Desa Bukit Maraja, Village Marihat Bukit Desa Lingga, Village Kerasakan I and the Village Purbaganda Red) and NGO (NGO GARI and PWRI), during the last few years there were no reports from the public related to the dispute land between the companies and the public.</p> <p>Based on the results of public consultation with relevant agencies (Environment Agency Simalungun, Simalungun District Land Office and the Department of Agriculture and Plantation Simalungun), during 2016 there were no reports of land disputes between the company and other parties including local communities.</p>	<p>Comply</p>
<p><b>2.2.6</b> To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and/or planned operations. - Major compliance –</p>	<p>There is no noted land dispute during audit</p> <p>Based on the results of public consultation with the head of the surrounding village (Desa Bukit Maraja, Village Marihat Bukit Desa Lingga, Village Kerasakan I and the Village Purbaganda Red) and NGO (NGO GARI and PWRI), during the last few years there were no reports from the public related to the dispute land between the companies and the public.</p> <p>Based on the results of public consultation with relevant agencies (Environment Agency Simalungun, Simalungun District Land Office and the Department of Agriculture and Plantation Simalungun), during 2016 there were no reports of land disputes between the company and other parties including local communities.</p>	<p>Comply</p>
<p><b>Criterion 2.3:</b> Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.</p>		

<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
<p><b>2.3.1</b> 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). - Major compliance -</p>	<p>There is no noted land dispute during audit</p> <p>Based on the results of public consultation with the head of the surrounding village (Desa Bukit Maraja, Village Marihat Bukit Desa Lingga, Village Kerasakan I and the Village Purbaganda Red) and NGO (NGO GARI and PWRI), during the last few years there were no reports from the public related to the dispute land between the companies and the public.</p> <p>Based on the results of public consultation with relevant agencies (Environment Agency Simalungun, Simalungun District Land Office and the Department of Agriculture and Plantation Simalungun), during 2016 there were no reports of land disputes between the company and other parties including local communities.</p>	<p>Comply</p>
<p><b>2.3.2</b> 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: a) Evidence of consultation b) Statement of transfer of rights c) Evidence of compensation See specific guidance 2.3.2 - Minor compliance -</p>	<p>There is no noted land dispute during audit</p> <p>Based on the results of public consultation with the head of the surrounding village (Desa Bukit Maraja, Village Marihat Bukit Desa Lingga, Village Kerasakan I and the Village Purbaganda Red) and NGO (NGO GARI and PWRI), during the last few years there were no reports from the public related to the dispute land between the companies and the public.</p> <p>Based on the results of public consultation with relevant agencies (Environment Agency Simalungun, Simalungun District Land Office and the Department of Agriculture and Plantation Simalungun), during 2016 there were no reports of land disputes between the company and other parties including local communities.</p>	<p>Comply</p>

<b>Criterion / Indicator</b>		<b>Assessment Findings</b>	<b>Compliance</b>
<b>2.3.3</b>	Relevant information shall be available in appropriate forms and languages, including analysis of impacts, proposed benefit sharing, and legal arrangements. - Minor compliance -	There is no noted land dispute during audit  Based on the results of public consultation with the head of the surrounding village (Desa Bukit Maraja, Village Marihat Bukit Desa Lingga, Village Kerasakan I and the Village Purbaganda Red) and NGO (NGO GARI and PWRI), during the last few years there were no reports from the public related to the dispute land between the companies and the public. Based on the results of public consultation with relevant agencies (Environment Agency Simalungun, Simalungun District Land Office and the Department of Agriculture and Plantation Simalungun), during 2016 there were no reports of land disputes between the company and other parties including local communities.	Comply
<b>2.3.4</b>	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. - Major compliance -	There is no noted land dispute during audit  Based on the results of public consultation with the head of the surrounding village (Desa Bukit Maraja, Village Marihat Bukit Desa Lingga, Village Kerasakan I and the Village Purbaganda Red) and NGO (NGO GARI and PWRI), during the last few years there were no reports from the public related to the dispute land between the companies and the public. Based on the results of public consultation with relevant agencies (Environment Agency Simalungun, Simalungun District Land Office and the Department of Agriculture and Plantation Simalungun), during 2016 there were no reports of land disputes between the company and other parties including local communities.	Comply
<b>Principle 3: Commitment to long-term economic and financial viability</b>			
<b>Criterion 3.1:</b>			
There is an implemented management plan that aims to achieve long-term economic and financial viability.			

Criterion / Indicator	Assessment Findings	Compliance																																																
<p><b>3.1.1</b> A documented management plan, a minimum of three years shall be available, including, where appropriate, plan for scheme smallholders. - Major compliance-</p>	<p>The company has prepared budget plan for 10 years (2012 – 2022) and reviewed annually. Budget plan is consist of FFB Production OER, KER, cost, expenditure.</p> <p>The company produced detail budget annually, such as</p> <table border="1" data-bbox="678 651 1241 952"> <thead> <tr> <th>Descripti on</th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>108,661</td> <td>110,502</td> <td>110,741</td> <td>112,213</td> </tr> <tr> <td>CPO</td> <td>25,318</td> <td>25,747</td> <td>25,803</td> <td>26,146</td> </tr> <tr> <td>PK</td> <td>5,976</td> <td>6,078</td> <td>6,091</td> <td>6,172</td> </tr> <tr> <td>OER</td> <td>23.30</td> <td>23.30</td> <td>23.30</td> <td>23.30</td> </tr> <tr> <td>KER</td> <td>5.50</td> <td>5.50</td> <td>5.50</td> <td>5.50</td> </tr> </tbody> </table> <p>Monitoring of yield and expenses for 2016 is available.</p> <table border="1" data-bbox="678 1048 1228 1281"> <thead> <tr> <th>Descriptio n</th> <th>Budget (2016)</th> <th>Actual (2016)</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>82,050.52</td> <td>81,084.09</td> </tr> <tr> <td>CPO</td> <td>19,117.77</td> <td>19,190.57</td> </tr> <tr> <td>PK</td> <td>4,512.78</td> <td>4,584.98</td> </tr> <tr> <td>OER</td> <td>23.30</td> <td>23.65</td> </tr> <tr> <td>KER</td> <td>5.50</td> <td>5.47</td> </tr> </tbody> </table> <p>The company also has detail budget for cost and expenditure each station.</p>	Descripti on	2017	2018	2019	2020	FFB	108,661	110,502	110,741	112,213	CPO	25,318	25,747	25,803	26,146	PK	5,976	6,078	6,091	6,172	OER	23.30	23.30	23.30	23.30	KER	5.50	5.50	5.50	5.50	Descriptio n	Budget (2016)	Actual (2016)	FFB	82,050.52	81,084.09	CPO	19,117.77	19,190.57	PK	4,512.78	4,584.98	OER	23.30	23.65	KER	5.50	5.47	<p>Comply</p>
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CPO	19,117.77	19,190.57																																																
PK	4,512.78	4,584.98																																																
OER	23.30	23.65																																																
KER	5.50	5.47																																																



Criterion / Indicator	Assessment Findings	Compliance																																							
<p><b>3.1.2</b> 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. - Minor compliance-</p>	<p>Bukit Maradja Estate Company has started the replanting program and continuously prepared a replanting program up to 2021. Replanting program Bukit Maradja Estate 2017 – 2021:</p> <table border="1" data-bbox="678 555 1219 920"> <thead> <tr> <th>Replanting year</th> <th>Division/ Planting year</th> <th>Hectarage (Ha)</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>Div.3: 2000; Div.4: 2001</td> <td>169.02</td> </tr> <tr> <td>2018</td> <td>OP2000 and OP 2001</td> <td>141.45</td> </tr> <tr> <td>2019</td> <td>OP1999 and OP2000</td> <td>116.96</td> </tr> <tr> <td>2020</td> <td>OP1996, OP1997, OP1999, OP2000</td> <td>184.41</td> </tr> <tr> <td>2021</td> <td>Div.4: 2001</td> <td>185.09</td> </tr> </tbody> </table> <p>Kerasaan Estate</p> <table border="1" data-bbox="678 981 1219 1473"> <thead> <tr> <th>Replanting year</th> <th>Division/ Planting year</th> <th>Hectarage (Ha)</th> </tr> </thead> <tbody> <tr> <td>2017-2020</td> <td>-</td> <td>-</td> </tr> <tr> <td>2021</td> <td>C03, C04, C05, B03, B04, B05, L05, L06, M05, Mo6, M07, M08, M09, N06, N07</td> <td>244.05</td> </tr> <tr> <td>2022</td> <td>E05, E06, E07, E08, E09, E10</td> <td>107.48</td> </tr> <tr> <td>2023</td> <td>F06, F07, F08, F09, F10, F11</td> <td>95.52</td> </tr> <tr> <td>2024</td> <td>G06, G07, G08, G09, G10, G11</td> <td>102.85</td> </tr> <tr> <td>2025</td> <td>H06, H07</td> <td>39.10</td> </tr> </tbody> </table> <p>Prior to land preparation on the replanting area, a planting plan review must take place by ENC department. The planting plan review comprise of extensive document and field check: summary of plans – stating the area is suitable for intended land use; general map of management unit; map of area intended for replanting; soil maps; peat depth map (if applicable); peat drainability assessment (if applicable); topography map; slope class map; map of planned roads, bridges, culverts, etc; map of HCV/conservation area; planting material documentation; working schedule. The output is approval to continue the replanting plan.</p>	Replanting year	Division/ Planting year	Hectarage (Ha)	2017	Div.3: 2000; Div.4: 2001	169.02	2018	OP2000 and OP 2001	141.45	2019	OP1999 and OP2000	116.96	2020	OP1996, OP1997, OP1999, OP2000	184.41	2021	Div.4: 2001	185.09	Replanting year	Division/ Planting year	Hectarage (Ha)	2017-2020	-	-	2021	C03, C04, C05, B03, B04, B05, L05, L06, M05, Mo6, M07, M08, M09, N06, N07	244.05	2022	E05, E06, E07, E08, E09, E10	107.48	2023	F06, F07, F08, F09, F10, F11	95.52	2024	G06, G07, G08, G09, G10, G11	102.85	2025	H06, H07	39.10	<p>Comply</p>
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**RSPO Public Summary Report**  
**Revision 3 (July /2016)**

Criterion / Indicator	Assessment Findings	Compliance
	<p>Sample seen:  Replanting plan review for Bukit Maradja Estate (revision of 2017 planting) for 184.62 Ha, date of review 15/09/2015. The reason due to low standing palm per Ha – ganoderma infestation. Summary of replanting plan states the initial plan for 184.62 Ha, located in Division 3 for planting year 2000 and Division 4 planting year 2001, planned planting material will be Ganoderma-resistant progeny from Socfindo D x P. Soil map indicated no peat soil. HCV map, topography map, slope class map are available. Working schedule and Health and safety plan also available. The final plan will be 169.02 Ha.  The seed certificate demonstrated: Socfindo Certificate No.406697/2015 dated 26/10/2015 for 25,000 seeds</p>	
<p><b>Principle 4: Use of appropriate best practices by growers and millers</b></p>		
<p><b>Criterion 4.1:</b>  Operating procedures are appropriately documented, consistently implemented and monitored.</p>		

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.1.1</b> 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. - Major compliance -</p>	<p>Bukit Maraja Estate dan Kerasaan Estate: The procedures documented in "Agricultural Manual Oil Palm" (October 2009 and rev.on 2014) document #01-#18/SOP/Oil Palm/ESD, where it contains all sub section of the process, such as: Nursery, land clearing, planting in peat soil and mineral soil with zero burning, planting legume cover crops, terracing, upkeep (fertilizer and pesticides, included safe working practices), water level management, riparian and watercourse management, harvesting, replanting and FFB transport. Interviews with the employees indicate satisfactory level of understanding and implementation in relation to their respective job function. Such as:</p> <ol style="list-style-type: none"> <li>1. Biological aspects of Practical Importance No.01/SOP/Oil Palm/ESD – Karakteristik Vegetatif Tanaman Kelapa Sawit</li> <li>2. Pembibitan Kelapa Sawit: No.02/SOP/Oil Palm/ESD – nursery</li> <li>3. Land Clearing: No.03/SOP/Oil Palm/ESD rev.2</li> <li>4. Field Planting: No.04/SOP/Oil Palm/ESD rev.1</li> <li>5. Palm Supplying: No.05/SOP/Oil Palm/ESD</li> <li>6. Palm Thinning Out: No.06/SOP/Oil Palm/ESD</li> <li>7. Ablasi: No.07/SOP/Oil Palm/ESD - Ablation</li> <li>8. Frond Pruning: No.08/SOP/Oil Palm/ESD</li> <li>9. Kumbang E. Camerunensis: No.09/SOP/Oil Palm/ESD – E. Camerunensis beetle</li> <li>10. Sistem Pengelolaan Air: No.10/SOP/Oil Palm/ESD – water management</li> <li>11. Pemupukan: No.11/SOP/Oil Palm/ESD – fertilizer placement</li> <li>12. Pest and Disease: No.12/SOP/Oil Palm/ESD</li> <li>13. Harvesting Standard: No.13/SOP/Oil Palm/ESD</li> <li>14. Sistem Pembuatan Jalan: No.12/SOP/Oil Palm/ESD – road construction</li> <li>15. Pemakaian, Penyimpanan Pemusnahan Kemasan Bekas Pestisida: No.15/SOP/Oil Palm/ESD – pesticide handling</li> <li>16. Pengelolaan Sempadan Sungai, Danau dan Waduk: No.16/SOP/Oil Palm/ESD – River, Lake and water dam management</li> <li>17. Pengendalian Gulma Terpadu: No.17/SOP/Oil Palm/ESD – Integrated Weed Management</li> <li>18. Pengendalian Gulma Terpadu: No.17/SOP/Oil Palm/ESD – Integrated Weed Management</li> </ol>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Bukit Maraja POM:            Bukit Maraja Mill has a set of procedure for processing of oil palm bunch into CPO and PK, under "Master List Working Instruction Bukit Maraja POM". The procedures explains all activity from receiving FFB into dispatch of products; such as:</p> <ol style="list-style-type: none"> <li>1. Penimbangan truck dan brondolan, no BMPOM-WI/PROD/001A, revision 01 dated 1 February 2011, untuk mengetahui berat netto FFB dan brondolanyang dikirim ke pabrik, sebagai data produksi dari setiap estate.</li> <li>2. Pengisian FFB ke dalam Lori, no BMPOM-WI/PROD/002A, revision 01 dated 1 February 2011, untuk mengetahui cara mengisi FFB ke lori,</li> <li>3. Pengoperasian Sterilizer, no BMPOM-WI/PROD/003A, revision 01 dated 1 February 2016, untuk mengetahui cara pengoperasian sterilizer</li> <li>4. Pemindahan lori FFB ke rail track belakang sterilizer,</li> <li>5. Sortasi FFB, no BMPOM-WI/PROD/007A, revision 00 dated 1 February 2014</li> <li>6. Pengoperasian Screw Press no BMPOM-WI/PROD/0013A, revision 01 dated 1 February 2011</li> <li>7. Pengoperasian CST, no BMPOM-WI/PROD/0016A, revision 01 dated 1 February 2011</li> <li>8. Penimbangan Trcuk Tangki CPO, no BMPOM-WI/PROD/0002A, revision 02 dated 14 January 2017</li> <li>9. Despacth Kernel BMPOM, no PLPOM-WI/PROD/003A, revision 01 dated 1 February 2014</li> <li>10. etc</li> </ol>	

Criterion / Indicator	Assessment Findings	Compliance
<p>4.1.2</p> <p>Checking or monitoring of operations procedures is conducted at least once a year.</p> <p>- Minor compliance -</p>	<p>PT Eastern Sumatera Indonesia performs checking and monitoring at different stage and level throughout all activities and processes. Estate's performance monitoring carried out in form of fertilizer application monitoring, harvesting quality monitoring, herbicide application monitoring, etc. Palm oil mill's performance monitored through FFB sortation record, preventive maintenance check, quality inspection, laboratory analysis, etc.</p> <p>The company conduct internal audit and regular inspection once a year, at minimum.</p> <p>Document seen:            Procedure of regular visit and internal audit no ENC/SOP/02, revision 01 dated 2 January 2012.</p> <p>Bukit Maraja POM</p> <ul style="list-style-type: none"> <li>- Visit Report RSPO/ISCC internal audit dated 29 – 30 August 2016 where 16 findings identified: legal issues (Tanda Daftar Perusahaan Perseroan Terbatas PT ESI), OHS (checklist of P2K3LHS), record of information request. Action plan has been followed up until, 5 October 2016</li> <li>- Visit report of Engineering Director (Mr Periasamy Mothian), on 11 May 2016, there are 22 issued to be followed up.</li> </ul> <p>Bukit Maraja Estate:            Visit Report by EnC team on routine visit on 18-19 January 2017, where 19 findings identified: SIO training, report of RKL-RPL, review of Aspect Impact list, manuring application, information request, etc. Improvement status has been followed up in February 2017.</p> <p>Kerasaan Estate:</p> <ul style="list-style-type: none"> <li>- Visit Report of Internal Audit Team dated 2-3 September 2016, were 18 issues such as: Aspect impact list, business plan including production cost, production projection until 2018, IPM implementation, etc. All issues have been followed up.</li> <li>- Visit from Director Estate Department dated 21 September 2016 where 18 issues such as harvesting action plan, sprays gangs, FFB truck, immature palms, etc. Action plan has been prepared and followed up.</li> </ul>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.1.3</b> Records of monitoring and any follow-up actions shall be available. - Minor compliance -</p>	<p>Records of any result and activities from estates and mill were maintained, based on procedure decides records have been made in daily basis and compiled once per month at the end of month including: Production data of FFB, CPO, PK, fertilizing activities, maintenance, manpower, equipment and facilities, quality, grading, machines at mill area, cost and expenditure, etc. These records were proven and retrievable. To verify result of all above activities, company was conducted internal audot and agronomy visited, All internal audit and agronomy visited findings have been properly followed up as showed in the report of internal audit and agronomy visited.</p> <p>Document seen: Bukit Marajda POM</p> <ul style="list-style-type: none"> <li>- Visit Report RSPO/ISCC internal audit dated 29 – 30 August 2016 where 16 findings identified: legal issues (Tanda Daftar Perusahaan Perseroan Terbatas PT ESI), OHS (checklist of P2K3LHS), record of information request. Action plan has been followed up until, 5 October 2016</li> <li>- Document of Engineering Director visited (Mr Periasamy Mothian), on 11 May 2016, there are 22 issued to be followed up.</li> <li>- Management Review Report of result sustainable internal audit, on 5 October 2016 (internal audit conducted on 29-30 August 2016).</li> </ul> <p>Bukit Maraja Estate:</p> <ul style="list-style-type: none"> <li>- Visit Report by EnC team on routine visit on 18-19 January 2017, where 19 findings identified: SIO training, report of RKL-RPL, review of Aspec Impact list, manuring application, information request, etc. Improvement status has been followed up in February 2017.</li> <li>- Supervision daily report on quality of harvesting, dated 29 February 2017 block E.09A,</li> <li>- Action plan of President Director visit on 18 December 2016. All issues has been follow up and closed on 26 December 2016.</li> </ul>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
<b>4.1.4</b>	Records of the origins of all third-party FFB sourced (collector, deliver, Cooperative, Farmers Association and outgrower) shall be available. - Major compliance -	Not applicable, Bukit Maraja POM only received FFB from its supply base (Bukit Maraja Estate and Kerasaan Estate).  N/A
<b>Criterion 4.2:</b> Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.		
<b>4.2.1</b>	A record of SOP implementation to maintain soil fertility that ensures optimal and sustained yield, shall be available. - Major compliance -	The company was established procedure to manage soil fertility such as "SOP Pemupukan" No.11/SOP/Oil Palm/ESD rev.1 dated 1 October 2009.  The procedures consist of manual fertilizer application, fertilizer application with spreader, compost application, bunch ash application and POME application (Land Application in block E20, E21, E27, E18, E23, E26 and E17), frond pruning.  Based on field visit in estates, fertilizer application for year 2016 has completed. The inorganic fertilizer applied based on fertilizer recommendation.

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.2.2</b> Records of fertilizer inputs shall be available. - Minor compliance -</p>	<p>Each estate maintains a complete record of fertilizer inputs – both organic and in-organic as documented of “Monthly Fertilizing Program”</p> <p>Bukit Maradja Estate: Fertilizer recommendation 1<sup>st</sup> semester 2017 for block 2011B37 (10.38 Ha) is to have 1.5 kg Urea/palm, 1.25 kg Rock phosphate/palm, 1 kg MOP/palm, 0.5 kg dolomite/palm, for block 06B29 (20.67 Ha) is to have 1.25 kg Urea/palm, 1 kg Rock phosphate/palm, 0.75 kg MOP/palm,</p> <p>Application 2017: - Fertilizer application 1st half 2017 for block 2011B37 (10.38 Ha) applied with 1 kg MOP/palm, total 1,750 kg on 27 January 2017. - Fertilizer application 1st half 2017 for block 2016B29 (20.67 Ha) applied with 0.75 kg MOP, total 2,000 kg on 16 January 2017; applied with 1.25 kg kg/palm, total 3,400 kg on 23 January 2017.</p> <p>Kerasaan Estate: Fertilizer recommendation 1<sup>st</sup> semester 2017 for block 2003B03 (9.95 Ha) is to have 1.25kg Urea/palm (1250 Kg), 1 CIRP/palm (1,000 Kg), 0.75 kg MOP/palm (750 Kg), 1 kg dolomite/palm (1,000 Kg), for block 96F09 (9.97 Ha) is to have 1.25 kg Urea/palm (total 1,200 Kg), 1.25kg CIRP/palm (1,200 Kg), 1 kg MOP/palm (950 Kg), 1 kg dolomite/palm (950 Kg).</p>	<p>Comply</p>



<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
<p><b>4.2.3</b> Records of periodical leaf, soil and visual analysis shall be available.                      - Minor compliance -</p>	<p>JH Agriculture Service conducted the Semi-Detailed Soil Survey in October 2009 for PT Eastern Sumatera Indonesia, within the semi-detailed soil survey report, topographic condition, soil fertility status and other information has been accounted into.</p> <p>Bukit Maradja Estate:                      Leaf analysis available "Sertifikat Hasil Pengujian Laboratorium Central Plantation Services" No.CPS/967/XII/2016 taken from 118 oil palm leaf and rachis samples. Date of analysis 20/12/2016.</p> <p>Kerasaan Estate:                      Leaf analysis available "Sertifikat Hasil Pengujian Laboratorium Central Plantation Services" No.CPS/962/XII/2016 taken from 118 oil palm leaf and rachis samples. Date of analysis 19/12/2016</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance																																																																								
<p><b>4.2.4</b> A nutrient recycling strategy is recorded, including use of Empty Fruit Bunches (EFB), land application, and palm residues after replanting. - Minor compliance -</p>	<p>Nutrient recycling strategy is present. The company using all palm by-products for soil nutrient, such as: EFB and POME (is applied to palm nearby mill) and frond stacking.</p> <p>Bukit Maradja Estate: EFB application is recorded, e.g. applied EFB 249.96 tons in block 1997E10.A (24.45 Ha) in 01/2017; applied EFB 126.07 tons in block 1997E09A (12 Ha) in January 2017 applied EFB 118.72 tons for block 1997E27A (11 Ha) in January 2017.</p> <p>POME for land application as per "Keputusan Bupati Simalungun No.188.45/3440/LingHup-2015 tentang Perpanjangan Izin Pemanfaatan Air Limbah Industri Minyak Kelapa Sawit pada Tanah di Perkebunan Kelapa Sawit PT Eastern Sumatera Indonesia" dated 23/10/2015 valid for 5 years.</p> <p>Record land application (POME) in 2016:</p> <table border="1" data-bbox="678 1099 1230 1771"> <thead> <tr> <th>Block</th> <th>Ha Block</th> <th>Application Area (Ha)</th> <th>Vol. POME (M<sup>3</sup>)</th> </tr> </thead> <tbody> <tr><td>E20</td><td>23.63</td><td>23.63</td><td>6,288</td></tr> <tr><td>E20</td><td>23.63</td><td>23.63</td><td>1,542</td></tr> <tr><td>E21</td><td>28.93</td><td>28.93</td><td>4,522</td></tr> <tr><td>E21</td><td>28.93</td><td>28.93</td><td>6,125</td></tr> <tr><td>E21</td><td>28.93</td><td>2.50</td><td>2,950</td></tr> <tr><td>E27</td><td>20.52</td><td>3.50</td><td>3,300</td></tr> <tr><td>E27</td><td>20.52</td><td>7.00</td><td>7,296</td></tr> <tr><td>E18</td><td>24.46</td><td>11.00</td><td>10,296</td></tr> <tr><td>E18</td><td>24.46</td><td>3.00</td><td>3,072</td></tr> <tr><td>E23</td><td>18.61</td><td>2.50</td><td>4,312</td></tr> <tr><td>E26</td><td>18.98</td><td>9.00</td><td>7,566</td></tr> <tr><td>E17</td><td>24.37</td><td>8.00</td><td>7,100</td></tr> <tr><td>E17</td><td>24.37</td><td>3.00</td><td>2,840</td></tr> <tr><td>E26</td><td>18.98</td><td>3.00</td><td>4,800</td></tr> <tr><td>E26</td><td>18.98</td><td>8.00</td><td>6,552</td></tr> <tr><td>E17</td><td>24.37</td><td>8.30</td><td>6,000</td></tr> <tr> <td></td> <td><b>372.67</b></td> <td><b>173.92</b></td> <td><b>84,561</b></td> </tr> </tbody> </table> <p>Kerasaaan Estate: Not Applicable for EF. Land application in area Kerasaaan Estate.</p>	Block	Ha Block	Application Area (Ha)	Vol. POME (M <sup>3</sup> )	E20	23.63	23.63	6,288	E20	23.63	23.63	1,542	E21	28.93	28.93	4,522	E21	28.93	28.93	6,125	E21	28.93	2.50	2,950	E27	20.52	3.50	3,300	E27	20.52	7.00	7,296	E18	24.46	11.00	10,296	E18	24.46	3.00	3,072	E23	18.61	2.50	4,312	E26	18.98	9.00	7,566	E17	24.37	8.00	7,100	E17	24.37	3.00	2,840	E26	18.98	3.00	4,800	E26	18.98	8.00	6,552	E17	24.37	8.30	6,000		<b>372.67</b>	<b>173.92</b>	<b>84,561</b>	<p>Comply</p>
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<p><b>Criterion 4.3:</b> Practices minimise and control erosion and degradation of soils.</p>																																																																										

Criterion / Indicator		Assessment Findings	Compliance
4.3.1	Maps of any fragile soils shall be available. - Major compliance -	<p>JH Agriculture Service conducted the Semi-Detailed Soil Survey in October 2009 for PT Eastern Sumatera Indonesia, within the semi-detailed soil survey report, topographic condition, soil fertility status and other information has been accounted into.</p> <p>Bukit Maradja Estate: Soil map is available, indicating the soil profile dominantly by Bukit Maradja series (approximately 2,400 Ha) and Kerasaan series (approximately 687 Ha). Topography map for Bukit Maradja Estate is available, relatively flat.</p> <p>Kerasaan Estate: Soil map is available, indicating the soil profile dominantly by Bukit Maradja series (approximately 972 Ha) and Kerasaan series (approximately 1,343 Ha).</p>	Comply
4.3.2	A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	<p>No planting since 2007 on slopes in excess of 20°. There is in fact very little planting on sloped land throughout PT Eastern Sumatera Indonesia. Planting on steeper terrain prepared with infrastructure such as terrace or individual terrace.</p> <p>Kerasaan Estate: Topography map for Kerasaan Estate is available, the slope not exceeding 20°. Planting legume cover crop (<i>Mucuna bracteata</i>) in replanting area; 6,000 stacks to Division I (02/2016) and 3,000 stacks to Division III (01/2016). <i>Mucuna</i> planting 05/2105 to block from OP2002 that will be designated for replanting 2015A03 (10.15 Ha).</p>	Comply

<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
<p><b>4.3.3</b> A road maintenance program shall be in place. - Minor compliance –</p>	<p>Road maintenance program prepared by estate each year; evidence of maintenance was recorded in the "Road Maintenance Program", available for 2016 and 2017. Realization of road maintenance program has been periodically monitored in monthly basis and also the company was providing road map realization to monitor road maintenance program is properly implemented.</p> <p>Bukit Maraja Estate: Road maintenance program (Grading and Compacting) 2017 is available, in Division I (693.26 Ha) planned 60,088 meters, Division II (1010.58 Ha) planned 40,500 meters, Division III (698.42 Ha) planned 176,600 meters, in Division IV (695,75 Ha) planned 73,834 meters. Total planned to road maintenance 351,020 meters. Total realization in January 2017, Division I (2500 meters), Division II (1500 meters), Division III (1,000 meters) and Division IV (1000 meters).</p> <p>Kerasaan Estate: Road maintenance program (Grading and Compacting) 2017 is available, in Division I (801.57 Ha) planned CR 2900 meters and MR 600 meters, Division III (659.45 Ha) planned CR 46,600 meters and 24,000 meters, Division III (69.,42 Ha) planned. See foto</p> <p>Based on field verification to Division II Kerasaan Estate, company demonstrates road maintenance, by means road graveling, road grading, and fortification with stone (road-stoning).</p>	<p>Comply</p>

<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
<p><b>4.3.4</b> Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Major compliance –</p>	<p>Based on JH Agriculture Semi Detailed Soil Survey Report, 2009 - there is no indication of area with peat soil in the Bukit Maradja and Kerasaan Estate. The soil limitation to oil palm growth is sandy soil with low soil moisture holding capacity and high leaching loss of applied fertilizer.</p> <p>Water management plan available as per 4.4.1. Ground cover management planned along with the replanting program, such as planting Mucuna bracteata as legume cover crop and planting Vertiver grass.</p>	<p>Comply</p>
<p><b>4.3.5</b> Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance –</p>	<p>Based on JH Agriculture Semi Detailed Soil Survey Report, 2009 - there is no indication of area with peat soil in the Bukit Maradja and Kerasaan Estate. The soil limitation to oil palm growth is sandy soil with low soil moisture holding capacity and high leaching loss of applied fertilizer.</p>	<p>Comply</p>
<p><b>4.3.6</b> A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance –</p>	<p>Bukit Maradja Estate: Cover crop management (for sandy area) and drainage prone to soil erosion. Planting Mucuna bracteata in area prepared for replanting 2016; Division I, block 2016F16 – 1,600 stack and block 2016F17 – 1,000 stacks in 01/2016. Planting of vertiver grass to mitigate erosion at drainage.</p> <p>Kerasaan Estate: Topography map for Kerasaan Estate is available, the slope not exceeding 20. Planting legume cover crop (Mucuna bracteata) in replanting area; 6,000 stacks to Division I (02/2016) and 3,000 stacks to Division III (01/2016). Mucuna planting 05/2105 to block from OP2002 that will be designated for replanting 2015A03 (10.15 Ha).</p>	<p>Comply</p>
<p><b>Criterion 4.4:</b> Practices maintain the quality and availability of surface and ground water.</p>		

<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
<p><b>4.4.1</b> An implemented water management plan shall be in place. - Minor compliance -</p>	<p>The company has water management plan in place a policy with regards to the protection of watercourses which includes dedicated buffer zones and riparian areas – including establishing buffers along rivers in accordance with Indonesian laws - 50 metres buffer on each side for small rivers.</p> <p>It is the policy of the company that all buffer zones as stipulated by Indonesian law are re-established at re planting. This is in evidence during replanting taking place presently in Bukit Maradja and Kerasaan estates were required buffers were seen to have been established during this process. There are in place practices to prevent run off of nutrients and chemicals through the planting manual. Chemical handlers are trained in the disposal of chemicals - waste chemicals containers are disposed of or are re-used for sprayers in field.</p> <p>Bukit Maradja Mill: The company has water management plan as documented in "Rencana Pengelolaan Air – Bukit Maradja POM", updated on 06th January 2017. The water management plan, consist of:</p> <ol style="list-style-type: none"> <li>1. Water intake for FFB processed, WTP (Water Treatment plant), dilution water in Schrew press, water deashing di dust collector, water for Clarification station, and domestic waste.</li> <li>2. Water usage efficiency program:               <ol style="list-style-type: none"> <li>a. Monitoring on-off system (level switch) in water intake.</li> <li>b. Routine maintenance for pipe</li> <li>c. Efficiency water usage for domestic waste.</li> </ol> </li> <li>3. Water quality:</li> <li>4. Water quality monitoring</li> </ol>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Bukit Maradja Estate: The company has "Water Management Plan", dated 14 January 2012 consist of water resources, monitoring of water quality, water supply for domestic consumption, efisience water usage, no chemical applied along the riparian zone. Based on field visit and document review, it was seen that plan is implemented. Document seen: Keputusan Kepala Bahan Pelayanan Perijinan Terpadu dan Penanaman Modal Kabupaten Simalungun, nomor 188.45/503/292/ABT/BPPT-PM/2013, tentang Perpanjangan Izin Pemanfatan Air Bawah Tanah, dated 2 May 2013, valid until until 5 years.</p> <p>Kerasaan Estate: The company has "Water Management Plan", dated 5 January 2017 consist of water resources, monitoring of water quality, water supply for domestic consumption, efisience water usage, no chemical applied along the riparian zone. Based on field visit and document review, it was seen that plan is implemented. Document seen: Keputusan Kepala Bahan Pelayanan Perijinan Terpadu dan Penanaman Modal Kabupaten Simalungun, nomor 188.45/503/740/ABT/BPPT-PM/2013, tentang Perpanjangan Izin Pemanfatan Air Bawah Tanah untuk Perkantoran Kebun Kerasaan, dated 2 May 2013, valid until until 5 years.</p>	
<p><b>4.4.2</b></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. - Major compliance -</p>	<p>Company has identified the river flow during HCV Identification exercise and explained under HCV Identification report. For example: Babolon river, Seragu river. Company has demonstrate effort to minimize erosion, whtough planting trees in river buffer zone and not applying agrochemical in designated river buffer zone.</p> <p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.4.3</b> 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).                      - Minor compliance –</p>	<p>Bukit Maradja POM:                      The company has CDM Project and discharge effluent to block land applications, effluent sampling is taken regularly every month by independent third party (Binalab), e.g. water sample in "Effluent Final Discharge Pond" by BINALAB.                      Result of BOD sampling analysis has shown that no more than 5,000 mg/Liter as regulated in "Peraturan Menteri Lingkungan Hidup No. 28, year 2003", e.g.</p> <p>See document –                      Records for monitoring of effluent especially BOD for year 2016 available as below:                      January: 155.37 mg/L                      February: 592.2 mg/L                      March: 560.71 mg/L                      April: 752.1 mg/L                      May: 650.2 mg/L                      June: 511.9 mg/L                      July: 215.40 mg/L                      August: 585.2 mg/L                      September: 341.14 mg/L                      October: 133.9 mg/L                      November: 475.0 mg/L                      December: 474.32 mg/L                      This measure conducted by accredited laboratory Binalab-Medan</p>	<p>Comply</p>



Criterion / Indicator	Assessment Findings	Compliance																																																								
<p><b>4.4.4</b> Monitoring of mill water use per ton of FFB shall be recorded. - Minor compliance –</p>	<p>Bukit Maraja POM: Bukit Maraja POM recording the mill water use per tonne FFB. The record of water use available in "Pemakaian air dan HSD Oil per metrik FFB". The budget of water use for FFB process sets at 1 m<sup>3</sup>/ton FFB processed. Record for year 2016 seen:</p> <table border="1" data-bbox="678 618 1220 1153"> <thead> <tr> <th>Month</th> <th>FFB Processed (tons)</th> <th>Water usage (m<sup>3</sup>)</th> <th>Water usage (m<sup>3</sup>/ton FFB)</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>5,924</td><td>7,567</td><td>1.28</td></tr> <tr><td>Feb</td><td>5,635</td><td>6,730</td><td>1.19</td></tr> <tr><td>Mar</td><td>6,199</td><td>6,994</td><td>1.13</td></tr> <tr><td>Apr</td><td>7,031</td><td>8,098</td><td>1.15</td></tr> <tr><td>May</td><td>8,626</td><td>9,797</td><td>1.14</td></tr> <tr><td>Jun</td><td>8,971</td><td>9,873</td><td>1.10</td></tr> <tr><td>Jul</td><td>8,919</td><td>10,464</td><td>1.05</td></tr> <tr><td>Aug</td><td>8,720</td><td>9,453</td><td>1.08</td></tr> <tr><td>Sep</td><td>10,529</td><td>10,529</td><td>1.00</td></tr> <tr><td>Oct</td><td>9,360</td><td>9,882</td><td>1.06</td></tr> <tr><td>Nov</td><td>7,864</td><td>7,768</td><td>0.99</td></tr> <tr><td>Dec</td><td>8,440</td><td>7,817</td><td>0.93</td></tr> <tr><td>Total</td><td>97,225</td><td>104,972</td><td>1.08</td></tr> </tbody> </table> <p>FFB process in January 2017 7,307 tons, water consumption 6,889 M3 and water consumption per metric tons FFB 0.93</p>	Month	FFB Processed (tons)	Water usage (m <sup>3</sup> )	Water usage (m <sup>3</sup> /ton FFB)	Jan	5,924	7,567	1.28	Feb	5,635	6,730	1.19	Mar	6,199	6,994	1.13	Apr	7,031	8,098	1.15	May	8,626	9,797	1.14	Jun	8,971	9,873	1.10	Jul	8,919	10,464	1.05	Aug	8,720	9,453	1.08	Sep	10,529	10,529	1.00	Oct	9,360	9,882	1.06	Nov	7,864	7,768	0.99	Dec	8,440	7,817	0.93	Total	97,225	104,972	1.08	<p>Comply</p>
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<p><b>Criterion 4.5:</b> Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>																																																										

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.5.1</b> Monitoring of Integrated Pest Management (IPM) plan implementation shall be available. - Major compliance -</p>	<p>Bukit Maraja Estate and Kerasaan Estate are able to demonstrate Integrated Pest Management under "Program Pengendalian Hama Terpadu 2017", updated on 10 January 2017. These plans comprise of biological, physical and chemical treatment to control pest attack.</p> <p>Integrated Pest Management was documented and retrievable including building and maintenance of barn owl boxes, planting and maintenance of beneficial plants, pest and diseases census such as for ganoderma census. All Estate were implementing early warning system through regular pest monitoring (census) for rat and boar attack, leaf eating pest, etc. Reports are produced and maintained, chemical pesticide will only used if the pests attack above the economic threshold. Once implemented, management performs monitoring to re-check the program effectiveness.</p> <p>Bukit Maraja Estate:</p> <ol style="list-style-type: none"> <li>1. The ganoderma census in November 2016 shows in division II block 2010A21 (10.55 Ha) – 59 palms infested (4.05%); block 2011C37A – 54 palms infested (1.88%) and in block 1996C34 (11.9 Ha) – 453 palms infested (28.91%). Treatment with de-bolling and sanitation immediately.</li> <li>2. Barn owl box installation/maintenance program for 25 boxes in Bukit Maraja Estate (active 11 boxes, 44%). Barn owl monitoring done on monthly basis. On January 2017 in Division I, 1999B25, block 2005C25, etc.</li> <li>3. Round Census and Treatment Rate, in Division III in Jauary 2017. Damage palm (71 palms), material Tukiman (12,6 Kg) for 0.50% serangan.</li> </ol>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Kerasaan Estate:</p> <ol style="list-style-type: none"> <li>The Ganoderma census in November 2016 shows in division I block 1996E05 (22.10 Ha) – 923 palms infested of 3,136 palms; in division II block 2011I08 (19.72 Ha) – 22 palms infested of 2,848 palms. Treatment with de-bolling and sanitation immediately.</li> <li>Barn owl box installation/maintenance program for 29 boxes Kerasaan Estate (active 16 boxes, 50.17%). Barn owl monitoring done on monthly basis. On January 2017 in Division I, block 2003B04, block 2003C03, kin division II block 2007J07, 2006 J04 etc.</li> </ol>	
<p><b>4.5.2</b> Training records of Integrated Pest Management (IPM) shall be available. - Minor compliance –</p>	<p>There are training records for training of staff in regards to IPM and these are now formally recorded on all occasions. IPM training provided for field operators in all estates. The training was conducted by “Verdant Bioscience Indonesia”.</p> <p>Bukit Maraja Estate: Integrated Pest Management training – Ganoderma census and treatment, dated 31 May 2016 and attended by 32 field officer, location division II and on 24 October 2016, attended by 17 field workers in division III.</p> <p>Kerasaan Estate, “Socialisation on Intergrated Pest Management”, dated 23 February 2017. Attended by 36 field workers, in division III.</p>	<p>Comply</p>
<p><b>Criterion 4.6:</b> Pesticides are used in ways that do not endanger health or the environment</p>		

<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
<p><b>4.6.1</b></p> <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>The company has shown that all pesticides which used by the company included in approved registered pesticide by Agriculture Ministry – 2016.</p> <p>PT Eastern Sumatera Indonesia also has procedures to explain the identification of target species, agrochemical to be used, and dosage and area per application in general. A further dosage reduction controlled through budget.</p> <p>Visit to chemical store and record review shows company chemical product for specific target species (weed).</p> <p>Bukit Maradja Estate:  PT Eastern Sumatera Indonesia has listed all pesticide and herbicide used on the field. All the pesticide and herbicide have valid license from government.</p> <p>Example: Inteam 150SL, a.i. Ammonium glifosinat 150g/l No Reg: 01030120072763, valid until 31 December 2020, etc.</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance																																																			
<p><b>4.6.2</b> Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -</p>	<p>Bukit Maraja Estate and Kerasaan Estate records of herbicide use, available and maintained at each Estate. The records shows the total chemical used (in kg and/or liters), the active ingredients used, total area treated (in Ha), and active ingredients used per area treated and per ton FFB produced. PT Eastern Sumatra Indonesia is calculating the active ingredients per block on monthly basis.</p> <p>Record of herbicide and pesticide application:</p> <table border="1" data-bbox="678 745 1246 1704"> <thead> <tr> <th>Description</th> <th>2015</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>SMART (Isopropil amina glyphosate)</td> <td>8,949.72 liter</td> <td>4,176 liter</td> </tr> <tr> <td>Gramoxone (Paraquat)</td> <td>2,031.62 liter</td> <td>87.8 liter</td> </tr> <tr> <td>Garlon (Triclophyr)</td> <td>11 liter</td> <td>356.09 liter</td> </tr> <tr> <td>Kenlon (Triclophyr)</td> <td>51 liter</td> <td>-</td> </tr> <tr> <td>Vulgar (2,4 Dimetil Amina)</td> <td>40 liter</td> <td>-</td> </tr> <tr> <td>Metsul 24 WP (Metil Metsulfuron)</td> <td>266,246 gram</td> <td>-</td> </tr> <tr> <td>Decis (Deltametrin)</td> <td>87,41 liter</td> <td>-</td> </tr> <tr> <td>Dithane (Mankozeb)</td> <td>91 kg</td> <td>-</td> </tr> <tr> <td>Marathon 500 SL (Dimehipo)</td> <td>1,375.10 liter</td> <td>44.6 liter</td> </tr> <tr> <td>Marshall 5G (Karbosulfan 5%)</td> <td>12,988.2 4 kg</td> <td>3,503 kg</td> </tr> <tr> <td>Malation 96% TC</td> <td>3.10 liter</td> <td>-</td> </tr> <tr> <td>Amnistratop (Azoxistrobin dan Difenokonazol)</td> <td>15.15 liter</td> <td>1.27 liter</td> </tr> <tr> <td>Becano 500 SC (Indaziflam 500 g/l)</td> <td>77.12 liter</td> <td>30.43 liter</td> </tr> <tr> <td>Portal 60 EC</td> <td>-</td> <td>12.5 liter</td> </tr> <tr> <td>Sime Ebor Baits</td> <td>-</td> <td>451 Kg</td> </tr> <tr> <td>Starthene 75 WG</td> <td>-</td> <td>53.68 liter</td> </tr> </tbody> </table> <p>"Rekaman Penggunaan Pestisida, Fungisida and Herbisida 2017": i.e. in division III Block 2000B15, application in January 2017, application for Glyphosate total quantity 10,573 gram treated 20.49 Ha</p>	Description	2015	2016	SMART (Isopropil amina glyphosate)	8,949.72 liter	4,176 liter	Gramoxone (Paraquat)	2,031.62 liter	87.8 liter	Garlon (Triclophyr)	11 liter	356.09 liter	Kenlon (Triclophyr)	51 liter	-	Vulgar (2,4 Dimetil Amina)	40 liter	-	Metsul 24 WP (Metil Metsulfuron)	266,246 gram	-	Decis (Deltametrin)	87,41 liter	-	Dithane (Mankozeb)	91 kg	-	Marathon 500 SL (Dimehipo)	1,375.10 liter	44.6 liter	Marshall 5G (Karbosulfan 5%)	12,988.2 4 kg	3,503 kg	Malation 96% TC	3.10 liter	-	Amnistratop (Azoxistrobin dan Difenokonazol)	15.15 liter	1.27 liter	Becano 500 SC (Indaziflam 500 g/l)	77.12 liter	30.43 liter	Portal 60 EC	-	12.5 liter	Sime Ebor Baits	-	451 Kg	Starthene 75 WG	-	53.68 liter	<p>Comply</p>
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<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
<b>4.6.3</b> Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. - Major compliance -	There is no used of prophylactic use of pesticides throughout the company estate. Pesticide is only used for last resort.	Comply
<b>4.6.4</b> Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -	Based on document review, it was noted that paraquat usage is reduced. Reducing program will be continuing until phased out by the end of 2016. There is Memorandum from Director Estates Departements No.09/CIR-ESD/IV/15 dated 1 April 2015 to stop the use of paraquat by 01/01/2017; application of paraquat to end stock is allowed.	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.6.5</b> 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). - Major compliance -</p>	<p>Agrochemicals are only handled, used and applied by trained personnel. Based on field visit to chemical store, and interview with the storekeeper, they admit to have proper training. The chemical store equipped with MSDS, appropriate PPE (face shield, respirator, apron, gloves and rubber boot) and emergency equipment – in the case of spillage or exposure.</p> <p>The training data is also maintained to show the nature and content of the training covered. Material Data Safety Sheets (MSDS) are obtained for all chemicals used and are available at the storage and areas of mixing.</p> <p>Record seen: Bukit Maradja Estate: "Pelatihan Pestisida Terbatas" d. Certificate No.521.4/83.31/PLA.S/V/2014, dated 28/04/2015 for Mr. Ponirin, e. Certificate No.521.4/135/09/PLA.S/VII/201, dated 17/07/2012 for Mrs. Mesgiati. f. Certificate No.521.4/BS.0909/PLA.S/VII/2012, dated 17 July 2012, for Mrs Yusneti</p> <p>Kerasaan Estate: "Pelatihan Pestisida Terbatas" dated 29/04/2015 for Ahmad Mustafa (certificate No.521.4/88.31/PLA.S/V/2014), Amin Subagio, Suprianto, Juliadi, Ade Anggara.</p>	<p>Comply</p>

<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
<p><b>4.6.6</b> Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -</p>	<p>The storage for all pesticide is in good condition. A standard storage system appears to be implemented across the company. The storage is equipped with sufficient air ventilation to provide air circulation. Hazard signs, emergency shower, secondary containment, spill kit, appropriate PPE (face shield, permeable gloves, apron and mask) is available and ready for use. Working instruction for pre-mixing, stacking and storing pesticide is current, MSDS is also readily available. Material Data Safety Sheets (MSDS) are obtained for all chemicals used and are available at the areas of mixing. These were all seen be controlled by date and were readily available. No concentrates are taken into the field as all spray solutions are pre-mixed in a designated area. Empty pesticide container was triple rinsed before sent for temporary hazardous waste storage. The company supplies two sets of overalls to all pesticide operators so that one can always be considered clean. Overalls are washed at the pesticide mixing areas in specially constructed wash areas so that sprayers and mixers do not need to take them home and therefore the risk of cross contamination with family members is reduced and eliminated.</p>	<p>Comply</p>
<p><b>4.6.7</b> Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -</p>	<p>Pesticides used were mixed accordingly as per mixing instructions. Procedure no TTI/PROS/IMP/14 revision 01 dated on 01 December 2013 was established and approved related pesticides usage, storage, mixing and handling of container properly to minimise risk and impact. Application of pesticide shall be approved by manager based on action plan from each FA (Field Assistant), reviewed by Field Head assistant. FA made pesticide plan referred to result of survey.</p>	<p>Comply</p>
<p><b>4.6.8</b> Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance -</p>	<p>There is no aerial application of pesticide throughout PT Eastern Sumatera Indonesia's Estate.</p>	<p>Comply</p>



<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
<p><b>4.6.9</b> Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8). - Minor compliance -</p>	<p>Records of training are kept in each estate for all workers who come into contact with pesticides this include Pesticide Mixers, pesticide Sprayers and any chemical handlers in the stores.</p> <p>The training data is available and centrally in all estates for whoever handles pesticides. There is a minimum requirement of PPE that must be used in the handling and application of pesticides. PPE specifications are stated in the MG and further demonstrated in training manuals.</p> <p>Bukit Maradja Estate:</p> <p>g. "Pelatihan Pestisida Terbatas" (certificate No.521.4/88.31/PLA.S/V/2014) dated 28/04/2015 for Mr.Ponirin, Mrs.Riati, Mr.Agus Kurniawan</p> <p>h. "Pelatihan Pestisida Terbatas" (certificate No.5212.4/135/09/PLA.S/VII) dated 17/07/2012 for Mrs.Mesgiati, Mrs.Isniwati, Mr.Suyetno, Mr.Ifan Arnando, Mrs.Sumiat.</p> <p>Kerasaan Estate:</p> <p>i. Pelatihan Pestisida Terbatas was done on 28/04/2015 by Komisi Pengawasan Pupuk dan pestisida, Certificate No.521.4/88.31/PLA.S/V/2014 for Mr. Harianto, Mr.Brian Daniel, Mr.Soliadi, Mr.Ardiansyah.</p> <p>j. Training for SA 15 sprayer calibration was done on 25/08/2015 and attended by 7 sprayers.</p> <p>k. Internal training for chemical handling conducted on 23 February 2017, attended by 8 sprayers.</p>	<p>Comply</p>

<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
<p><b>4.6.10</b> Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). - Minor compliance -</p>	<p>Chemical storekeeper in estates understood the procedure and re-use of ex-chemical empty container. The empty containers are triple rinsed before sent to hazardous waste storage and/or re-use as pre-mixed water container to the field.</p> <p>Waste storage was separately and clearly identification as follow: hazardous waste black colour, Organic waste green colour, non-organic waste blue colour and economical waste yellow colour. This identification has been properly understood by all workers.</p> <p>Review of records showed all hazardous waste has been identified and properly monitored, such as used oil, used oil filter, used batteries, empty chemical container from Estate and Mill activities, contaminated materials, etc. Monitoring was recorded in document "Neraca Limbah B3".</p> <p>The record of latest disposal via third party licensed transporter, under "Berita Acara Serah Terima Limbah B3 No.10/KRE-ENC/2016 dated 3 October 2016. The licensed contractor transported 245 liters waste oil, 30,5 Kg battery, 23 kg oil filter, 3 kg electronic waste, 103 kg chemical container, 6.4 kg medical waste. Manifest No.ZF0010472 for 245 liters used oil dated 3 October 2016. Manifest No.ZF0020475 for 103 kg chemical container by PT Amindy Barokah dated 3 October 2016.</p>	<p>Comply</p>
<p><b>4.6.11</b> Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance -</p>	<p>Beside annual medical checkup, specific medical checkup was also done for pesticide and chemical operator at least once a year by external clinic "Klinik Spesialis Anugerah Ibu", record of medical checkup was evident as per record "formulir pemeriksaan medis pekerja pemakai pestisida/bahan kimia" and Specific medical checkup.</p> <p>Based on interview with spraying team and review Medical Surveillance recsul on sampled workers, doctor concluded there is no worker with signs of intoxication detected.</p> <p>Latest medical checkup dated 20 May 2016 for attended by 57 filed workers – all found to be fit to work. e.g: Mr Supriyati, Mrs Devi, Mrs Winda Ria, etc.</p>	<p>Comply</p>

<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
<p><b>4.6.12</b> No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -</p>	<p>There is no pregnant worker and breast feeding women involving for spraying, chemical and pesticides activities during audit observation and based on interview result with spraying team in Bukit Maradja and Kerasaan estates.</p> <p>Record seen: "Absen Karyawan Manuring Tidak Hamil dan Menyusui" in January 2017 – No pregnant, no breastfeeding checklist for manuring team, carried out on daily basis: Mrs. Supriyati, Mrs Hesti, Mrs Herlinawati, Mrs. Riani, etc.</p>	<p>Comply</p>
<p><b>Criterion 4.7:</b> An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:</p>		
<p><b>4.7.1</b> 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. - Major compliance -</p>	<p>An Occupational Health and Safety Policy has been established and in place, issued and signed by the President Director dated 01/03/2014. Company supports the implementation of all relevant laws and regulations of Republic of Indonesia and of applicable international agreements and standards. Continual improvement through hazard and risk identification and reduction; Provision of adequate resources for effective implementation of Occupational Health and Safety programmes and procedures, including strict compliance reviews; Ensuring OHS policy integrate with other company policy.</p> <p>Health and Safety Procedure under "Prosedur Keselamatan dan Kesehatan Kerja" No.ENC/SOP/06 dated 02/01/2013. The procedure covers the risk assessment process, resources, safety committee, emergency response plan, record and reporting, etc.</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<ol style="list-style-type: none"> <li>1. The company has established OHS plan are available, "in Program P2K3 tahun 2017", such as:               <ol style="list-style-type: none"> <li>a. Meeting of P2K3LHS (monthly bases);</li> <li>b. Report of P2K3 (Q1, Q2, Q3 and Q4);</li> <li>c. Inspection and maintenance of APAR (monthly);</li> <li>d. Hydrant maintenance;</li> <li>e. Fire Drill;</li> <li>f. Socialization on PPE, fire extinguisher;</li> <li>g. First aid box inspection;</li> <li>h. Medical Checkup (special and regular);</li> <li>i. Accident investigation;</li> <li>j. Review and updated the legal and other requirement related to OHS;</li> </ol> </li> <li>2. Program P2K3LHS tahun 2017 approved on 05/01/2017 covers the training on hazardous waste handling, boiler emergency, spill kit use, fire handling simulation, monthly health and safety meeting.</li> <li>3. Inspection checklist for laboratory, workshop, housing, hazardous waste store, checks facility, cleanliness, housekeeping, health and safety, emergency first response, electricity, dangerous material and waste, pollution prevention.</li> </ol>	

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.7.2</b> All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>- Major compliance -</p>	<p>Document of risk assessment was determined, updated in January 2017. Covering all activities in Bukit Maradja POM based on location / workplace, e.g: Field activity (manuring, spraying, harversting, transportation), Security, Office and weighbridge, loading ramp, sterilizer, chain/capstand, hoisting crane, screw press, water treatment plant, workshop, laboratorium, biogas plant, composting area, etc.</p> <p>Bukit Maradja POM:            Safety Officer, Mr.Sugiono, certified as "Ahli Keselamatan dan Kesehatan Kerja" No.Ser.13.6841/AK3/U/IV/2014, dated 02/04/2014. Mr.Sugiono, certified and appointed as per "Surat Keputusan Menteri Tenaga Kerja dan Transmigrasi RI No.KEP.6199/M/DJPPK/IV/2014 tentang Penunjukan Keselamatan dan Kesehatan Kerja Umum" dated 02/04/2014, valid for 3 years. Health and Safety Committee approved by manpower office, as per "Surat Keputusan Kepala Dinas Sosial, Tenaga Kerja Kabupaten Simalungun No.188.45/336-HIJ tentang Penetapan Susunan Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3) di Perusahaan" dated 29/02/2016.            Health and Safety meeting carried out on monthly basis.</p> <p>Bukit Maradja Estate:            Safety Officer, Mr.Dody Febriansyah, certified as "Ahli Keselamatan dan Kesehatan Kerja" No.Ser.13.6838/AK3/U/IV/2014. Appointment as per "Surat Keputusan Menteri Tenaga Kerja dan Transmigrasi RI No.KEP.6196/M/DJPPK/IV/2014 tentang Penunjukan Keselamatan dan Kesehatan Kerja Umum" dated 02/04/2014, valid for 3 years. Health and Safety Committee, approved as per "Surat Keputusan Kepala Dinas Sosial, Tenaga Kerja dan Transmigrasi Kabupaten Simalungun No.560/576/P2K3/DTK/2014 tentang Penetapan Susunan Panitia Pembina Keselamatan dan Kesehatan Kerja di Perusahaan" dated 16/10/2014.</p>	<p>Comply</p>

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Kerajaan Estate:            Safety Officer, Mr.Ahmadi, certified as "Ahli Keselamatan dan Kesehatan Kerja" No.Ser.13.6849/AK3/U/IV/2014. Appointment as per "Surat Keputusan Menteri Tenaga Kerja dan Transmigrasi RI No.KEP.6207/M/DJPPK/IV/2014 tentang Penunjukan Keselamatan dan Kesehatan Kerja Umum" dated 02/04/2014, valid for 3 years. Health and Safety Committee, approved as per "Surat Keputusan Kepala Dinas Sosial dan Tenaga Kerja Kabupaten Simalungun No.188.45/384/HIJ tentang Penetapan Susunan Panitia Pembina Keselamatan dan Kesehatan Kerja di Perusahaan" dated 08/03/2016.</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.7.3</b> All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Minor compliance -</p>	<p>The company has provided the training for each employee.</p> <p>The internal training has been implemented according to the established "Realisasi P2K3LHS Tahun 2016". 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 Bukit Maradja POM, Bukit Maradja Estate and Kerasaan Estate.</p> <p>Bukit Maradja POM:  SIO, e.g:</p> <ul style="list-style-type: none"> <li>- Mr Irlan Hermanto Purba certificate "Bidang Pesawat Angkat Angkut" No.Ser.1114/OPK3/PAA/IV/2014. License No.14/25012-OPK3-PAA/IV/2014 dated 12/04/2014 valid to 12/04/2019.</li> <li>- zMr Bonaruli Silalahi certificate "Bidang Pesawat Tenaga dan Produksi" No.Ser.14.5/OP.TU.K3/PTP/IV/2014. License No.14.062-OP.TU.K3/PTP/IV/2014 dated 29/04/2014 valid to 29/04/2019. Candro Marulitua Silalahi License No.14.617-OPMK3/PTP/IV/2014 dated 29/04/2014 valid to 29/04/2019.</li> </ul> <p>Bukit Maradja Estate:</p> <ul style="list-style-type: none"> <li>- Mr. Sugianto, motor grader operator trained with "Pembinaan Teknik Keselamatan dan Kesehatan Kerja Pesawat Angkat dan Angkut" certified and licensed No.14.33257-OPK3-PAA/III/2014 dated 28/03/2014 valid until 28/03/2019.</li> <li>- Mr. Ponidi, wheel tractor operator trained with "Pembinaan Teknik Keselamatan dan Kesehatan Kerja Pesawat Angkat dan Angkut" certified No.Ser.2210/OPK3/PAA/III/2014 and licensed No.14.33276-OPK3-PAA/III/2014 dated 28/03/2014 valid until 28/03/2019.</li> <li>- Mr. Eko Praja, welder, trained and certified welding, No.Reg.JIP.024.0000260.2014 for 3G – SMAW, dated 04/07/2014.</li> </ul>	<p>Comply</p>

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Kerasaan Estate:            Mr.Wahyudi, wheel tractor perator trained with "Pembinaan Teknik Keselamatan dan Kesehatan Kerja Pesawat Angkat dan Angkut" certificate No.Ser.2214/OPK3/PAA/III/2014; License No.14.33280-OPK3-PAA/III/2014 dated 28/03/2014 valid until 28/03/2019.</p> <p>The company has provided PPE for all employee, as regulated in Work Agreement in section XV, mentioned related to work equipment, OHS including PPE.</p> <p>Record seen:</p> <ul style="list-style-type: none"> <li>- Bukti tanda terima - Evidence of handover the PPE (wearpack in Bukit Maradja), in semester II 2016 for 65 workers.</li> <li>- Berita Serah Terima APD – evidence of handover the PPE in division F1 Kerasaan Estate on 19 March 2016 for 26 harvester.</li> </ul>	



Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.7.4</b> The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>- Major compliance -</p>	<p>Bukit Maradja POM:            Safety Officer, Mr.Sugiono, certified as "Ahli Keselamatan dan Kesehatan Kerja" No.Ser.13.6841/AK3/U/IV/2014, dated 02/04/2014. Mr.Sugiono, certified and appointed as per "Surat Keputusan Menteri Tenaga Kerja dan Transmigrasi RI No.KEP.6199/M/DJPPK/IV/2014 tentang Penunjukan Keselamatan dan Kesehatan Kerja Umum" dated 02/04/2014, valid for 3 years. Health and Safety Committee approved by manpower office, as per "Surat Keputusan Kepala Dinas Sosial, Tenaga Kerja Kabupaten Simalungun No.188.45/336-HIJ tentang Penetapan Susunan Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3) di Perusahaan" dated 29/02/2016.            Health and Safety meeting carried out on monthly basis.</p> <p>Bukit Maradja Estate:            Safety Officer, Mr.Dody Febriansyah, certified as "Ahli Keselamatan dan Kesehatan Kerja" No.Ser.13.6838/AK3/U/IV/2014. Appointment as per "Surat Keputusan Menteri Tenaga Kerja dan Transmigrasi RI No.KEP.6196/M/DJPPK/IV/2014 tentang Penunjukan Keselamatan dan Kesehatan Kerja Umum" dated 02/04/2014, valid for 3 years. Health and Safety Committee, approved as per "Surat Keputusan Kepala Dinas Sosial, Tenaga Kerja dan Transmigrasi Kabupaten Simalungun No.560/576/P2K3/DTK/2014 tentang Penetapan Susunan Panitia Pembina Keselamatan dan Kesehatan Kerja di Perusahaan" dated 16/10/2014.</p>	<p>Comply</p>

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Kerasaan Estate:            Safety Officer, Mr.Ahmadi, certified as "Ahli Keselamatan dan Kesehatan Kerja" No.Ser.13.6849/AK3/U/IV/2014. Appointment as per "Surat Keputusan Menteri Tenaga Kerja dan Transmigrasi RI No.KEP.6207/M/DJPPK/IV/2014 tentang Penunjukan Keselamatan dan Kesehatan Kerja Umum" dated 02/04/2014, valid for 3 years. Health and Safety Committee, approved as per "Surat Keputusan Kepala Dinas Sosial dan Tenaga Kerja Kabupaten Simalungun No.188.45/384/HIJ tentang Penetapan Susunan Panitia Pembina Keselamatan dan Kesehatan Kerja di Perusahaan" dated 08/03/2016.            Health and Safety meeting carried out on monthly basis.</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.7.5</b> Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>- Minor compliance -</p>	<p>The company has established the procedure of accident response under "Prosedur Penanganan, Pelaporan dan Penyelidikan Kecelakaan Kerja" K3/PRO/PTD/05 dated 1 May 2012.</p> <p>The procedure of Emergency situation under "Instruksi Kerja Tanggap Darurat", dated 17<sup>th</sup> February 2017.</p> <p><b>Bukit Maradja POM:</b>  The emergency response team/Tim Tanggap Darurat dan Badan Koordinasi Anti Kebakaran as per "Surat Keputusan Kepala Dinas Sosial, Tenaga Kerja Kabupaten Simalungun No.188.45/336-HIJ tentang Penetapan Susunan Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3) di Perusahaan" dated 29/02/2016.</p> <p><b>Bukit Maradja Estate:</b>  Emergency response team has been appointed and trained on 27/02/2015 (fire fighting). First aid training provided for all field supervisors. Latest first aid training conducted on 22/12/2015 for Asmadi (Harvester supervisor), Agus Kurniawan (Chemical storekeeper), Supendi (Manual manuring supervisor), and 16 other supervisors.  Workers understood the emergency response procedures.  Licensed first aider, Mr.Eris Efendi Saragih, Certificate No.Ser.2403/PK3-P3K/VII/2014; License No.644/DTK/P3K/2014, dated 23/07/2014 – 23/07/2017 and Mr.Marsudi No.Ser.2404/PK3-P3K/VII/2014; License No.645/DTK/P3K/2014 dated 23/07/2014 – 23/07/2017.</p> <p><b>Kerasaan Estate:</b>  First aid training provided for all field supervisors. Latest first aid training conducted on 09/01/2016 for Fadlan (Harvesting supervisor), Suhendra (Upkeep supervisor), etc.  Licensed first aider, Mr.Suwidi, Certificate No.Ser.2400/PK3-P3K/VII/2014; License No.641/DTK/P3K/2014, dated 23/07/2014 – 23/07/2017.</p>	<p>Comply</p>

<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
<p><b>4.7.6</b> All workers shall be provided with medical care, and covered by accident insurance.                      - Minor compliance -</p>	<p>Based on document review and interview with workers and labour union, confirmed that all employees covered by social insurance as per government regulation, BPJS – covering health insurance, accident insurance and pension fund. This scheme applicable to the dependent of the worker. Company clinics are licensed to provide medical service that meets the insurance requirements.</p> <p>The company provide medical examination to all employee, a medical examination conducted to employee regularly, for example medical examination on May 20<sup>th</sup>, 2017 by Klinik Spesialis Anugerah Ibu, a an accredited clinical laboratory in Medan City.                      The result of medical checkup is available.</p> <p>The result of medical checkup has communicated to all employe, e.g: on 31 August to 1 September 2016, location in Poliklinik BME and attended by 64 employees</p>	<p>Comply</p>
<p><b>4.7.7</b> Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics                      - Minor compliance -</p>	<p>Most of the lost time injury related to harvesting activities/palm fronds in 2016. During 2016 Bukit Maradja estate noted that 45 lost day due to accident, involving 16 accident in field operation.</p>	<p>Comply</p>
<p><b>Criterion 4.8:</b>                      All staff, workers, smallholders and contract workers are appropriately trained.</p>		

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.8.1</b> A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme.</p> <p>- Major compliance -</p>	<p>Bukit Maradja Estate:            Bukit Maradja Estate has conducted training assessment as documented in "Identifikasi Jenis Pelatihan 2017". Based on training assessment, the company produced training program in 2017 as documented in "Program Training 2017", there are 9 item training is programmed in 2017, such as: FFB quality, spraying &amp; pesticide, manuring, IPM, operator &amp; driver, fire fighting, OHS, HCV, RSPO SCCS, RSPO P &amp; C, code of conduct, Leaf sampling unit, PPE</p> <p>Bukit Maradja estate has completed training as programmed in 2017, e.g.</p> <ul style="list-style-type: none"> <li>- Socialization to driver / operator, on 20 February 2017, was attended by 21 drivers.</li> <li>- Socailization to team of manual fertilizing, on 30 January 2017, was attended by 13 field workers.</li> </ul> <p>Attendance list and training material is available in "Rekaman Pelatihan"</p>	<p>Comply</p>

<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
<p><b>4.8.2</b> Records of training for each employee shall be maintained. - Minor compliance -</p>	<p>Bukit Maradja Estate: Bukit Maradja Estate has conducted training assessment as documented in "Identifikasi Jenis Pelatihan 2017". Based on training assessment, the company produced training program in 2017 as documented in "Program Training 2017", there are 9 item training is programmed in 2017, such as: FFB quality, spraying &amp; pesticide, manuring, IPM, operator &amp; driver, fire fighting, OHS, HCV, RSPO SCCS, RSPO P &amp; C, code of conduct, Leaf sampling unit, PPE Bukit Maradja estate has completed training as programmed in 2017, e.g.</p> <ul style="list-style-type: none"> <li>- Socialization to driver / operator, on 20 February 2017, was attended by 21 drivers.</li> <li>- Socialization to team of manual fertilizing, on 30 January 2017, was attended by 13 field workers.</li> </ul> <p>Attendance list and training material is available in "Rekaman Pelatihan"</p> <p>Bukit Maradja POM: Record seen:</p> <ul style="list-style-type: none"> <li>- Employee training and education record, namely Mr Riza M (Processing station) -&gt; subject of training e.g: socialization of company policy (09/05/2016), training of PPE (09/01/2017), Socialization of code of conduct (10/02/2016)</li> <li>- Employee training and education record, namely Mr Ramona S (Mill) -&gt; subject of training e.g: tumpahan CPO (05/05/2012), training of work instruction on reception station (15/01/2013), training of PPE (09/01/2017), Socialization of code of conduct (10/02/2016)</li> </ul>	<p>Comply</p>
<p><b>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity</b></p>		
<p><b>Criterion 5.1:</b> Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>		

<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
<p><b>5.1.1</b> An environmental impact assessment (EIA) shall be documented. - Major compliance -</p>	<p>Environmental document named "UKL – UPL" was approved "Keputusan Kepala Badan Pengendalian Dampak Lingkungan Daerah Kabupaten Simalungun" No. 188.4/70/Bpdl related to finalized environmental feasibility at Palm oil mill of PT Eastern Sumatera Indonesia (PT SIPEF), Bukit Maradja Estate, Simalungun District, North Sumatra Province dated on 26th February 2004 and last revision of "Rencana Pengelolaan Lingkungan (RKL) dan Revisi Rencana Pemantauan Lingkungan (RPL)" with scope of study palm oil estate area 3,178 Ha and palm oil mill 30 Ton TBS/hour as stated in the "Keputusan Bapedalda Kabupaten Simalungun No. 271/Bpdl/2008".</p> <p>"Dokumen Upaya Pengelolaan dan Pemantauan Lingkungan (UKL- UPL)" is comply with letter of "Kepala Bapedalda Kabupaten Simalungun No. 442/Bpdl-2005 dated on 23rd desember 2005 related aggrement of "Dokumen UKL/UPL PPT Kerasaan Indonesia" and revision of "Upaya Pengelolaan Lingkungan dan Upaya Pemantauan Lingkungan (UKL/UPL)" comply with letter agreement "Kepala Badan Lingkungan Hidup Kabupaten Simalungun No. 700/109/BLH/2009 dated on 8th April 2009 with scope of study 2,362 Ha palm oil estates.</p> <p>All environmental impact assessments have been carried when and where appropriate. Records of all impact assessments carried out are readily available. All operational areas have undertaken reviews of the environmental impacts on at least an annual basis.</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
<p><b>5.1.2</b> Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons.</p> <p>- Minor compliance -</p>	<p>Company has prepared report on Environmental Management and Monitoring implementation (Laporan RKL-RPL) and submit to the government regularly (per semester), e.g RKL-RPL report semeseter II 2016 (Period June – December 2016) "Laporan Pelaksanaan Rencana pengelolaan Lingkungan Hidup (RKL) dan Rencana Pemantauan Lingkungan Hidup (RPL)</p> <p>Bukit Maradja Mill and Estate: The evidence of submitted report to the government is available, e.g.</p> <ul style="list-style-type: none"> <li>- Acceptance RKL / RPL report in BLH Kab. Simalungun on 20 February 2017, by BLH officer, namely Mrs Nurmala L Tobing</li> <li>- Acceptance RKL / RPL report in Badan Lingkungan Hidup (BLH) Provinsi Sumatera Utara on 20 February 2017, by courier (Post Office - Tanda Bukti Kiriman is available).</li> </ul> <p>The management plan incorporated in the "Rencana Pengellolaan Lingkungan", consist of:</p> <ol style="list-style-type: none"> <li>1. Udara emisi (Air emission)               <ul style="list-style-type: none"> <li>- Optimum steam producing in boiler.</li> <li>- Fossil fuel efficiency with introduce oxygen to accelerate burning</li> <li>- Providing mask for workers.</li> <li>- Planting trees surrounding and within mill areas.</li> </ul> </li> <li>2. Udara Ambient (Ambient)               <ul style="list-style-type: none"> <li>- Install dust collector</li> <li>- Routine maintenance for machineries.</li> <li>- Construct paving stone in main road.</li> <li>- Providing mask for workers.</li> <li>- Planting trees surrounding and within mill areas.</li> </ul> </li> <li>3. Kebisingan (Noise)               <ul style="list-style-type: none"> <li>- Reduction noise in Genset area with "Kedap Suara"</li> <li>- Machineries maintenance routine.</li> </ul> </li> <li>4. Surface water               <ul style="list-style-type: none"> <li>- Discharged Effluent into the Land Application</li> <li>- Maintenance effluent pond</li> </ul> </li> <li>5. Ground water quality               <ul style="list-style-type: none"> <li>- CDM project</li> <li>- Effluent Pond</li> </ul> </li> </ol>	<p>Comply</p>



Criterion / Indicator	Assessment Findings	Compliance
	<p>6. Soil Fertility  Land Application</p> <p>7. Welfare:</p> <ul style="list-style-type: none"> <li>- Tax and retribution</li> <li>- CSR program</li> <li>- Job and local business opportunity, etc.</li> </ul> <p>Kerasaan Estate:  Company has prepared report on Environmental Management and Monitoring implementation (Laporan UKL-UPL) and submit to the government regularly (per semester), e.g UKL-UPL report semester II 2016 (Period June – December 2016).</p> <ul style="list-style-type: none"> <li>- The evidence of submitted report to the government is available, e.g. Acceptance UKL/UPL report in Dinas Perkebunan Kab. Simalungun on 23 February 2017</li> <li>- Acceptance UKL/UPL report in BLH Kab. Simalungun on 23 February 2017, by officer, namely Leny.</li> <li>- Acceptance RKL / RPL report in Badan Lingkungan Hidup (BLH) Provinsi Sumatera Utara on 25 February 2017, by courier (Post Office - Tanda Bukti Kiriman is available)</li> </ul> <p>The management plan incorporated in the “Upaya Pengelolaan Lingkungan (UPL)”, consist of:</p> <ol style="list-style-type: none"> <li>1. Kebisingan (Noise) <ul style="list-style-type: none"> <li>- Limitation of vehicles speed</li> <li>- Enrichment planting surrounding and within line-site.</li> </ul> </li> <li>2. Oil Bekas (used oil) Oil trap. <ul style="list-style-type: none"> <li>- Used oil is kept in temporary storage of hazardous waste.</li> <li>- Balancing report of used oil.</li> </ul> </li> <li>3. Penurunan Kesuburan Tanah (Decreasing of soil fertility) <ul style="list-style-type: none"> <li>- Staging of replanting</li> <li>- Planting cover crops</li> <li>- Zero burning</li> </ul> </li> <li>4. Sikap dan persepsi Masyarakat (Local community perception) <ul style="list-style-type: none"> <li>- Job opportunity.</li> <li>- Community Development</li> </ul> </li> </ol>	

Criterion / Indicator	Assessment Findings	Compliance
<p><b>5.1.3</b> This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>- Minor compliance -</p>	<p>Bukit Maradja Mill and Estate:            Company has prepared report on Environmental Management and Monitoring implementation (Laporan RKL-RPL) and submit to the government regularly (per semester), e.g RKL-RPL report semeseter II 2016 (Period June – December 2016) "Laporan Pelaksanaan Rencana pengelolaan Lingkungan Hidup (RKL) dan Rencana Pemantauan Lingkungan Hidup (RPL PT. Eastern Sumatra Indonesia – Semester II, 2016".</p> <p>The company also has conducted monitoring of environmental impact, such as:</p> <ol style="list-style-type: none"> <li>1. Air emission Boilers and Genset testing is conducted twice a year, e.g. the last testing was conducted in 27 October 2016 by UPT Laboratorium Lingkungan, BLH, Provinsi Sumatera Utara , the testing result is complying with "Permen LH No. 07/2007". (certificate number 987/BLH.SU-UPT.LL/C/X/2016)</li> <li>2. Udara ambient Water quality testing is conducted twice a year, e.g. the last testing was conducted in 27 October 2016 by UPT Laboratorium Lingkungan, BLH, Provinsi Sumatera Utara , the testing result is complying with "Permen LH No. 07/2007". (certificate number 986/BLH.SU-UPT.LL/C/X/2016)</li> <li>3. Water waste quality in effluent is conducted monthly by independent Laboratory (Binalab), the testing result of BOD level in October 2016 (1,339 mg/L), November 2016 (475 mg/L), December 2016 (189,73 mg/L), the result is complying with National Regulation "Kepmen LH No. 28/2003 (&lt; 5,000 mg/L) for Land Application.</li> <li>4. Water quality testing in Sungai Serapuh (Upstream and downstream) is conducted annually, e.g. the last testing was conducted in 29 February 2016 by BINALAB, the testing result is complying with Peraturan Pemerintah (PP) no. 82, year 2001. (certificate no: 908-6/AS1/BINA/III/2016)</li> </ol>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>SK Keputusan Bupati Simalungun, nomor 188.45/3440/LINGHUP-2015, tentang Izin Perpanjangan Izin Pemanfaatan Air Limbah Industri Limbah Industri Minyak Kelapa Sawit Pada Tanah di Perkebunan Kelapa Sawit PT Eastern Sumatra Indonesia, dated 23 October 2015, valid until 5 years.</p> <p>Kerasaan Estate:            The company also has conducted monitoring of environmental impact, such as:</p> <ol style="list-style-type: none"> <li>1. Water quality testing for domestic consumption is conducted twice a year, e.g. the last testing was conducted in March 2015 by Binalab, the testing result is complying with "Permenkes no. 416/MENKES/Per/ IX/1990.</li> <li>2. Monitoring of oil trap and stock of used oil</li> <li>3. Questioner and interview with local communities is conducted every 6 months, e.g. questioner and interview was conducted on 12th – 13th June 2015 related job opportunity, local business opportunity, etc.</li> </ol>	
<p><b>Criterion 5.2:</b>            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>		

Criterion / Indicator	Assessment Findings	Compliance
<p><b>5.2.1</b> Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>- Major compliance -</p>	<p>PT ESI; PT ESI has prepared a Document Identification of High Conservation Value (HCV) in September 2009 and cooperation with Yayasan Sawit Berkelanjutan Indonesia (YASBI) with the following results;</p> <p>Identified three types of HCV (HCV 1, HCV 4 and HCV 6) with a total area of 97.71 ha, i.e. Sempadan Mata Air, Sempadan Sungai Bah Bolon, Sempadan Sungai Seragu, Sempadan Sungai Desa Sukarakyat and public cemeteries. PT ESI was composed a Management Plan of Management and Monitoring Area of HCV PT Eastern Sumatra Indonesia Period 2013 until 2017 which outlines the activities of management and monitoring areas HCV afterwards detailed in the Program and Actual Area Management HCV every year, for example 2016 is programmed 4 different types of activities such ; Monitoring of HCV including species existence, Cadre Training Conservation, Upkeep pleng HCV, HCV Areal Planting and Care</p> <p>PT Kerasakan Indonesia (PT KI); PT Kerasakan Indonesia (PT KI) was compiled a Document Identification of High Conservation Value (HCV) in September 2009 and cooperate with the Foundation for Sustainable Palm Oil Indonesia with the following results; Identified three types of HCV (HCV 1, HCV 4 and HCV 6) with a total area of 26.42 ha, they are: Sempadan Sungai Simpang Kiri, Sempadan mata air and public cemeteries.</p> <p>PT Kerasakan Indonesia (PT KI) was compiled a Management Plan of Management and Monitoring of HCV- period 2013-2017 which outlines the activities of management and monitoring areas HCV later detailed in the Program and Actual Area Management HCV every year, for example 2016 programmed four types of activities such as; Flora and Wildlife Monitoring, Control Mucuna bracteata plants in the corridor HCV Treatment Plant species in the forest area and training the management area NKT. At the time of preparation of the two HCV documents above, no ALS scheme, nevertheless the Team Leader was compiled a document is an "assessor of RSPO HCV Approved".</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p><b>5.2.2</b> Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan. - Major compliance -</p>	<p>Based on the documents verification of HCV Identification in 2009, that no protected areas around the land title area of PT ESI that has connectivity with a land title area of PT ESI.</p> <p>Based on the results of monitoring in 2016 described species of flora and fauna are protected.</p> <p>The company has made efforts of HCV management activities, i.e;</p> <ul style="list-style-type: none"> <li>a. Flora and wildlife monitoring which is based on the results of monitoring in 2016 was found 12 species of birds, one species of which are protected species according to PP 7 of 1999, namely the Eagle (Kaliastur sp) and based on the IUCN Redlist included in the Least Concern (LC). Identified one species of reptiles are dragons (Varanus salvator) and included in the IUCN Redlist status Least Concern (LC) while the second type of mammal found no protected species according to PP No. 7, 1999.</li> <li>b. Plants control of <i>Mucuna bracteata</i> in HCV Corridor. Based on the results of the field verification in sempadan sungai Serapuh Blok A29/11 Division II showed that there is no invasion of <i>Mucuna bracteata</i> all types of HCV area.</li> <li>c. Preservation of forest plant species in the HCV area. Based on the results of field visits in sempadan sungai serapuh, showed that the company done enrichment plant species of forest in the area of HCV with the type of Mahogany (<i>Swietenia macrophylla</i>), manii (<i>Maesosis eminii</i>), Waru (<i>Hisbiscus tiliaceus</i>), Teak (<i>Tectona grandis</i>), Sungkai (<i>Pheronema canescens</i>) etc.</li> <li>d. HCV Area Management training conducted on October 6, 2016.</li> </ul> <p>Based on the results of field observations in Block A29 / 11 Division II (Sempadan Sungai Serapuh) showed that the HCV area had grown into natural vegetation and enriched with woody plants, have been installed warning a ban on hunting, felling trees, have been installed warning protected species and identity HCV and there is no indication the company did chemical applications in HCV area.</p>	<p>Comply</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>PT Kerasaan Indonesia:</p> <p>Kerasaan Estate has developed an annual HCV Management Area program, e.g in 2016 consists of four activities, i.e;</p> <ul style="list-style-type: none"> <li>a. HCV Monitoring include the protected wildlife and flora which is based on the results of monitoring in 2016 that found three species of birds, one species of which are protected species according to PP No. 7 of 1999, namely the Eagle (<i>Kaliastur</i> sp) and based on the IUCN Redlist included in the Least Concern (LC). Identified one species of reptiles are snakes (<i>Naja sumatrana</i>), identified one species of mammals (squirrels / <i>Callosciurus notalus</i>) and two types of water biota (fish) that is putihan fish and freshwater crayfish</li> <li>b. Plants control of <i>Mucuna bracteata</i> in HCV Corridor. Based on the results of field verification at sempadan mata air Blok K12 Division III showed that there is no invasion of <i>Mucuna bracteata</i> all types of HCV area.</li> <li>c. Preservation of forest plant species in HCV area. Based on the results of field visited in sempadan Mata Air Blok K12 Division III showed that the company has done the enrichment timber species in HCV area with the type of Mahogany (<i>Swietenia macrophylla</i>), sage (<i>Adenantha pavonina</i>), palm (<i>Arenga pinnata</i>), leucaena (<i>Leucaena glauca</i>), tamarind (<i>Samanea saman</i>), Krey umbrella (<i>Filicium desipiens</i>), matoa (<i>Pometia pinnata</i>) etc.</li> <li>d. Training Area Management of HCV which took place on October 6, 2016.</li> </ul> <p>From the plan above, Bukit Maradja Estate has realized all the activities, such as monitoring of flora and fauna carried out every month and the results are set written in HCV Area Monitoring Checklist Doc. No. ENS / DOC.08 revision to 3 in 2011. The training of volunteers Conservation held on October 6, 2016 while HCV treatment plants in the area carried out routinely every month. Monitoring warning also performed consistently every month, for example, the preservation of HCV area in Block K12, Division III carried out on November 29, 2016 and dated 28 September 2016.</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>Field conditions of HCV area in Kerasakan Estate i.e water springs sempadan, confluent sempadan (small river) and public cemetery.. Based on the results of monitoring in 2016 described species of flora and fauna are protected and protection status by IUCN Redlist</p>	
<p><b>5.2.3</b></p> <p>There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance -</p>	<p>PT ESI dan PT KI</p> <p>Based on the results of documents verification and field visits showed that the types of protected animals had socialized through the installation of leaflets at the estate office, installation of warning at the site of HCV and dissemination directly to the employee during the morning assembly.</p> <p>Based on interviewed with workers and surrounding villages, the company had socialized HCV management, protection of wildlife species, a ban on hunting, poison fish, cut trees, etc. in the area of PT ESI and PT KI..</p>	<p>Comply</p>
<p><b>5.2.4</b></p> <p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> <li>• The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>• Outcomes of monitoring shall be fed back into the management plan.</li> </ul> <p>- Minor compliance -</p>	<p>As outlined in the indicator 5.2.3 which states that the company has drafted a management plan and monitoring of HCV in which the results are written in the "Report on the Implementation and Monitoring HCV" and evaluated the RKL-RPL implementation report annually.</p> <p>Management of HCV have been included in the plan and the operational implementation of replanting in PT ESI and PT KI, for example Based on field observations in Block A29 / 11 which is the sempadan sungai Serapuh showed that the HCV area is not conducted activities replanting with radius + 50 meters either side of the river and began planting woody plants such as Mahogany (<i>Swietenia macrophylla</i>), manii (<i>Maesosis eminii</i>), Waru (<i>Hisbiscus tiliaceus</i>), Teak (<i>Tectona grandis</i>), Sungkai (<i>Pheronema canescens</i>) etc.</p>	<p>Comply</p>
<p><b>5.2.5</b></p> <p>Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>- Minor compliance -</p>	<p>Based on the verification of legal documents, identification of HCV and statement area showed that the entire HCV area fully occupied by companies.</p> <p>Based on the results of public consultation with relevant agencies and surrounding villages claimed that the entire area of HCV PT ESI and PT KI fully occupied by companies.</p>	<p>Comply</p>
<p><b>Criterion 5.3:</b> Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		

Criterion / Indicator	Assessment Findings	Compliance
<p><b>5.3.1</b> All waste products and sources of pollution shall be identified and documented. - Major compliance -</p>	<p>All sources of pollution and waste have been identified and documented.</p> <p>Company maintain Environmental aspect impacts ISO 14001 registration for all waste and pollution sources within Mill and Estates. Company has also maintained Environmental Management and Monitoring Plan as to comply with environmental requirements.</p> <p>Record seen: "Program of waste managent of PT Eastern Sumatra Indonesia, stated that source of waste and pollution, such as:</p> <ul style="list-style-type: none"> <li>- Solid wastes and sharps Polyclinics</li> <li>- Household liquid waste (black water and gray water)</li> <li>- Household solid waste (organic and anorganic)</li> <li>- Hazardous waste materials from genset and vehicle engines (used oil, usedy former, used oil and fuel filters),</li> <li>- Packaging of small chemical materials and packaging of used chemical jelly</li> <li>- Sacks of fertilizer,</li> <li>- Toner container photocopy, printer cartridge</li> <li>- Identification of harzardous waste sources from Mill</li> <li>- Identification of sources of emissions</li> </ul> <p>Kerasaan Estate: Kerasaan estate has shown the document of "Rencana Pengelolaan Limbah", the identification of all waste and pollution are:</p> <ul style="list-style-type: none"> <li>- Solid waste and sharp clinics</li> <li>- Household liquid waste</li> <li>- Household solid waste,</li> <li>- Hazardous toxic materials waste,</li> </ul>	<p>Comply</p>



Criterion / Indicator	Assessment Findings	Compliance
<p><b>5.3.2</b> All chemicals and their containers shall be disposed of responsibly.                      - Major compliance -</p>	<p>Bukit Maradja POM and Bukit Maradja Estate:                      All chemical and hazardous waste from Bukit Maradja POM and Bukit Maradja Estate are stored in temporary hazardous waste storage. The storage permit as "Keputusan Kepala Badan Lingkungan Hidup Kabupaten Simalungun No.188.45/893/Sekrt-2015 tentang Izin Pengelolaan Limbah B3 untuk Kegiatan Penyimpanan Sementara Limbah Bahan Berbahaya dan Beracun PT Eastern Sumatera Indonesia" dated 29/06/2015 and valid for 5 years. The storage permitted empty pesticide container, fertilizer sheet, used battery, used oil, used lamp bulb, used oil filter, printer cartridge, contaminated material, used paint can. All chemical and their containers from Mill and Estates were collected and kept in temporary waste storage for 180 days prior disposal. Auditor visited the storage in Bukit Maradja POM confirmed appropriate storage has been provided with consideration of safety and environmental aspects such as second containment, spill-kit, warning signs, PPE, fire extinguisher, alarm and first-aid kit.</p> <p>Review of records showed all hazardous waste has been identified and properly monitored, such as used oil, used oil filter, used batteries, empty chemical container from Estate and Mill activities, contaminated materials, etc. Monitoring was recorded in document "Neraca Limbah B3".</p> <p>Record seen:</p> <ol style="list-style-type: none"> <li>1. Perjanjian Kerja antara PT Eastern Sumatra Indonesia dengan PT Tenang Jaya Sejahtera dan PT Amindy Barakah SUMut tentang Evakuasi Pengelolaan Limbah No 154/ENC-ESI/LB3/IX-2016.dated 1 September 2016, valid until 1 September 2017.</li> <li>2. Notes: Perjanjian Kerjasama Antara RSUD dr Djasament Saragih Kota Pematang Siantar dg PT ESI, no 5543/II/TV/V/2015, dated 19-05-2015,</li> <li>3. Berita Acara Serah Terima Limbah B3 tanggal 3 October 2016.</li> <li>4. Manifest nomor ZF 0010466, aki bekas (70 Kgh), tanggal 2 October 2016, nomor ZF 0010470 untuk kemasan terkontaminasi B3 (211,1Kg),</li> </ol>	<p>Comply</p>

<b>Criterion / Indicator</b>	<b>Assessment Findings</b>	<b>Compliance</b>
<p><b>5.3.3</b> A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -</p>	<p>Waste management and disposal plan is available, documented and implemented. The storage in Bukit Maradja POM confirmed appropriate storage has been provided with consideration of safety and environmental aspects such as second containment, spill-kit, warning signs, PPE, fire extinguisher, alarm and first-aid kit. The Manifest documents and receipts were available and properly recorded:</p> <p>"Berita Acara Serah Terima Limbah B3 No.10/KRE-ENC/2016 dated 3 October 2016. The licensed contractor transported 245 liters waste oil, 30,5 Kg battery, 23 kg oil filter, 3 kg electronic waste, 103 kg chemical container, 6.4 kg medical waste. Manifest No.ZF0010472 for 245 liters used oil dated 3 October 2016. Manifest No.ZF0020475 for 103 kg chemical container by PT Amindy Barokah dated 3 October 2016.</p>	<p>Comply</p>
<p><b>Criterion 5.4:</b> Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		

<p><b>5.4.1</b></p>	<p>A plan for improving efficiency of the use of fossil fuels and to optimize renewable energy shall be in place and monitored.          - Minor compliance –</p>	<p>Which drives electricity-generating turbines - the use of renewable energy is consistent in the percentage against non – renewable energy. Records of both monitoring of kilowatt hours per tonne of palm product (FFB and CPO)</p> <p>The record of the Renewable Energy Use under “Rekaman Penggunaan Energi Terbarukan” in 2016 :</p> <ul style="list-style-type: none"> <li>- Total FFB processed: 97,202 tons</li> <li>- EFB sent to estate: 15,666 tons</li> <li>- Fruit Fibre: 13,608 tons</li> <li>- Shell: 4,860 tons</li> <li>- Total NCV of fibers: 31,299,165,176 kcal</li> <li>- Total NCV of Shell: 16,524,404,260 kcal</li> <li>- Grand total NCV: 47,823,569,976 kcal</li> <li>- Equivalent to HSD Oil: 4,554 tons</li> <li>- CPO production: 22,314 tons</li> <li>- Total Renewable Energy/ton CPO: 2,143 kcal</li> </ul>	<p>Comply</p>
<p><b>Criterion 5.5:</b>          Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>			

<p><b>5.5.1</b></p>	<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. - Major compliance -</p>	<p>Bukit Maradja POM: In accordance with regulation on firefighting unit on work place, "Keputusan Menteri Tenaga Kerja dan Transmigrasi No.186 Tahun 1999 tentang Unit Penanggulangan Kebakaran di Tempat Kerja" – fire fighting team at Bukit Maradja POM available: "Surat Keputusan Kepala Dinas Sosial Tenaga Kerja dan Transmigrasi Kabupaten Labuhan Batu Selatan No.KEP.07/Bakortiba/TK/2015 tentang Pengesahan Tim Tanggap Darurat dan Badan Koordinator Anti Kebakaran di PT Eastern Sumatra Indonesia", dated 18/05/2015. Team has been appointed, trained and ready; Fire fighting equipments (fire extinguisher, hydrant, hose, water pump, nozzle, etc.) inspected on monthly basis, last dated 03-04/03/2016. 50 fire extinguishers and 6 hydrant points identified and controlled at Bukit Maradja POM; Fire fighting training on 12/07/2015 for Bukit Maradja POM and "Laporan Simulasi Tanggap Darurat dated 09/02/2016". Attendance list (85 employees participated), analysis and evaluation are available.</p> <p>Bukit Maradja Estate: Fires patrol/monitoring of land fire occurrence recorded in "Laporan Kejadian Kebakaran Lahan". For period 01/2017 – 02/2017 no fire incident. In February 2017, fire patrol conducted on 6 February 2017.</p> <p>Based on field visit to replanting area, no burning for replanting area. Furthermore, company demonstrates contract for land preparation using mechanical method "Surat Perjanjian Kerja No.07/GMO-BME/AS/V/2015 between PT Eastern Sumatra Indonesia and PT Aneka Sumatrindo tentang Replanting 2016" dated 15/05/2015. The mechanical process indicating job specification such as ripping, felling, hole digging, chipping, spreading, sanitation, drainage construction, road construction, etc.</p> <p>Surat Perjanjian Kerja no 01/GMO-KRE/AS/I/2016, antara PT Kerasaan Indonesia dengan PT Aneka Sumatrindo tentang Trial Ganoderma Replanting 2016, dated 4 January 2016. Laporan Berita Acara Penyerahan Pekerjaan, dated 10 May 2016.</p>	<p>Comply</p>
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<p><b>5.5.2</b></p>	<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.          - Minor compliance -</p>	<p>No any open burning was noted for land preparation.</p>	<p>Comply</p>
<p><b>Criterion 5.6:</b>          Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>			
<p><b>5.6.1</b></p>	<p>Document(s) assessing pollution and emission sources, including gaseous, particles, soot emissions and effluent, shall be available. (see Criterion 4.4)          - Major compliance -</p>	<p>Mill and estates:          Identification of pollution source has been documented under "Environmental Aspect &amp; Impact List", latest review in March 2016. Assessments have been carried out on all recognized polluting activities and include gas and smoke emissions, particulate and soot emissions, effluent control, treatment and discharge. Any significant pollutants and emissions have been identified. There is a plan in place to reduce pollution – this is included in the aspects/impacts register.          Assessment of polluting activities including gaseous emission, particulate emission and effluent has also been done identified in the document "Pengelolaan lingkungan hidup (RKL) dan Pemantauan lingkungan hidup (RPL)".           The company has GHG calculation based on RSPO PalmGHG V3.0.1, in 2016: final emission 0.52tCO2e/ton product CPO.           See in attachment BM POM GHG_Palm Calc 3.1.0</p>	<p>Comply</p>

<p><b>5.6.2</b></p>	<p>Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plan to reduce or minimize them implemented. - Major compliance -</p>	<p>Based on Significant pollution and GHG emission was identified, for Mill comes from waste pond, reducing program has been implemented by using methane trap and for estates comes from using of pesticides, action plan to reducing pesticide was made such as program of integrated pest control where minimize to use chemical/pesticides, . Graph of emission and pollutant were provided to monitor trend of them in monthly basis.</p> <ul style="list-style-type: none"> <li>- Using EFB as organic fertilizer.</li> <li>- Planting beneficial plant</li> <li>- Efficiency of fossil fuel.</li> <li>- Increasing renewable energy usage.</li> </ul> <p>Identification of significant pollution and GHG emission in each unit/station as documented in "Environmental Aspect &amp; Impact List", consist of: input, environmental aspect, caused, environmental impact potential, and control.</p>	<p>Comply</p>
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<p><b>5.6.3</b></p>	<p>A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available.          - Minor compliance –</p>	<p>Emission monitoring system by using “RSPO PalmGHG” system calculation. Emission from estate and mill operation was calculated and monitored, emission reduction achieved. The result of GHG calculation available in <b>appendix I.</b>          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.          Monitoring and measurement has been done as follow:          - Hazardous waste: oil waste, wet battery, lightbulb, filter waste, contaminated packaging, cartridge, fertilizer sack and other contaminated waste. All hazardous waste disposal recorded in monthly basis in the waste balance report as stated in the report of ‘RKL/RPL’          - Replanting process monitoring for zero burning activity.          - Boiler emission with parameters: SO2, NO2, HCL, Cl2, NH3, HF, particle, and opacity. None of above parameters out of threshold limits value.          - Generator set emission for generator for SO2, NO2, CO, Particle and opacity, All parameters measured in the threshold limit value as seen in the “Laporan Hasil Pengujian Udara Emisi” by ‘Balai Laboratorium Kesehatan”</p>	<p>Comply</p>
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**Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers**

**Criterion 6.1:**  
 Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.

<p><b>6.1.1</b></p>	<p>A social impact assessment (SIA) including records of meetings shall be documented.          - Major compliance -</p>	<p>The company has a Environmental Documents named "UKL-UPL" was approved "Keputusan Kepala Badan Pengendalian Dampak Lingkungan Daerah Kabupaten Simalungun" No. 188.4/70/Bpdl related to finalized environmental feasibility at Palm oil mill of PT Eastern Sumatera Indonesia (PT SIPEF), Bukit Maradja Estate, Simalungun District, North Sumatra Province dated on 26<sup>th</sup> February 2004 and last revision of " Rencana Pengelolaan Lingkungan (RKL) dan Revisi Rencana Pemantauan Lingkungan (RPL)" with scope of study palm oil estate area 3,178 Ha and palm oil mill 30 Ton TBS/hour as stated in the " Keputusan Bapedalda Kabupaten Simalungun No. 271/Bpdl/2008".</p> <p>In 2010, company has prepared a social impact assessment, as reported under "Dokumen Sosial Impact Assessment – March 2010", in cooperation with Yayasan Sawit Berkelanjutan Indonesia (YASBI). In the preparation process, the social impact study involving multi stakeholder through guided interview, questionnaire, focus group discussion (FGD).</p> <p>Kerasakan Estate:          PT Kerasaan Indonesia has obtained approval on environment evaluation "Dokumen Penyajian Evaluasi Lingkungan (PEL)" and environment management and monitoring plan (RKL-RPL) in 1994, based on "Surat Pengesahan Komisi AMDAL Departemen Pertanian No.RC.220220/939/B/V/1994" and subsequently revised through "Keputusan Bapedalda Kabupaten Simalungun No.442/Bpdl-2005". In order to adjust and be in compliance with latest regulation, company prepared a revised document in 2009, as per "Keputusan Kepala Badan Lingkungan Hidup Kabupaten Simalungun No.700/109/BLH2009" dated 08/04/2009 for area of 2.362 Ha.</p> <p>In 2010, company has prepared a social impact assessment, as reported under "Dokumen Sosial Impact Assessment – March 2010", in cooperation with Yayasan Sawit Berkelanjutan Indonesia (YASBI). In the preparation process, the social impact study involving multi stakeholder through guided interview, questionnaire, focus group discussion (FGD).</p>	<p>Comply</p>
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<p><b>6.1.2</b></p>	<p>There shall be evidence that the assessment has been conducted with the participation of affected parties.          - Major compliance -</p>	<p>Based on the verification of documents Social impact assessment in 2010, which was conducted in collaboration with "Yayasan Sawit Berkelanjutan Indonesia (YASBI) showed that in the process of drafting the document has involved the participation of the local community through interview, focus group discussions and questionnaire. it was also confirmed from the results of interview with agency village which states that the village government involved in data collection for social studies in 2010. Likewise, every year the Company also conducts social data collection as part of the monitoring of social impacts.          In 2016, questionnaires were spread to 25 respondents consisting of sample public, i.e labor companies, Farmers, perangkat desa, the self-employed and farm workers from the village Bukit Maraja, Desa Pematang Asilom, Desa Lingga, Marihat Bukit dan Pematang Sakhuda (PT ESI); while the surrounding community involvement in obtaining data on PT Kerasakan Indonesia as many as 20 people from the Desa Kerasakan I, Desa Kerasakan II, Desa Wonorejo dan Desa Purbaganda.</p>	<p>Comply</p>
<p><b>6.1.3</b></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.          - Major compliance -</p>	<p>Company has prepared an Impact Management and Monitoring Plan as outlined in the Environmental Management and Monitoring Matrix. Management and monitoring of the implementation period, include the social impact regulated in detail in the matrix. The reporting period was carried out every six months while the special social impacts, monitoring and evaluation carried out annually.          As part of the Social Impact Assessment document 2010 has been prepared Matrix Management Plan and Social Monitoring results of Social impact assessment in 2010.          The company has integrated the impact management and monitoring of the results of the AMDAL study and the results of the SIA in 2010 and the results are written in Report of the RKL-RPL each semester and reported to the relevant agencies.</p>	<p>Comply</p>

<p><b>6.1.4</b></p>	<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. - Minor compliance –</p>	<p>The Company has prepared a social impact assessment consistently monitor the social impact of either annually from the aspect of social impact assessment results from the AMDAL and Social Studies in 2010. Data from the monitoring activity is used as an evaluation of social management implementation every year and written in the Report of the RKL-RPL. The social impact of replanting and boundary trenches maintenance has also been included in the monitoring of impact. Event Monitoring social impacts was carried out by involving the local community through a questionnaire, for example in 2016 conducted data collection questionnaire surrounding communities of 25 respondents consisting of sample public as labor companies, Farmers, Perangkat Desa, the self-employed and farm workers from desa Bukit Maraja, Desa Pematang Asilom, Desa Lingga, Marihat Bukit and Pematang Sakhuda (PT ESI); while involving the public about the social impact monitoring in PT Kerasakan Indonesia as many as 20 people from Desa Kerasakan I, Desa Kerasakan II, Desa Wonorejo and Desa Purbaganda.</p> <p>In the Implementation Report and Environmental Monitoring 2016 also elaborated on trend analysis and plan efforts to reduce the negative impact.</p>	<p>Comply</p>
<p><b>6.1.5</b></p>	<p>Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance –</p>	<p>There is no development of small holder schemes for PT ESI and PT KI since there is no small holders engaged.</p>	<p>N/A</p>
<p><b>Criterion 6.2:</b> There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>			

<p><b>6.2.1</b></p>	<p>Communication and consultation procedures shall be documented. - Major compliance -</p>	<p>Communication and consultation with stakeholder is regulated under:</p> <ul style="list-style-type: none"> <li>- Procedure for receiving and providing response upon information request "Prosedur Pemberian dan Tanggapan terhadap Permintaan Informasi" Dok.No.ENC/SOP/08 dated 06/04/2015. In the procedure regulates mechanism for providing and responding to information request, from stakeholder.</li> <li>- Procedure for internal complaint and grievance "Prosedur Keluh Kesah dengan Pihak Internal" Dok.No.SOP/025/Dept dated 27/03/2015. The procedure explains steps to convey complaint and receive complaint from internal party, as well providing appropriate response. The document complemented with flow chart.</li> <li>- Procedure for external complaint and grievance "Prosedur Keluh Kesah dengan Pihak Eksternal" Dok.No.SOP/026/HRA, dated 27/03/2015. The procedure explains steps to convey complaint and receive complaint from internal party, as well providing appropriate response. The document complemented with flow chart.</li> </ul>	<p>Comply</p>
<p><b>6.2.2</b></p>	<p>The company shall have official(s) who is responsible for consultation and communications with parties. - Minor compliance -</p>	<p>As regulated under procedure No.ENC/SOP/08, stated the organization structure responsible to receive and provide response upon information request or internal and external complaint is estate manager. During operation in Bukit Maradja estate, senior manager also appointed field head assistant and office assistant to help communicate with surrounding community.</p>	<p>Comply</p>

<p><b>6.2.3</b></p>	<p>The company shall have a list of stakeholders, records of communications, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders.          - Minor compliance -</p>	<p>As regulated under procedure No. ENC/SOP/08, stated the organization structure responsible to receive and provide response upon information request or internal and external complaint is estate manager. During operation in Bukit Maradja estate, senior manager also appointed field head assistant and office assistant to help communicate with surrounding community.</p> <p>List of Stakeholders PT ESI:          The company has a list of stakeholders and updated any changes. The last update was conducted in January 2017, the list of stakeholders consist of:</p> <ul style="list-style-type: none"> <li>a. Authorities of Simalungun Regency comprise of 7 offices: Manpower office, Land office, Plantation and Agriculture office, Environmental Monitoring Body of Simalungun, etc.;</li> <li>b. District level authorities: District head, police office, military office;</li> <li>c. The "Penghulu" and "Pemuka Masyarakat" from surrounding villages, comprise of eight (8) villages for example: Nagori Syahkuda Bayu, Nagori Marihat Bukit, Nagori Pematang Syahkuda, Nagori Pematang Asilum, Nagori Pematang Gajing, Nagori Banda Siantar, Nagori Lingga, Nagori Bukit Maradja;</li> <li>d. Youth Organization consist of Karang Taruna Nagori Pematang Asilum and Karang Taruna Nagori Bukit Maradja;</li> <li>e. Worker union committees (Nagori Bandar Siantar);</li> <li>f. NGO;</li> <li>g. Contractors/supplier: UD Rezeki Jaya Makmur, Koperasi Jasa Bukit Maraja, UD Sumber Teluk;</li> <li>h. Plantation companies surrounding PT Eastern Sumatera Indonesia;</li> </ul>	<p>Comply</p>
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		<p>PT Eastern Sumatra Indonesia Stakeholder communication recorded under:</p> <p>a. "Buku Rekaman Permintaan Informasi dan Tanggapan", for type of information received in written. In 2016 there were eight (8) types of requests for information, for example: inquiry from STIE Sultan Agung dated 12 February 2016, through letter No. 428/STIE/LPPM/SA/II/2016 related to inquiry on application for field practice, to the institution's students. The inquiry has been responded through letter No.235/2016 dated 23/02/2016 stating PT Eastern Sumater Indonesia accepts the application. PT Eastern Sumatera Indonesia will provide them to become field practice for three (3) students, starting on 01-31/03/2016. In June 2016 there is a demand as a Business Working Class (TPI) University of Simalungun through letter No. 211/C.07/LPPM.USI/2016 and No. 205/C.07/LPPM.USI/2016. The inquiry has been responded through memo No. 205/C.07/LPPM.USI/2016 dated 23/06/2016.</p> <p>b. "Buku Rekaman Keluh Kesah Internal &amp; Ekternal", for recording complaint from internal stakeholder and external stakeholders; By 2016 there are no internal or external complaints to Bukit Maradja Estate.</p>	
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		<p>PT Kerasaan – Kerasaan Estate The company has a list of stakeholders and updated any changes. The last update was conducted in January 2017, the list of stakeholders consist of:</p> <ul style="list-style-type: none"> <li>a. Authorities of Simalungun Regency comprise of 6 offices: Manpower office, Land office, Plantation and Agriculture office, Trade and Industry office, UPTD Meteorology office, Department of Spatial, Residential, Mining and Licensing Simalungun</li> <li>b. District level authorities: District head, police office, military office;</li> <li>c. The "Penghulu" and "Pemuka Masyarakat" from surrounding villages. The "Penghulu" comprise of 5 villages for example: Nagori Kerasakan I, Nagori Kerasakan II, Nagori Perdomoan Nauli, Nagori Wonorejo, Nagori Purbaganda. The "Pemuka Masyarakat" comprise of 2 villages, for example Nagori Kerasakan II and Karang Taruna Nagori Kerasakan I.</li> <li>d. NGO (LSM TUMPAK dan LSM Suara Inti)</li> <li>e. Worker union committees;( SPKIM Chairman, Secretary and Treasurer SPKIM)</li> <li>f. Contractors/supplier: UD Rezeki Jaya Makmur, Koperasi Jasa Bukit Maraja, UD Sumber Teluk;</li> </ul> <p>Stakeholder communication recorded under;</p> <ul style="list-style-type: none"> <li>a. "Buku rekaman permintaan Informasi dan Tanggapan"; for type of information received in written. Sampled: information from SMK Negeri 1 Raya through letter received dated 23 December 2015; school inquiry to company as field practice location for their student, as per letter No. 421.5/650/SMK-2015 dated 20 November 2015. The inquiry then responded through letter by management on 18 December 2015 giving approval to be field practice location.</li> <li>b. "Buku rekaman Keluh Kesah Internal dan Keluh Kesah Eksternal' for recording internal and external stakeholder. Sample: in July 2016, 2 types complaint received from internal, conveyed directly in words from Mr. Kurniadi (harvest staff) domicily at RW 3, Division 3 to Management III about house renovation. The request has been responded and settled by completing the repair on 4/8/2016.</li> </ul>	
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<b>Criterion 6.3:</b>			
There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.			
<b>6.3.1</b>	<p>The mechanism, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested, as long as that information is supported with adequate initial evidence.</p> <p>- Major compliance -</p>	<p>company has a "Prosedur Ganti Rugi Lahan" No.SOP/CA/02 dated 01/07/2012 demonstrating company has provide mechanism to resolve land dispute:</p> <ul style="list-style-type: none"> <li>- Company disseminating the permit/land title to local communities;</li> <li>- In the case where claim over land occurs, company will receive the claim if claim is complemented with land ownership;</li> <li>- Land status verification, in case land ownership accepted, continued with field survey and land measurement;</li> <li>- Field survey and land measurement involving company representative, claimant, and government representatives;</li> <li>- Based on survey and land measurement, a minutes of land measurement is being produced. The minute will inform the hectare and boundary coordinates of claimed land parcel – signed by all parties involved;</li> <li>- Final verification based on measurement and map to ensure the claimed land is not overlapping with other ownership/right/claim;</li> <li>- Should final verification demonstrates the claimed land not overlap with other party; company will negotiate the compensation;</li> <li>- If negotiation comes into agreement, company will pay the compensation to land owner.</li> </ul> <p>Internal grievance regulated under "Mekanisme Keluh Kesah dengan Pihak Internal" Doc.No.SOP/025/Dept dated 27/03/2015.</p>	Comply

		<p>Procedure for external complaint and grievance "Prosedur Keluh Kesah dengan Pihak Eksternal" Dok.No.SOP/026/HRA, dated 27/03/2015. The procedure explains steps to convey complaint and receive complaint from internal party, as well providing appropriate response. The document complemented with flow chart.</p> <p>Within both procedures, company policy is to ensure anonymity of complainants and whistleblowers, where requested.</p>	
<b>6.3.2</b>	<p>There shall be records of process and outcome of dispute resolution.</p> <p>- Major compliance -</p>	<p>Based on document verification and public consultation with relevant authorities (Dinas Tenaga Kerja Kabupaten Simalungun, Kantor Pertanahan Kabupaten Simalungun dan Dinas Lingkungan Hidup Kabupaten Simalungun) and surrounding village's authorities, there has been no land dispute between community and company.</p> <p>While the internal and external complaints documented by the company as described in the indicator 6.2.3</p>	Comply
<p><b>Criterion 6.4:</b>  Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>			
<b>6.4.1</b>	<p>A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be available, referring to decision of the Constitution Court.</p> <p>- Major compliance –</p>	<p>PT Kerasaan Indonesia and PT Eastern Sumatera Indonesia has not expanding the plantation. However, as anticipation, company has a mechanism to resolve land dispute as per "Prosedur Ganti Rugi Lahan" No.SOP/CA/02 dated 01/07/2012. Based on stakeholder consultation with communities and village heads there has been no report on land dispute between community and company.</p>	



<p><b>6.4.2</b></p>	<p>A procedure for calculating and distributing fair compensation shall be established, implemented, monitored and evaluated in a participatory way. Corrective actions are taken as a result of this evaluation. - Minor compliance –</p>	<p>PT Kerasaan Indonesia and PT Eastern Sumatera Indonesia has not planned to expanding the plantation, therefore no compensation process occurred. Based on document verification and consultation with village heads, environmental monitoring body and land office of Kabupaten Simalungun, there is no land dispute between company and other parties. However, as anticipation, company has a mechanism to resolve land dispute as per "Prosedur Ganti Rugi Lahan" No.SOP/CA/02 dated 01/07/2012. Based on stakeholder consultation with communities and village heads there has been no report on land dispute between community and company. The procedure explains the mechanism for land compensation started with project communication (dissemination and FPIC), document verification and demonstration of land ownership, field survey and land measurement with government authorities, participatory mapping, and negotiation of land compensation. The land compensation documentation comprise: measurement application, minutes of land survey/measurement, land ownership letter, statement of no conflict, statement of ownership rights, statement from heir, statement of land owner/scheme smallholder owner (if any), statement on rights to cultivate release, compensation letter.</p>	<p>Comply</p>
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<p><b>6.4.3</b></p>	<p>Compensation claims, process and outcome of any negotiated agreements shall be documented, with evidence of the participation of affected parties.          - Major compliance –</p>	<p>PT Kerasaan Indonesia and PT Eastern Sumatera Indonesia has not planned to expanding the plantation, therefore no compensation process occurred. Based on document verification and consultation with village heads, environmental monitoring body and land office of Kabupaten Simalungun, there is no land dispute between company and other parties. However, as anticipation, company has a mechanism to resolve land dispute as per "Prosedur Ganti Rugi Lahan" No.SOP/CA/02 dated 01/07/2012. Based on stakeholder consultation with communities and village heads there has been no report on land dispute between community and company.          The procedure explains the mechanism for land compensation started with project communication (dissemination and FPIC), document verification and demonstration of land ownership, field survey and land measurement with government authorities, participatory mapping, and negotiation of land compensation. The land compensation documentation comprise: measurement application, minutes of land survey/measurement, land ownership letter, statement of no conflict, statement of ownership rights, statement from heir, statement of land owner/scheme smallholder owner (if any), statement on rights to cultivate release, compensation letter.</p>	<p>Comply</p>
<p><b>Criterion 6.5:</b>          Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>			

<p><b>6.5.1</b></p>	<p>Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.          - Major compliance -</p>	<p>The company determines minimum wages as regulated by Government every year, minimum wages in 2017 as "Surat keputusan Gubernur of North Sumatera no. 188.44/739/KPTS/Tahun 2016, for Plantation sector in Simalungun Regency (Rp 2,045,843.-),</p> <p>Collective working agreement has regulates the remuneration, in which agreement reach between worker and management states "Daily worker and Monthly worker paid with money. The money paid agreed between company and worker union, in accordance to laws and regulation, taking into consideration economy situation and company ability."</p> <p>In order to meet the remuneration agreement inside Collective Work Agreement and Minimum wage 2017, company invited committee of worker union Bukit Maradja Mandiri and Kerasakan Mandiri to conduct wage calculation negotiation.</p> <p>Based on review of payments slip, there are no workers paid below the minimum wages, in January 2017 e.g.</p> <table border="1" data-bbox="678 1254 1204 1780"> <thead> <tr> <th>Term and Condition</th> <th>Mrs Sri Muriati (WB operator) – SKU-H</th> <th>Ponirin (WD perator) SKU-H</th> </tr> </thead> <tbody> <tr> <td>Basic Salary</td> <td>2,182,000</td> <td>2,184,000</td> </tr> <tr> <td>Rice Allowance</td> <td>132,750</td> <td>265,500</td> </tr> <tr> <td>BPJS Ketenagakerjaan</td> <td>105,192</td> <td>105,283</td> </tr> <tr> <td>BPJS Kesehatan</td> <td>92,680</td> <td>92,760</td> </tr> <tr> <td>BPJS Pensiun</td> <td>46,340</td> <td>46,340</td> </tr> <tr> <td>Tunjangan lainnya</td> <td>-</td> <td>17,500</td> </tr> <tr> <td>Net Salary</td> <td>2,558,962</td> <td>2,711,423</td> </tr> </tbody> </table>	Term and Condition	Mrs Sri Muriati (WB operator) – SKU-H	Ponirin (WD perator) SKU-H	Basic Salary	2,182,000	2,184,000	Rice Allowance	132,750	265,500	BPJS Ketenagakerjaan	105,192	105,283	BPJS Kesehatan	92,680	92,760	BPJS Pensiun	46,340	46,340	Tunjangan lainnya	-	17,500	Net Salary	2,558,962	2,711,423	<p>Comply</p>
Term and Condition	Mrs Sri Muriati (WB operator) – SKU-H	Ponirin (WD perator) SKU-H																									
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		Term and Condition	Rusmawati. (Manuring operator) – PKWT	Ponirin (WD perator) SKU-H	
		Basic Salary	1,889,925	2,184,000	
		Rice Allowance	-	265,500	
		BPJS Ketenagakerjaan	85,803	105,283	
		BPJS Kesehatan	75,597,-	92,760	
		BPJS Pensiun	-	46,340	
		Tunjangan lainnya	-	17,500	
		Net Salary	2.051.325	2,711,423	
<p><b>6.5.2</b></p>	<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.                      - Major compliance -</p>	<p>Working conditions are documented in the “Perjanjian Kerja Bersama” (PKB) is registered by Disnakertran prov. Sumatera Utara no. 007-29-6/DTK-TR/2017, dated 25 January 2017 (Valid until 8 Janury 2019). PKB is the document of agreement between workers represented by labour union (Pengurus Serikat Pekerja Bukit Maradja Mandiri/SP-BUMN) and the company.</p> <p>The PKB is produced is a form of booklet. The PKB is in line with regulatory requirements approved by the Manpower District Agency. Health and safety is also documented. Payment and conditions include - working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, dismissal reasons, etc.</p>			<p>Comply</p>

<p><b>6.5.3</b></p>	<p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where such public facilities are unavailable or inaccessible.          - Minor compliance –</p>	<p>Inspection confirmed PT Eastern Sumatra Indonesia and PT. Kerasaan indonesia provide adequate housing for staff and workers, free water supplies are adequate and clean, electricity is at subsidized rate, kindergarden, elementary schools, crèche, place of worship, medical facilities are provided and additional benefit if treatment is needed at hospital. Water quality tests confirmed the treated water supplied to housing is suitable for domestic use. Recreation facilities at each estate include sports field.</p> <p>Bukit Maradja Estate:</p> <ul style="list-style-type: none"> <li>- Housing (340 unit for employees), staff (8 units), Manager (unit)</li> <li>- Guest house (1 unit)</li> <li>- Mosque (4 units)</li> <li>- Church (1 unit)</li> <li>- Community hall (3 units)</li> <li>- Kindergarden (6 units)</li> <li>- School bus (1 unit)</li> <li>- Sport facilities</li> <li>- Water pump (4 units)</li> <li>- Genset (1 unit),</li> <li>- Electricity for employees housing using National State Electricity Company (PLN)</li> </ul>	<p>Comply</p>
<p><b>6.5.4</b></p>	<p>There shall be demonstrable efforts to improve workers’ access to adequate, sufficient and affordable food.          - Minor compliance –</p>	<p>The company has effort to provide minimarket “KSU Bukit Maradja – OMI” and traditional market in Kerasaan villages and Pematang Asylum which nearby the company areas.</p>	<p>Comply</p>

**Criterion 6.6:**  
 The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.

<p><b>6.6.1</b></p>	<p>A record of the company's policy in understandable language recognising freedom of association, shall be available.          - Major compliance –</p>	<p>Company has established freedom of association policy, "Kebijakan Kebebasan Berserikat" approved by President Director on 01/03/2014, states company supports the freedom of association among the workers. This policy is written in Bahasa Indonesia. Based on interview with workers in Bukit Maradja Estate, Kerasaan Estate and Bukit Maradja POM, the basic of policy has been understood.</p> <p>The Company has to disseminate the policy with immediate socialization of employees, for example;</p> <ul style="list-style-type: none"> <li>a. Socialization on March 2, 2016 at the Bukit Maradja Estate followed by 33 workers.</li> <li>b. Socialization on March 7, 2016 in Bukit Maradja Estate followed by 36 workers Division I.</li> <li>c. Socialization on January 25, 2017 in Bukitt Maradja POM attended by 49 participants processing, A, B and Security Prossessing</li> <li>d. Socialization on January 25, 2017 in Kerasakan Estate attended by 53 participants.</li> </ul>	<p>Comply</p>
<p><b>6.6.2</b></p>	<p>Records of meetings with labor unions or workers representatives shall be available.          - Minor compliance –</p>	<p>Meeting between management and worker union committee on monthly basis, including meeting of "LKS Bipartit". Sampled: meeting on 09/10/2015 and 09/01/2016. Each meeting completed with minutes of meeting and attendance list.</p> <p>This is in line with interview with worker union chairman, states meeting with management being done once a month incorporated with "LKS Bipartit" meeting.</p> <p>Meeting with the company and labour union is conducted regularly at least twice a year, e.g. the meeting was conducted on 28 December 2016, attended 25 representatif of the the meeting discuss harvesting fee and cooperative fee.</p> <p>Meeting with the company and labour union is conducted regularly at least twice a year, e.g. the meeting was conducted on 3 December 2016, attended representatif of the company and labour union, the meeting discuss issues related collecting loose fruit.</p> <p>(Attendance list, minutes meeting and photograph are available).</p>	<p>Comply</p>

<b>Criterion 6.7:</b> Children are not employed or exploited.			
<b>6.7.1</b>	There shall be documented evidence that minimum age requirements are met. - Major compliance –	Based on interview with worker union chairman or employee, states company has a policy related with minimum working age. This policy approved and signed by President Director PT Tolan Tiga Indonesia on 01/03/2014. The policy states "Company believe that children should have the right to education and a healthy life, and is committed to ensuring that children, under the age of 18 years, are not employed by the company for any work related purpose". Based on document verification, all workers are above 18 years old.  Based on document review of list of worker-February 2017, it was not found workers hired by company less than 18 years old. The youngest worker in Bukit Maradja Mill Wan Putra (22 years, 10 months)	Comply
<b>Criterion 6.8:</b> Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.			
<b>6.8.1</b>	A company's policy on equal opportunity and treatment for work shall be available and documented. - Major compliance –	Company has an equal opportunities policy, approved and signed by President Director PT Tolan Tiga Indonesia, 01/03/2014. The policy is available in Bahasa Indonesia. The policy has been disseminated to employee through notice board on estate office.  The policy has been disseminated to employee through notice board on estate office. Sample taken on socialization of the policy, e.g: a. Socialization in Bukit Maradja Estate on 26 January 2017 was attended by 65 workers. b. Socialization in Bukit Maradja POM on 25 January 2017 was attended by 29 workers c. Socialization in Kerasaan Estate on 25 January 2017, was attended by 23	Comply

<p><b>6.8.2</b></p>	<p>Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated.          - Major compliance –</p>	<p>No discriminated was noted during audit, the company has implemented equal opportunity policy.          Based on document verification on employee list Bukit Maradja Estate period ends February 2017 – no indication of discrimination based on gender, race, religion or tribe.          Based on interview with workers (harvester, manuring worker and sprayer gang) and worker union, stated there is no discrimination to the workers..</p> <p>Bukit Maradja Estate:          Based on document verification on employee list Bukit Maradja Estate period ends February 2017 – no indication of discrimination based on gender, race, religion or tribe.          Based on interview with workers (harvester, manuring worker and sprayer gang) and worker union, stated there is no discrimination to the workers.</p> <p>Bukit Maradja POM          The company conducting evaluation for all employees annually, based on job evaluation, Mill Manager proposed upgrade status of employees, usch as: from PKWT to SKU – Harian, SKU – Harian to SKU – Bulanan, and upgrade grade for SKU – Bulanan.</p> <p>Proposed upgrading status of employees based on working duration time, knowledge, capability, discipline, and attitude.</p> <p>The company has provided PPE for all employee, as regulated in Work Agreement in section XV, mentioned related to work equipment, OHS including PPE.          Record seen:          - Bukti tanda terima - Evidence of handover the PPE (wearpack in Bukit Maradja), in semester II 2016 for 65 workers.          - Berita Serah Terima APD – evidence of handover the PPE in division F1 Kerasaan Estate on 19 March 2016 for 26 harvester.</p>	<p>Comply</p>
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<p><b>6.8.3</b></p>	<p>Records of evidence that equal opportunity and treatment for work shall be available.          - Minor compliance -</p>	<p>The company has procedure for worker recruitment, dated 25/04/2007, regulated that hiring and promotion of workers based on skill, work experiences, interview/evaluation, and medical check up result.</p> <p>It is also stipulated in the PKB 2017 article III (Acceptance and Mutation Workers).          The company is conducting evaluation of workers on annual basis.</p>	<p>Comply</p>
<p><b>Criterion 6.9:</b>          There is no harassment or abuse in the work place, and reproductive rights are protected.</p>			
<p><b>6.9.1</b></p>	<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.          - Major compliance -</p>	<p>Company has a policy to prevent sexual and all other forms of harassment and violence,, approved and signed by President Director on 01/03/2014. Based on interview with female worker and committee gender representative Bukit Maradja Estate and Kerasaan Estate, company has implemented the protection on reproductive right, for example: period leave, birth leave, medical check up for female sprayer/manuring workers and strict policy against sexual harassment and violence to women.</p> <p>The policy is available in Bahasa Indonesia and being communicated during morning musters and through notice boards.</p> <p>Sample taken on socialization of the policy, e.g:</p> <ul style="list-style-type: none"> <li>a. Socialization in Bukit Maradja Estate on 7 March 2016, was attended by 22 workers.</li> <li>b. Socialization in Bukit Maradja POM on 7 March 2016, was attended by 22 workers</li> <li>c. Socialization in Kerasaan Estate on 24 January 2017, was attended by 48 workers (Division 3)</li> </ul>	<p>Comply</p>

<p><b>6.9.2</b></p>	<p>A policy to protect the reproductive rights, shall be documented, implemented and communicated to all levels of the workforce.          - Major compliance –</p>	<p>Company has a policy to protect reproductive rights, approved and signed by President Director on 01/03/2014. Based on interview with female worker and committee gender representative Bukit Maradja Estate and Kerasaan Estate, company has implemented the protection on reproductive right, for example: period leave, birth leave, medical check up for female sprayer/manuring workers and strict policy against sexual harassment and violence to women.          The policy is available in Bahasa Indonesia and being communicated during morning musters and through notice boards.</p> <p>Sample taken on socialization of the policy, e.g:</p> <ul style="list-style-type: none"> <li>a. Socialization in Bukit Maradja Estate on 7 March 2016, was attended by 22 workers.</li> <li>b. Socialization in Bukit Maradja POM on 7 March 2016, was attended by 22 workers</li> <li>c. Socialization in Kerasaan Estate on 24 January 2017, was attended by 48 workers (Division 3)</li> </ul>	<p>Comply</p>
<p><b>6.9.3</b></p>	<p>A specific grievance mechanism which respects anonymity of complainants where requested, and as long as they are supported with adequate information, shall be documented, implemented, and communicated to all workforce.          - Minor compliance –</p>	<p>Company has a policy to protect reproductive rights, approved and signed by President Director on 01/03/2014. Based on verification of “Pedoman Pengelolaan Gender” Dok.No.ENC/Pedoman/GC/01 dated 21/04/2011 and interview with gender committee of Bukit Maradja Estate, it is known that company has a specific procedure to handle gender issues, which is through reporting to gender committee. The document also guarantees anonymity and confidentiality of reporter.          Based on interview with female workers in Bukit Maradja and Kerasaan Estate (sprayers and manuring workers), shows understanding of mechanism to report on sexual harassment/domestic violence or other gender-related issues.</p>	<p>Comply</p>
<p><b>Criterion 6.10:</b>          Growers and mills deal fairly and transparently with smallholders and other local businesses.</p>			
<p><b>6.10.1</b></p>	<p>Current and past prices paid for Fresh Fruit Bunches (FFB), shall be publicly available.          - Minor compliance -</p>	<p>N/A</p>	<p>N/A</p>

<p><b>6.10.2</b></p>	<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).          - Major compliance -</p>	<p>N/A</p>	<p>N/A</p>
<p><b>6.10.3</b></p>	<p>Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.          - Minor compliance -</p>	<p>No any contract related in supply FFB and FFB transport.          Others contract between company and third parties is available and signed by both parties, based on document review and interview with contractors confirmed that they understand term and condition of contracts.          Based on interviews with PHL labor and Cooperative Management Services stated that they understood the content of the letter of agreement has been signed Working as a reference work as outlined in the Employment Agreement No. 01/KI/KJI/ I/2017 dated January 6, 2017 between PT Kerasaan Indonesia and Koperasi Konsumen Kerasaan, for work of upkeep. The agreement is valid for one year since it was signed, has been set BPJS employment and Health (Kopkar), minimum wage, the use of PPE and the prohibition of workers under the age of 18 years.</p>	<p>Comply</p>
<p><b>6.10.4</b></p>	<p>Agreed payments shall be made in a timely manner.          - Minor compliance -</p>	<p>Evidence of payment is reviewed and it was seen paid timely manner.          Based on interviews with cooperative management and non-permanent employees stated that PT ESI and PT KI has made payments according to the agreements work in the Letter of Employment Agreement.</p>	<p>Comply</p>
<p><b>Criterion 6.11:</b>          Growers and millers contribute to local sustainable development where appropriate.</p>			

<p><b>6.11.1</b></p>	<p>Records of contributions to local development based on the results of consultation with local communities shall be available.          - Minor compliance -</p>	<p>Each Estae has prepared CSR Program annually, e.g:          - Bukit Maradja Estata dan Kerasaaan Estate, in 2016 and 2017 has prepared 9 porogram of Communtiy Development, e.g: education, infrastructure, agriculture, entrepreneurship, sports, arts, regilious and social economics          - Record of realization the program of CSR documented either by a Company, e.g heavy machinery to repair the football field in Senior High School (MAN) Pemantang Siantar on 9 December 2016, assistance for road maintenance from Nagori Sakhuda Bayu to Nagori Marhat Bukit, etc.</p> <p>Based on result of public consultation with local community stated that PT Kerasaan Indonesia and PT Eastern Sumatera Indonesia have been developing the economy of local community especially the local population labor absorption.</p>	<p>Comply</p>
<p><b>6.11.2</b></p>	<p>Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve scheme smallholder productivity.          - Minor compliance -</p>	<p>No smallholder scheme in PT Kerasaan Indoneisa and PT Eastern Sumatra Indonesia</p>	<p>N/A</p>
<p><b>Criterion 6.12:</b>          No forms of forced or trafficked labour are used.</p>			

<p><b>6.12.1</b></p>	<p>There shall be evidence that no forms of forced or trafficked labor are used.          - Major compliance -</p>	<p>PT Kerasaan Indonesia and PT Eastern Sumatra Indoneisa have demonstrated a policy to respect human rights under "Company Policy of Human Right", signed by President Director on 1 March 2013, stated 2013, that stated:</p> <ul style="list-style-type: none"> <li>a. Company recognises that Human Right are universal and apply to all without any form of distinction.</li> <li>b. Company supports the implementation of International Bill of Human Right, and of the ILO Declaration on Fundamental Principles and Rights at Work, as they are transcribed into the law and regulation of Republik of Indonesia.</li> <li>c. Charges of violation of Human Rights, where Substantiated, will result in Indiciplinary action up to and including dismissal, and may also lead to legal astion.</li> <li>d. This Policy applies to PT Tolan Tiga Indonesia and to all companies under the management of PT Tolan Tiga Indonesia, including PT. Eastern Sumatra Indonesia.</li> </ul> <p>The policy had been disseminated to employees through the installation of such policies on the notice board in their respective Estate Offices and dissemination directly to the employee, for example;</p> <ul style="list-style-type: none"> <li>a. Socialization in Kerasakan Estate on 27 January 2017 attended by 65 workers.</li> <li>b. Socialization in Bukit Maradja Estate on 7 Maret 2016, attended by 22 workers.</li> <li>c. Socialization in Bukit Maradja POM on 25 January 2017 was attended by 49 workers.</li> </ul>	<p>Comply</p>
<p><b>6.12.2</b></p>	<p>It shall be demonstrated that no contract substitution has occurred.          - Minor compliance -</p>	<p>Based on document review and interview with workers and labour union, confirmed that no contract substitution was noted.</p>	<p>Comply</p>

<p><b>6.12.3</b></p>	<p>Where migrant/foreign/honorary workers are employed, a special worker policy and procedures and the evidence of implementation shall be available.          - Major compliance -</p>	<p>Pekerja Harian Lepas – PHL (freelance workers) dan wholesale managed by Cooperative (Koperasi Jasa Karyawan), as a reference work has been signed Working Agreement (SPK) are outlined in the Working Agreement No. 01 / TTI / KJK / II / 2017 dated January 2, 2017 between PT Kerasaan Indonesia with “Koperasi Jasa Karyawan”. Valid until 1 year since it was signed, covering BPJS for employees, the minimum wage, PPE, etc.</p> <p>Based on interview with Koperasi Jasa Karyawan indicate that they have understood the Right dan Duties as a provider of services procurement of PHL (daily worker).</p>	<p>Comply</p>
<p><b>Criterion 6.13:</b>          Growers and millers respect human rights.</p>			

<p><b>6.13.1</b></p>	<p>A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations. - Major compliance -</p>	<p>PT Kerasaan Indonesia and PT Eastern Sumatra Indoneisa have demonstrated a policy to respect human rights under "Company Policy of Human Right", signed by President Director on 1 March 2013, that stated:</p> <ul style="list-style-type: none"> <li>a. Company recognises that Human Right are universal and apply to all without any form of distinction.</li> <li>b. Company supports the implementation of International Bill of Human Right, and of the ILO Declaration on Fundamental Principles and Rights at Work, as they are transcribed into the law and regulation of Republik of Indonesia.</li> <li>c. Charges of violation of Human Rights, where Substantiated, will result in Indiciplinary action up to and including dismissal, and may also lead to legal astion.</li> <li>d. This policy applies to PT Tolan Tiga Indonesia and to all companies under the managment of PT. Tolan Tiga Indonesia – including PT. Eastern Sumatra Indonesia and PT. Kerasaan Indonesia.</li> </ul> <p>The policy had been disseminated to employees through the installation of such policies on the notice board in their respective Estate Offices and dissemination directly to the employee, for example;</p> <ul style="list-style-type: none"> <li>a. Socialization in Kerasakan Estate on 27 January 2017 attended by 65 workers.</li> <li>b. Socialization in Bukit Maradja Estate on 7 Maret 2016, attended by 22 workers.</li> <li>c. Socialization in Bukit Maradja POM on 25 January 2017 was attended by 49 workers.</li> </ul>	<p>Comply</p>
<p><b>Principle 7: Responsible development of new plantings</b></p>			
<p><b>Criterion 7.1:</b> A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</p>			

<p><b>7.1.1</b></p>	<p>An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented. - Major compliance –</p>	<p>PT. Eastern Sumatra Indonesia has a long history in Indonesia, whereby started when take over conducted between Indonesian Government and <i>Societe Internationale de Plantations Et de Finnance S.A-SIPEF</i> (Belgium) and land title rights (HGU) from BPN (National Land Authority) was obtained from BPN HGU No.SK.46/HGU/DA/75, dated on 21 October 1975 and continuing of HGU from "Menteri Negara Agraria/ Kepala BPN nomor 108/HGU/BPN/97", dated on 26<sup>th</sup> August 1997 with area 3,177.94 hectare (Certificate "HGU No. 2 tahun 1997, with total area 3,177.94 hectares for PT. Eastern Sumatera Indonesia) and HGU No. SK.45/HGU/DA/75, dated on 21<sup>st</sup> October 1975 and continuing of HGU from "Menteri Negara Agraria/ Kepala BPN nomor 90/HGU/ BPN/97", dated on 5<sup>th</sup> August 1997 with total area 2,362.03 hectares (Certificate "HGU No. 1 tahun 1997", with total area 2,362.03 hectares for PT. Kerasaan Indonesia).</p> <p>There was no new planting after November 2005. There are only replanting program. For example the area under Bukit Maradja Estate. Bukit Maradja Estate has started the replanting program and continuously prepared a replanting program up to 2021. Replanting program Bukit Maradja Estate 2017 – 2021:</p> <table border="1" data-bbox="673 1288 1212 1653"> <thead> <tr> <th>Replanting year</th> <th>Division/ Planting year</th> <th>Hectarage (Ha)</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>Div.3: 2000; Div.4: 2001</td> <td>169.02</td> </tr> <tr> <td>2018</td> <td>OP2000 and OP 2001</td> <td>141.45</td> </tr> <tr> <td>2019</td> <td>OP1999 and OP2000</td> <td>116.96</td> </tr> <tr> <td>2020</td> <td>OP1996, OP1997, OP1999, OP2000</td> <td>184.41</td> </tr> <tr> <td>2021</td> <td>Div.4: 2001</td> <td>185.09</td> </tr> </tbody> </table> <p>It was known that the replanting program was applicable for the oil palm with planting year 2001 and older.</p> <p>The audit team concluded that Principle 7 is not applicable for PT. Eastern Sumatra Indonesia.</p>	Replanting year	Division/ Planting year	Hectarage (Ha)	2017	Div.3: 2000; Div.4: 2001	169.02	2018	OP2000 and OP 2001	141.45	2019	OP1999 and OP2000	116.96	2020	OP1996, OP1997, OP1999, OP2000	184.41	2021	Div.4: 2001	185.09	<p>N/A</p>
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<p><b>7.1.2</b></p>	<p>Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts.          - Minor compliance -</p>	<p>See indicator 7.1.1.</p>	<p>N/A</p>
<p><b>7.1.3</b></p>	<p>Where the development includes an outgrower scheme (<i>skema kemitraan</i>), the impacts of the scheme and the implications of the way it is managed shall be given particular attention.          - Minor compliance -</p>	<p>See indicator 7.1.2.</p>	<p>N/A</p>
<p><b>Criterion 7.2:</b>          Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</p>			

<p><b>7.2.1</b></p>	<p>Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations. - Major compliance -</p>	<p>PT. Eastern Sumatra Indonesia has a long history in Indonesia, whereby started when take over conducted between Indonesian Government and <i>Societe Internationale de Plantations Et de Finnance S.A-SIPEF</i> (Belgium) and land title rights (HGU) from BPN (National Land Authority) was obtained from BPN HGU No.SK.46/HGU/DA/75, dated on 21 October 1975 and continuing of HGU from "Menteri Negara Agraria/ Kepala BPN nomor 108/HGU/BPN/97", dated on 26<sup>th</sup> August 1997 with area 3,177.94 hectare (Certificate "HGU No. 2 tahun 1997, with total area 3,177.94 hectares for PT. Eastern Sumatera Indonesia) and HGU No. SK.45/HGU/DA/75, dated on 21<sup>st</sup> October 1975 and continuing of HGU from "Menteri Negara Agraria/ Kepala BPN nomor 90/HGU/ BPN/97", dated on 5<sup>th</sup> August 1997 with total area 2,362.03 hectares (Certificate "HGU No. 1 tahun 1997", with total area 2,362.03 hectares for PT. Kerasaan Indonesia).</p> <p>There was no new planting after November 2005. There are only replanting program. For example the area under Bukit Maradja Estate. Bukit Maradja Estate has started the replanting program and continuously prepared a replanting program up to 2021. Replanting program Bukit Maradja Estate 2017 – 2021:</p> <table border="1" data-bbox="673 1288 1214 1653"> <thead> <tr> <th>Replanting year</th> <th>Division/ Planting year</th> <th>Hectarage (Ha)</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>Div.3: 2000; Div.4: 2001</td> <td>169.02</td> </tr> <tr> <td>2018</td> <td>OP2000 and OP 2001</td> <td>141.45</td> </tr> <tr> <td>2019</td> <td>OP1999 and OP2000</td> <td>116.96</td> </tr> <tr> <td>2020</td> <td>OP1996, OP1997, OP1999, OP2000</td> <td>184.41</td> </tr> <tr> <td>2021</td> <td>Div.4: 2001</td> <td>185.09</td> </tr> </tbody> </table> <p>It was known that the replanting program was applicable for the oil palm with planting year 2001 and older.</p> <p>The audit team concluded that Principle 7 is not applicable for PT. Eastern Sumatra Indonesia.</p>	Replanting year	Division/ Planting year	Hectarage (Ha)	2017	Div.3: 2000; Div.4: 2001	169.02	2018	OP2000 and OP 2001	141.45	2019	OP1999 and OP2000	116.96	2020	OP1996, OP1997, OP1999, OP2000	184.41	2021	Div.4: 2001	185.09	<p>N/A</p>
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<p><b>7.2.2</b></p>	<p>Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available and taken into account in plans and operations.          - Minor compliance -</p>	<p>See indicator 7.2.1.</p>	<p>N/A</p>
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**Criterion 7.3:**  
 New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.

<p><b>7.3.1</b></p>	<p>There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2). - Major compliance -</p>	<p>PT. Eastern Sumatra Indonesia has a long history in Indonesia, whereby started when take over conducted between Indonesian Government and <i>Societe Internationale de Plantations Et de Finnance S.A-SIPEF</i> (Belgium) and land title rights (HGU) from BPN (National Land Authority) was obtained from BPN HGU No.SK.46/HGU/DA/75, dated on 21 October 1975 and continuing of HGU from "Menteri Negara Agraria/ Kepala BPN nomor 108/HGU/BPN/97", dated on 26<sup>th</sup> August 1997 with area 3,177.94 hectare (Certificate "HGU No. 2 tahun 1997, with total area 3,177.94 hectares for PT. Eastern Sumatera Indonesia) and HGU No. SK.45/HGU/DA/75, dated on 21<sup>st</sup> October 1975 and continuing of HGU from "Menteri Negara Agraria/ Kepala BPN nomor 90/HGU/ BPN/97", dated on 5<sup>th</sup> August 1997 with total area 2,362.03 hectares (Certificate "HGU No. 1 tahun 1997", with total area 2,362.03 hectares for PT. Kerasaan Indonesia).</p> <p>There was no new planting after November 2005. There are only replanting program. For example the area under Bukit Maradja Estate. Bukit Maradja Estate has started the replanting program and continuously prepared a replanting program up to 2021. Replanting program Bukit Maradja Estate 2017 – 2021:</p> <table border="1" data-bbox="678 1288 1212 1646"> <thead> <tr> <th>Replanting year</th> <th>Division/ Planting year</th> <th>Hectarage (Ha)</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>Div.3: 2000; Div.4: 2001</td> <td>169.02</td> </tr> <tr> <td>2018</td> <td>OP2000 and OP 2001</td> <td>141.45</td> </tr> <tr> <td>2019</td> <td>OP1999 and OP2000</td> <td>116.96</td> </tr> <tr> <td>2020</td> <td>OP1996, OP1997, OP1999, OP2000</td> <td>184.41</td> </tr> <tr> <td>2021</td> <td>Div.4: 2001</td> <td>185.09</td> </tr> </tbody> </table> <p>It was known that the replanting program was applicable for the oil palm with planting year 2001 and older.</p> <p>The audit team concluded that Principle 7 is not applicable for PT. Eastern Sumatra Indonesia.</p>	Replanting year	Division/ Planting year	Hectarage (Ha)	2017	Div.3: 2000; Div.4: 2001	169.02	2018	OP2000 and OP 2001	141.45	2019	OP1999 and OP2000	116.96	2020	OP1996, OP1997, OP1999, OP2000	184.41	2021	Div.4: 2001	185.09	<p>N/A</p>
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<p><b>7.3.2</b></p>	<p>A comprehensive HCV assessment, including stakeholder consultation, shall be conducted prior to any conversion or new planting. This shall include a land use change analysis to determine changes to the vegetation since November 2005. This analysis shall be used, with proxies, to indicate changes to HCV status.          - Major compliance -</p>	<p>See indicator 7.3.1.</p>	<p>N/A</p>
<p><b>7.3.3</b></p>	<p>Dates of land preparation and commencement shall be recorded.          - Minor compliance -</p>	<p>See indicator 7.3.1.</p>	<p>N/A</p>
<p><b>7.3.4</b></p>	<p>An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower’s relevant operational procedures (see Criterion 5.2).          - Major compliance -</p>	<p>See indicator 7.3.1.</p>	<p>N/A</p>
<p><b>7.3.5</b></p>	<p>Areas required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from proposed operations, shall be identified in consultation with the communities and incorporated into HCV assessments and management plans (see Criterion 5.2).          - Minor compliance -</p>	<p>See indicator 7.3.1.</p>	<p>N/A</p>
<p><b>Criterion 7.4:</b>          Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.</p>			

<p><b>7.4.1</b></p>	<p>Maps identifying marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided - Minor compliance -</p>	<p>PT. Eastern Sumatra Indonesia has a long history in Indonesia, whereby started when take over conducted between Indonesian Government and <i>Societe Internationale de Plantations Et de Finnance S.A-SIPEF</i> (Belgium) and land title rights (HGU) from BPN (National Land Authority) was obtained from BPN HGU No.SK.46/HGU/DA/75, dated on 21 October 1975 and continuing of HGU from "Menteri Negara Agraria/ Kepala BPN nomor 108/HGU/BPN/97", dated on 26<sup>th</sup> August 1997 with area 3,177.94 hectare (Certificate "HGU No. 2 tahun 1997, with total area 3,177.94 hectares for PT. Eastern Sumatera Indonesia) and HGU No. SK.45/HGU/DA/75, dated on 21<sup>st</sup> October 1975 and continuing of HGU from "Menteri Negara Agraria/ Kepala BPN nomor 90/HGU/ BPN/97", dated on 5<sup>th</sup> August 1997 with total area 2,362.03 hectares (Certificate "HGU No. 1 tahun 1997", with total area 2,362.03 hectares for PT. Kerasaan Indonesia).</p> <p>There was no new planting after November 2005. There are only replanting program. For example the area under Bukit Maradja Estate. Bukit Maradja Estate has started the replanting program and continuously prepared a replanting program up to 2021. Replanting program Bukit Maradja Estate 2017 – 2021:</p> <table border="1" data-bbox="673 1288 1214 1653"> <thead> <tr> <th>Replanting year</th> <th>Division/ Planting year</th> <th>Hectarage (Ha)</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>Div.3: 2000; Div.4: 2001</td> <td>169.02</td> </tr> <tr> <td>2018</td> <td>OP2000 and OP 2001</td> <td>141.45</td> </tr> <tr> <td>2019</td> <td>OP1999 and OP2000</td> <td>116.96</td> </tr> <tr> <td>2020</td> <td>OP1996, OP1997, OP1999, OP2000</td> <td>184.41</td> </tr> <tr> <td>2021</td> <td>Div.4: 2001</td> <td>185.09</td> </tr> </tbody> </table> <p>It was known that the replanting program was applicable for the oil palm with planting year 2001 and older.</p> <p>The audit team concluded that Principle 7 is not applicable for PT. Eastern Sumatra Indonesia.</p>	Replanting year	Division/ Planting year	Hectarage (Ha)	2017	Div.3: 2000; Div.4: 2001	169.02	2018	OP2000 and OP 2001	141.45	2019	OP1999 and OP2000	116.96	2020	OP1996, OP1997, OP1999, OP2000	184.41	2021	Div.4: 2001	185.09	<p>N/A</p>
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<b>7.4.2</b>	Where limited planting on fragile and marginal soils, including peat, is proposed, plans shall be developed and implemented to protect them without incurring adverse impacts. - Major compliance -	See indicator 7.4.2.	N/A
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**Criterion 7.5:**  
 No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.

<p><b>7.5.1</b></p>	<p>Evidence shall be available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the grower/miller is signed and ratified by these local peoples.</p> <p>- Major compliance -</p>	<p>PT. Eastern Sumatra Indonesia has a long history in Indonesia, whereby started when take over conducted between Indonesian Government and <i>Societe Internationale de Plantations Et de Finnance S.A-SIPEF</i> (Belgium) and land title rights (HGU) from BPN (National Land Authority) was obtained from BPN HGU No.SK.46/HGU/DA/75, dated on 21 October 1975 and continuing of HGU from "Menteri Negara Agraria/ Kepala BPN nomor 108/HGU/BPN/97", dated on 26<sup>th</sup> August 1997 with area 3,177.94 hectare (Certificate "HGU No. 2 tahun 1997, with total area 3,177.94 hectares for PT. Eastern Sumatera Indonesia) and HGU No. SK.45/HGU/DA/75, dated on 21<sup>st</sup> October 1975 and continuing of HGU from "Menteri Negara Agraria/ Kepala BPN nomor 90/HGU/ BPN/97", dated on 5<sup>th</sup> August 1997 with total area 2,362.03 hectares (Certificate "HGU No. 1 tahun 1997", with total area 2,362.03 hectares for PT. Kerasaan Indonesia).</p> <p>There was no new planting after November 2005. There are only replanting program. For example the area under Bukit Maradja Estate. Bukit Maradja Estate has started the replanting program and continuously prepared a replanting program up to 2021. Replanting program Bukit Maradja Estate 2017 – 2021:</p> <table border="1" data-bbox="678 1288 1212 1646"> <thead> <tr> <th>Replanting year</th> <th>Division/ Planting year</th> <th>Hectarage (Ha)</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>Div.3: 2000; Div.4: 2001</td> <td>169.02</td> </tr> <tr> <td>2018</td> <td>OP2000 and OP 2001</td> <td>141.45</td> </tr> <tr> <td>2019</td> <td>OP1999 and OP2000</td> <td>116.96</td> </tr> <tr> <td>2020</td> <td>OP1996, OP1997, OP1999, OP2000</td> <td>184.41</td> </tr> <tr> <td>2021</td> <td>Div.4: 2001</td> <td>185.09</td> </tr> </tbody> </table> <p>It was known that the replanting program was applicable for the oil palm with planting year 2001 and older.</p> <p>The audit team concluded that Principle 7 is not applicable for PT. Eastern Sumatra Indonesia.</p>	Replanting year	Division/ Planting year	Hectarage (Ha)	2017	Div.3: 2000; Div.4: 2001	169.02	2018	OP2000 and OP 2001	141.45	2019	OP1999 and OP2000	116.96	2020	OP1996, OP1997, OP1999, OP2000	184.41	2021	Div.4: 2001	185.09	<p>N/A</p>
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**Criterion 7.6:**  
 Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.



<p><b>7.6.1</b></p>	<p>Documented identification and assessment of demonstrable legal, customary and user rights shall be available.          - Major compliance -</p>	<p>PT. Eastern Sumatra Indonesia has a long history in Indonesia, whereby started when take over conducted between Indonesian Government and <i>Societe Internationale de Plantations Et de Finnance S.A-SIPEF</i> (Belgium) and land title rights (HGU) from BPN (National Land Authority) was obtained from BPN HGU No.SK.46/HGU/DA/75, dated on 21 October 1975 and continuing of HGU from "Menteri Negara Agraria/ Kepala BPN nomor 108/HGU/BPN/97", dated on 26<sup>th</sup> August 1997 with area 3,177.94 hectare (Certificate "HGU No. 2 tahun 1997, with total area 3,177.94 hectares for PT. Eastern Sumatera Indonesia) and HGU No. SK.45/HGU/DA/75, dated on 21<sup>st</sup> October 1975 and continuing of HGU from "Menteri Negara Agraria/ Kepala BPN nomor 90/HGU/ BPN/97", dated on 5<sup>th</sup> August 1997 with total area 2,362.03 hectares (Certificate "HGU No. 1 tahun 1997", with total area 2,362.03 hectares for PT. Kerasaan Indonesia).</p> <p>There was no new planting after November 2005. There are only replanting program. For example the area under Bukit Maradja Estate. Bukit Maradja Estate has started the replanting program and continuously prepared a replanting program up to 2021. Replanting program Bukit Maradja Estate 2017 – 2021:</p> <table border="1" data-bbox="678 1288 1212 1646"> <thead> <tr> <th>Replanting year</th> <th>Division/ Planting year</th> <th>Hectarage (Ha)</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>Div.3: 2000; Div.4: 2001</td> <td>169.02</td> </tr> <tr> <td>2018</td> <td>OP2000 and OP 2001</td> <td>141.45</td> </tr> <tr> <td>2019</td> <td>OP1999 and OP2000</td> <td>116.96</td> </tr> <tr> <td>2020</td> <td>OP1996, OP1997, OP1999, OP2000</td> <td>184.41</td> </tr> <tr> <td>2021</td> <td>Div.4: 2001</td> <td>185.09</td> </tr> </tbody> </table> <p>It was known that the replanting program was applicable for the oil palm with planting year 2001 and older.</p> <p>The audit team concluded that Principle 7 is not applicable for PT. Eastern Sumatra Indonesia.</p>	Replanting year	Division/ Planting year	Hectarage (Ha)	2017	Div.3: 2000; Div.4: 2001	169.02	2018	OP2000 and OP 2001	141.45	2019	OP1999 and OP2000	116.96	2020	OP1996, OP1997, OP1999, OP2000	184.41	2021	Div.4: 2001	185.09	<p>N/A</p>
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<b>7.6.2</b>	A system for identifying people entitled to compensation shall be in place. - Major compliance -	See indicator 7.6.1.	N/A
<b>7.6.3</b>	A system for calculating and distributing fair compensation (monetary or otherwise) shall be in place. - Major compliance -	See indicator 7.6.1.	N/A
<b>7.6.4</b>	Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development. - Minor compliance -	See indicator 7.6.1.	N/A
<b>7.6.5</b>	The process and outcome of any compensation claims shall be documented and made publicly available. - Minor compliance -	See indicator 7.6.1.	N/A
<b>7.6.6</b>	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 -	See indicator 7.6.1.	N/A
<p><b>Criterion 7.7:</b>          No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</p>			

<p><b>7.7.1</b></p>	<p>There shall be no land preparation by burning, other than in specific situations, as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -</p>	<p>PT. Eastern Sumatra Indonesia has a long history in Indonesia, whereby started when take over conducted between Indonesian Government and <i>Societe Internationale de Plantations Et de Finnance S.A-SIPEF</i> (Belgium) and land title rights (HGU) from BPN (National Land Authority) was obtained from BPN HGU No.SK.46/HGU/DA/75, dated on 21 October 1975 and continuing of HGU from "Menteri Negara Agraria/ Kepala BPN nomor 108/HGU/BPN/97", dated on 26<sup>th</sup> August 1997 with area 3,177.94 hectare (Certificate "HGU No. 2 tahun 1997, with total area 3,177.94 hectares for PT. Eastern Sumatera Indonesia) and HGU No. SK.45/HGU/DA/75, dated on 21<sup>st</sup> October 1975 and continuing of HGU from "Menteri Negara Agraria/ Kepala BPN nomor 90/HGU/ BPN/97", dated on 5<sup>th</sup> August 1997 with total area 2,362.03 hectares (Certificate "HGU No. 1 tahun 1997", with total area 2,362.03 hectares for PT. Kerasaan Indonesia).</p> <p>There was no new planting after November 2005. There are only replanting program. For example the area under Bukit Maradja Estate. Bukit Maradja Estate has started the replanting program and continuously prepared a replanting program up to 2021. Replanting program Bukit Maradja Estate 2017 – 2021:</p> <table border="1" data-bbox="673 1288 1214 1653"> <thead> <tr> <th>Replanting year</th> <th>Division/ Planting year</th> <th>Hectarage (Ha)</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>Div.3: 2000; Div.4: 2001</td> <td>169.02</td> </tr> <tr> <td>2018</td> <td>OP2000 and OP 2001</td> <td>141.45</td> </tr> <tr> <td>2019</td> <td>OP1999 and OP2000</td> <td>116.96</td> </tr> <tr> <td>2020</td> <td>OP1996, OP1997, OP1999, OP2000</td> <td>184.41</td> </tr> <tr> <td>2021</td> <td>Div.4: 2001</td> <td>185.09</td> </tr> </tbody> </table> <p>It was known that the replanting program was applicable for the oil palm with planting year 2001 and older.</p> <p>The audit team concluded that Principle 7 is not applicable for PT. Eastern Sumatra Indonesia.</p>	Replanting year	Division/ Planting year	Hectarage (Ha)	2017	Div.3: 2000; Div.4: 2001	169.02	2018	OP2000 and OP 2001	141.45	2019	OP1999 and OP2000	116.96	2020	OP1996, OP1997, OP1999, OP2000	184.41	2021	Div.4: 2001	185.09	<p>N/A</p>
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<p><b>7.7.2</b></p>	<p>In exceptional cases where fire has to be used for preparing land for planting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.          - Minor compliance -</p>	<p>See indicator 7.7.1.</p>	<p>N/A</p>
<p><b>Criterion 7.8:</b>          New plantation developments are designed to minimise net greenhouse gas emissions.</p>			

<p><b>7.8.1</b></p>	<p>The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated.          - Major compliance -</p>	<p>PT. Eastern Sumatra Indonesia has a long history in Indonesia, whereby started when take over conducted between Indonesian Government and <i>Societe Internationale de Plantations Et de Finnance S.A-SIPEF</i> (Belgium) and land title rights (HGU) from BPN (National Land Authority) was obtained from BPN HGU No.SK.46/HGU/DA/75, dated on 21 October 1975 and continuing of HGU from "Menteri Negara Agraria/ Kepala BPN nomor 108/HGU/BPN/97", dated on 26<sup>th</sup> August 1997 with area 3,177.94 hectare (Certificate "HGU No. 2 tahun 1997, with total area 3,177.94 hectares for PT. Eastern Sumatera Indonesia) and HGU No. SK.45/HGU/DA/75, dated on 21<sup>st</sup> October 1975 and continuing of HGU from "Menteri Negara Agraria/ Kepala BPN nomor 90/HGU/ BPN/97", dated on 5<sup>th</sup> August 1997 with total area 2,362.03 hectares (Certificate "HGU No. 1 tahun 1997", with total area 2,362.03 hectares for PT. Kerasaan Indonesia).</p> <p>There was no new planting after November 2005. There are only replanting program. For example the area under Bukit Maradja Estate. Bukit Maradja Estate has started the replanting program and continuously prepared a replanting program up to 2021. Replanting program Bukit Maradja Estate 2017 – 2021:</p> <table border="1" data-bbox="678 1288 1212 1646"> <thead> <tr> <th>Replanting year</th> <th>Division/ Planting year</th> <th>Hectarage (Ha)</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>Div.3: 2000; Div.4: 2001</td> <td>169.02</td> </tr> <tr> <td>2018</td> <td>OP2000 and OP 2001</td> <td>141.45</td> </tr> <tr> <td>2019</td> <td>OP1999 and OP2000</td> <td>116.96</td> </tr> <tr> <td>2020</td> <td>OP1996, OP1997, OP1999, OP2000</td> <td>184.41</td> </tr> <tr> <td>2021</td> <td>Div.4: 2001</td> <td>185.09</td> </tr> </tbody> </table> <p>It was known that the replanting program was applicable for the oil palm with planting year 2001 and older.</p> <p>The audit team concluded that Principle 7 is not applicable for PT. Eastern Sumatra Indonesia.</p>	Replanting year	Division/ Planting year	Hectarage (Ha)	2017	Div.3: 2000; Div.4: 2001	169.02	2018	OP2000 and OP 2001	141.45	2019	OP1999 and OP2000	116.96	2020	OP1996, OP1997, OP1999, OP2000	184.41	2021	Div.4: 2001	185.09	<p>N/A</p>
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7.8.2	There shall be a plan to minimise net GHG emissions which takes into account avoidance of land areas with high carbon stocks and/or sequestration options. - Minor compliance -	See indicator 7.8.1.	N/A
<b>Principle 8: Commitment to continual improvement in key areas of activity</b>			
<b>Criterion 8.1:</b> Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			
8.1.1	The action plan for monitoring shall be available, based on a consideration of the social and environmental impacts and routine evaluation of the plantation and mill operations. As a minimum, these shall include, but are not necessarily be limited to: <ul style="list-style-type: none"> <li>• Reduction in use of certain chemicals (Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);</li> <li>• Optimising the yield of FFB production (Criterion 4.2)</li> </ul> - Major compliance –	A continuous improvement plan has been prepared and internal audit conducted to identify environmental and social activities and management review, such as: <ul style="list-style-type: none"> <li>- Applied EFB as fertilizer, fibre and shell are burned in boiler for electricity, organic and an-organic from domestic waste is separated, where an-organic wastes go through to the landfill.</li> <li>- Continuing dispose hazardous waste to the approval collector.</li> <li>- Increasing planting beneficial plant.</li> <li>- Planting Mucuna Bracteata and contour terracing in replanting area to prevent erosion.</li> <li>- Composting plant will be commenced in mid-2017.</li> <li>- Construct bounding (Penghalang air) to prevent erosion.</li> <li>- CSR program.</li> </ul>	Comply

**Appendix B: Approved Time Bound Plan**

Name of company	Name of Mill	Location	Supply Base	Time Bound Plan	Target Year for RSPO
PT. Agro Muko	Muko Muko Mill	Mukomuko Regency, Bengkulu Province, Indonesia	Muko Muko estate, S. Betung estate, Tanah rekah estate, Talang Petai estate, S. Kiang estate and KMD	2011	Certified February 2011
	Bunga Tanjung Mill	Mukomuko Regency, Bengkulu Province, Indonesia	Bunga Tanjung estate, Air Bikuk estate, Air Buluh estate and KMD	2011	Certified February 2011
			PT. Mukomuko Agro Sejahtera: - Air Majunto estate - Malin Deman estate	2014	Certified February 2015
PT. Tolan Tiga	Bukit Maradja Mill	Sumatera Utara Province, Indonesia	- Bukit Maradja Estate (PT. Eastern Sumatra Indonesia) - Kerasaan Estate (PT. Kerasaan Indonesia)	2010	Certified May 2010
	Perlabian Mill	Labuhan Batu Selatan Regency, Sumatera Utara Province, Indonesia	Perlabian estate and Tolan estate.	2010	Certified May 2010
PT. Umbul Mas Wisesa	Umbul Mas Wisesa Mill	Labuhan Batu Selatan Regency, Sumatera Utara Province, Indonesia	UMW South estate, UMW North estate and Toton Usaha Mandiri estate	2014	Certified March 2015
PT. Agro Kati Lama	-	Sumatera Selatan Province, Indonesia	-	Will be certified when mill is commissioned (planned for 2019 at the earliest)	Under development (It has been RSPO NPP), RSPO public Notification on 31 <sup>st</sup> March 2014.
PT. Agro Rawas Ulu	-	Sumatera Selatan Province, Indonesia	-	Will be certified when mill is commissioned (planned for 2019 at the earliest)	Under development (It has been RSPO NPP), RSPO public Notification on 31 <sup>st</sup> March 2014.
PT. Agro Muara Rupit	-	Sumatera Selatan Province, Indonesia	-	Will be certified when mill is commissioned (planned for 2019 at the earliest)	Under development (It has been RSPO NPP), RSPO public Notification on 31 <sup>st</sup> March 2014.
Hargy Oil Palm Limited (HOPL)	Hargy Mill	East of Bialla, West New Britain Province, PNG	Hargy Plantation, Navo Plantation, Pandi Plantation and Smallholders	2009	RSPO Certified in April 2009
	Navo Mill	50 Kms East of Bialla, West New Britain Province, PNG	Hargy Plantation, Navo Plantation, Pandi Plantation and Smallholders	2009	RSPO Certified in April 2009
	Barema	30 km East of	Hargy Plantation, Navo Plantation,	2014	RSPO Certified in April

	MII	Bialla, West New Britain Province, PNG	Pandi Plantation and Smallholders		2014
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**Appendix C: Certification Unit RSPO Certificate Details**

PT. Eastern Sumatra Indonesia  
 Gedung Bank SUMUT Lantai 17  
 Jalan Imam Bonjol 18  
 20152 Medan, North Sumatera, Indonesia  
 Website: [www.tolantiga.co.id](http://www.tolantiga.co.id)

BSI RSPO Certificate No: RSPO 632266  
 Date of Certificate : 17<sup>th</sup> May 2015  
 End of certificate : 16<sup>th</sup> May 2020  
 RSPO membership number: 1-0021-05-000-00

Applicable Standards: *RSPO P&C 2013, Indonesia National Interpretation, September 2016; RSPO Supply Chain Certification Standard November 2014 Module Module D - CPO Mills: Identity Preserved*

<b>PT. Eastern Sumatra Indonesia – Bukit Maradja Palm Oil Mill and Supply Base</b>						
Location Address		Nagori Marihat Bukit Village, Gunung Malela District, Simalungun Regency, Sumatera Utara Province, Indonesia				
GPS Location		03 <sup>0</sup> 00' 44.26" N and 99 <sup>0</sup> 14' 08.06" E				
CPO Tonnage Total		24,423 mt				
PK Tonnage Total		5,716 mt				
CPO Claimed for Certification*		24,423 mt				
PK Claimed for Certification *		5,716 mt				
Own estates FFB Tonnage		103,926 mt				
Scheme Smallholder FFB Tonnage		- mt				
Estates	Production Area		Infrastructure & Other (ha)	HCV (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)				
Bukit Maradja Estate	2,627.37	284.02	238.42	97.71	3,177.94	58,932
Kerasaan Estate	2,077.09	219.00	64.66	26.42	2,362.41	44,994
<b>TOTAL</b>	<b>4,704.46</b>	<b>503.02</b>	<b>303.08</b>	<b>124.13</b>	<b>5,540.35</b>	<b>103,926</b>

### Appendix D: Assessment Plan

Date	Time	Subjects	Aswan Hasibuan	Imam Fakhrurozi	Nanang Kualib	
			PRSPo LA OHS	PRSPo-BAP/BMP	PRSPo-SA	
Thursday, 23/02/2017	08.00-12.00	Travelling Medan-Perlanan by Train, proceed to Site	√			
	08.00-12.00	Traveling R.Prapat-Perlanan by Train, proceed to Site		√	√	
	14.00-14.30	Opening Meeting - Presentation by Auditee - Presentation by auditor	√	√	√	
	14.30-17.00		<b>Dokumen Review: Bukit Maradja Mill</b> General information, time bound plan and partial certification verification and RSPO SCCS	√		
			<b>Dokumen Review: Bukit Maradja Mill</b> RSPO P & C		√	√
			<b>Stakeholder Interview:</b> Local communities			√
			<b>Field Visit: Bukit Maradja Mill</b> Worker and staff interviews (OSH, contract, salary), housing complex, clinic, PPE, safe working environment, walk ways, signs, EFB. POME treatment, emissions, diesel tanks, fire extinguishers, first aiders and boxes, workshop, storage etc	√		
			<b>Field Visit: Bukit Maradja Estate</b> Boundaries inspection, worker interviews, social amenities, etc.  Interview with: Labour Union and Gender Committee.			√
			<b>Field Visit and Doc Check: Bukit Maradja POM</b> Document Check, Included interview with Mill's workers		√	
	14.00 – 17.00		<b>Interview with:</b> Local communities (KMD, Head of village, community leader), etc.			√
Friday 24/02/2017	08.00-12.00	<b>Field Visit: Bukit Maradja Estate</b> Herbicide application programmes, harvesting, fertilising operations, , water management, road maintenance, terracing, chemical stores, fertilizer store, workshops, housing, landfill, clinic, Hazardous Waste, etc.	√	√		
		<b>Field Visit: Bukit Maradja Estate</b> Boundaries inspection, HCV's, riparian zones, worker interviews, social amenities, etc. Interview with: Labour Union and Gender Committee.			√	

Date	Time	Subjects	Aswan Hasibuan	Imam Fakhrurozi	Nanang Mualib
			PRSCO LA OHS	PRSCO-BAP/BMP	PRSCO-SA
	12.00-14.00	Lunch	√	√	√
	14.00-17.00	<b>Doc Check: Bukit Maradja Estate</b> Boundaries inspection, worker interviews, social amenities, etc. Interview with: Labour Union and Gender Committee.	√	√	√
Saturday, 25/02/2017	08.00 -12.00	<b>Field Visit: Bukit Maradja Mill</b> Worker and staff interviews (OSH, contract, salary), housing complex, clinic, PPE, safe working environment, walk ways, signs, EFB. POME treatment, emissions, diesel tanks, fire extinguishers, first aiders and boxes, workshop, storage etc	√	√	√
	12.00 -14.00	Lunch	√	√	√
		End of day 3	√	√	√
Monday 27/02/2017	08.00 -12.00	<b>Field Visit: Kerasaan Estate</b> Herbicide application programmes, harvesting, fertilising operations, , water management, road maintenance, terracing, chemical stores, fertilizer store, workshops, housing, landfill, clinic, HCV's, riparian zones, Hazardous Waste, etc.	√	√	√
		<b>Field Visit :Kerasaan Estate</b> Boundaries inspection, worker interviews, social amenities, etc. Interview with: Labour Union and Gender Committee.			√
	12.00 -14.00	Lunch	√	√	√
	14.00 -17.00	<b>Doc Check: Bukit Kerasaan Estate</b> Boundaries inspection, worker interviews, social amenities, etc. Interview with: Labour Union and Gender Committee.	√	√	√
Tuesday 28/02/2017	08.00 -10.00	Preparing Closing Meeting	√	√	√
	10.00 -11.00	Closing Meeting	√	√	√
	12.00 -16.00	Travelling Bukit Maradja – Kualanamu Airport	√	√	√
		Flight Medan – Jakarta		√	√
<b>Name</b>	<b>Role</b>	<b>Assessment aspects</b>			
Aswan Hasibuan	Team Leader	Legal aspect, OHS, interview with workers, Environment, AMDAL (Fluent in English and local language).			
Imam Fahrulrazi	Team member	Estate Best Practices in Estate, Environmental impacts, HCV, Best Practices in Mill Supply Chain for CPO Mills (Fluent in English and local language).			
Nanang Mualib	Team member	Social aspect, land tenure, HCV's, riparian zones, Internal and External Stakeholder Consultation (Fluent local language)			

**Appendix E: Stakeholders Contacted**

<p><b>Internal Stakeholders</b></p> <ul style="list-style-type: none"> <li>- Mill workers</li> <li>- Sprayer workers</li> <li>- Harvester workers</li> <li>- Upkeep workers</li> </ul>	<p><b>Union/Contractors/Local Communities</b></p> <ul style="list-style-type: none"> <li>- Ketua SP-BUMM Induk PT ESI</li> <li>- Ketua SP-BUMM ESI.</li> <li>- Ketua Serikat Pekerja Kerasakan Indonesia Mandiri (SP-KIM)</li> <li>- Ketua Komite Gender PT ESI</li> <li>- Pengurus Koperasi Serba Usaha Karyawan Bukit Maradja</li> <li>- Kepala Nagori Bukit Maraja</li> <li>- Kepala Nagori Marihat Bukit</li> <li>- Kepala Nagori Lingga</li> <li>- Perangkat Desa Purbaganda (Sekretaris Desa)</li> <li>- Contractor - Region Manager PT Solusi Security Indonesia</li> </ul>
<p><b>Government Departments</b></p> <ul style="list-style-type: none"> <li>- Dinas Koperasi, UKM dan Tenaga Kerja Kabupaten Simalungun</li> <li>- Kepala Dinas Lingkungan Hidup Kabupaten Simalungun</li> <li>- Kabid Perkebunan; Kasi Promosi dan Pengolahan Dinas Pertanian dan Perkebunan Kabupaten Simalungun</li> <li>- Kepala Seksi Sengketa, Konflik, Perkara, Kantor Pertanahan Kabupaten Simalungun</li> </ul>	<p><b>NGO</b></p> <ul style="list-style-type: none"> <li>Ketua LSM GARI</li> <li>Persatuan Wartawan Republik Indonesia (PWRI) Simalungun</li> </ul>

**Appendix F: CPO Mill Supply Chain Assessment Report (Module D - CPO Mills: Identity Preserved)**

Requirements	Compliance
<b>D.1 Definition</b>	
<p>D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&amp;C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>	<p>Bukit Maradja POM is implementing Module D for CPO Mills: Identity Preserved. Bukit Maradja POM only receiving certified FFB from company owned plantation; Bukit Maradja Estate and Kerasaan Estate.            Bukit Maradja Palm Oil Mill currently holding valid RSPO P&amp;C certificate No.RSPO 632266, valid until 16/05/2020, with current supply chain standard for CPO Mills: Module D – Identity Preserved.</p>
<b>D.2 Explanation</b>	
<p>D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimate annual tonnage for certified FFB, CPO and PK are available in the Estate and Mill annual production budget for 12 months since last surveillance assessment. The FFB tonnage received from all certified supply bases. The certified supply base is coming from Bukit Maradja Estate and Kerasaan Estate.            This has been recorded in this public summary report.</p>
<p>D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>Company holds eTrace registration under Bukit Maradja POM.            Bukit Maradja POM registered all the transactions within eTrace. RSPO etrace ID for PT. Eastern Sumatra Indonesia: RSPO_PO100000095 dated back 16/05/2016.</p>
<b>D.3 Documented procedures</b>	
<p>D.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:</p>	
<p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p>	<p>PT Eastern Sumatra Indonesia has update the procedure as documented in "Rantai Pasok dan Mampu Telusur (Supply Chain and Traceability Procedure), no. ENC/SCC/01, rev. 3, dated 26th March 2015.</p> <p>The procedure explains"            4.1.1 The harvesting procedure;            4.1.3 Recording harvest production;</p>

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	<p>4.1.4 Transporting the FFB and indicating the name of Estate, date of FFB delivery, transport detail, year of planting, block ID, total of bunches, identification of sustainable product; non-certified FFB will bear "Non-certified product" marking;</p> <p>4.2.1 Weighing of FFB truck;</p> <p>4.2.2 Weighbridge ticket indicating name of POM, weighbridge ticket number, name of supplying estate, date and hour of FFB weighing, transport detail, year of planting, block ID, gross, tare and nett weight, identification of sustainable product; non-certified FFB will bear "Non-certified product" marking;</p> <p>4.2.3 Processing of FFB and loose fruit and "Processing Daily Report" which indicate: FFB sustainable, FFB processed per shift, CPO production, PK production, stock CPO sustainable and stock PK sustainable, dispatch CPO and PK, outstanding CPO and PK;</p> <p>4.3 Sales of CPO and PK;</p> <p>4.4 Delivery of CPO and PK, to include information on name of buyer, name of transporter, DO number, transport detail, commodity type, certification status, contract number, delivery address, etc.</p> <p>PT Eastern Sumatra Indonesia also has procedures if receives FFB certified from others certified estate under SPEF group as regulated in PLPOM/WI/PROD_OTHER/1A, dated 01 March 2016. Procedure regulated separated in record and storage of product (CPO and PK)</p>
<p>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>	<p>The Standard Operating Procedure Traceability covers responsibility for implementation of RSPO Supply Chain Module D: CPO Mills Identity Preserved.</p> <p>The responsible person in charge to the supply chain system as regulated in procedure are Marketing Manager, Mill and estates Manager.</p> <ul style="list-style-type: none"> <li>- Marketing Dept. Head Office responsible to coordinate buyer, POM, and tank terminal for all transaction related to distribution of contract and supporting document, shipping management; reporting on three-monthly basis of CPO production and sales balance; determine the certification system and supply chain model to be used ; Issue delivery order/DO to Bukit Maradja POM;</li> <li>- Estate: Ensure the FFB harvest was in line with quality standard; calculate number of bunches and create accurate harvesting record; prepare and make delivery of FFB to POM;</li> <li>- POM: Receive FFB and create record accordingly; ensure the milling process meet all requirements; in coordination with Marketing Department in Head Office to control the CPO and PK, identify the</li> </ul>

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	<p>certification status and deliver on timely manner;          - Marketing Department in coordination with ENC Department to report any projected overproduction;</p>
<p>D.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>Bukit Maradja POM has a procedure "Rantai pasok dan Mampu Telusur No.ENC/SCC/01 rev.3" dated 26/03/2015.          The procedure explains          4.1.1 The harvesting procedure;          4.1.3 Recording harvest production;          4.1.4 Transporting the FFB and indicating the name of Estate, date of FFB delivery, transport detail, year of planting, block ID, total of bunches, identification of sustainable product; non-certified FFB will bear "Non-certified product" marking;          4.2.1 Weighing of FFB truck;          4.2.2 Weighbridge ticket indicating name of POM, weighbridge ticket number, name of supplying estate, date and hour of FFB weighing, transport detail, year of planting, block ID, gross, tare and nett weight, identification of sustainable product; non-certified FFB will bear "Non-certified product" marking;</p>
<p><b>D.4 Purchasing and goods in</b></p>	
<p>D.4.1 The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p>	<p>Bukit Maradja POM only received FFB from certified supply base, whereby consist of company owned plantation: Bukit Maradja Estate and Kerasaan Estate.</p> <p>Certified FFB (from company-owned plantations):          Record seen:          Certified FFB (from company-owned plantations):          FFB Received from Kerasaan Estate Estate: Delivery of FFB from Field Kerasaan Estate, D.O. number 108/F1/SP/17 dated 25/02/2017, with 266 bunches from block E21A. Weighbridge ticket No.FFB2001754W net weight 7,470 Kg. Stamped "Sustainable Product IP RSPO certified No.611834".</p> <p>Based on interview with weighbridge operators, they understood currently receiving FFB from company-owned plantation as certified supply base to be eligible for supply chain module Identity Preserved.</p>
<p>D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>	<p>Based on "Rantai Pasok dan Mampu Telusur (Supply Chain and Traceability Procedure), no. ENC/SCC/01, rev. 3, dated 26th March 2015, there is mechanism to inform CB if any overprojection of certified tonnage as regulated in section 4.8. "Jika terjadi kelebihan produksi dari jumlah yang diproyeksikan, Marketing Department akan berkoordinasi dengan ENC Department untuk membuat laporan ke Lembaga Sertifikasi"</p>

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<b>D.5 Record keeping</b>	
<p>D.5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p>	<p>Bukit Maradja POM has a procedure "Rantai pasok dan Mampu Telusur No.ENC/SCC/01 rev.3" dated 26/03/2015.</p> <p>The procedure explains Marketing Dept. Head Office responsible reporting on three-monthly basis of CPO production and sales balance;</p> <p>There are records in place which are complete, up to date and accurate for all requirements from receiving FFB certified form estates and smallholders, receiving FFB in mill through weight-bridge system, and dispatch CPO and PK with balancing stock monthly and three monthly basis.</p> <p>Record seen:</p> <ol style="list-style-type: none"> <li>1. Delivery Slip of CPO <ul style="list-style-type: none"> <li>- DO no. 484/PO-BM/2016, dated 2 August 2016.</li> <li>- Transport vehicle no. BK 9031 VP</li> <li>- Origin: Bukit Maradja POM</li> <li>- Receiver: Tangki Timbun PT. Dumai Participta Abadi.</li> <li>- Quantity: 28,250 kg</li> <li>- Name of product; CPO sustainable product "IP", RSPO Cert no SPO 632266</li> </ul> </li> <li>2. Palm Transaction listing, weighing mode: Aplm Kernel <ul style="list-style-type: none"> <li>- Ticket no: PK170000244W, dated 07/02/2017,</li> <li>- Contract No: 2016/BM-PK/LTC/13</li> <li>- Transport vehicle no. BK 8548 CP</li> <li>- Origin: Bukit Maradja POM</li> <li>- Quantity: 11.60 MT.</li> <li>- Name of product; PK sustainable product "IP", RSPO Cert no SPO 632266</li> </ul> </li> <li>3. Three Monthly basis report "CPO and PK Production &amp; Sales Balance" from January – March 2016, April – June 2016, July – September 2016 and October – December 2016. There is no negative end-stock period was noted in three monthly basis.</li> </ol>
<b>D.6 Processing</b>	
<p>D.6.1The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage.</p>	<p>The company only produced CPO and PK certified from their certified source and keep segregated during transported and stored.</p> <p>Until this surveillance assessment, Bukit Mardja POM has not sold any CPO and/or PK with IP status.</p>
<p>D.6.2 The objective is for 100 % segregated material to be reached.</p>	<p>As a preparation to implement RSPO SCCS for CPO Mills: Module D – Identity Preserved, Bukit Maradja POM has conducted system and machinery clearance to</p>



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	<p>ensure no contamination. No any contamination with noncertified CPO and PK (100 % produced certified CPO and PK)</p> <p>Bukit Maradja POM only processed certified FFB. With this supply base, Bukit Maradja POM has demonstrated upgrade in the supply chain module into: Identity Preserved.</p>
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**Actual Tonnage Certified Palm Production – May 2016 – April 2017**

Mill	Capacity	CPO	PK
Bukit Marajda POM	30 tons FFB/hour	22,958	5,445

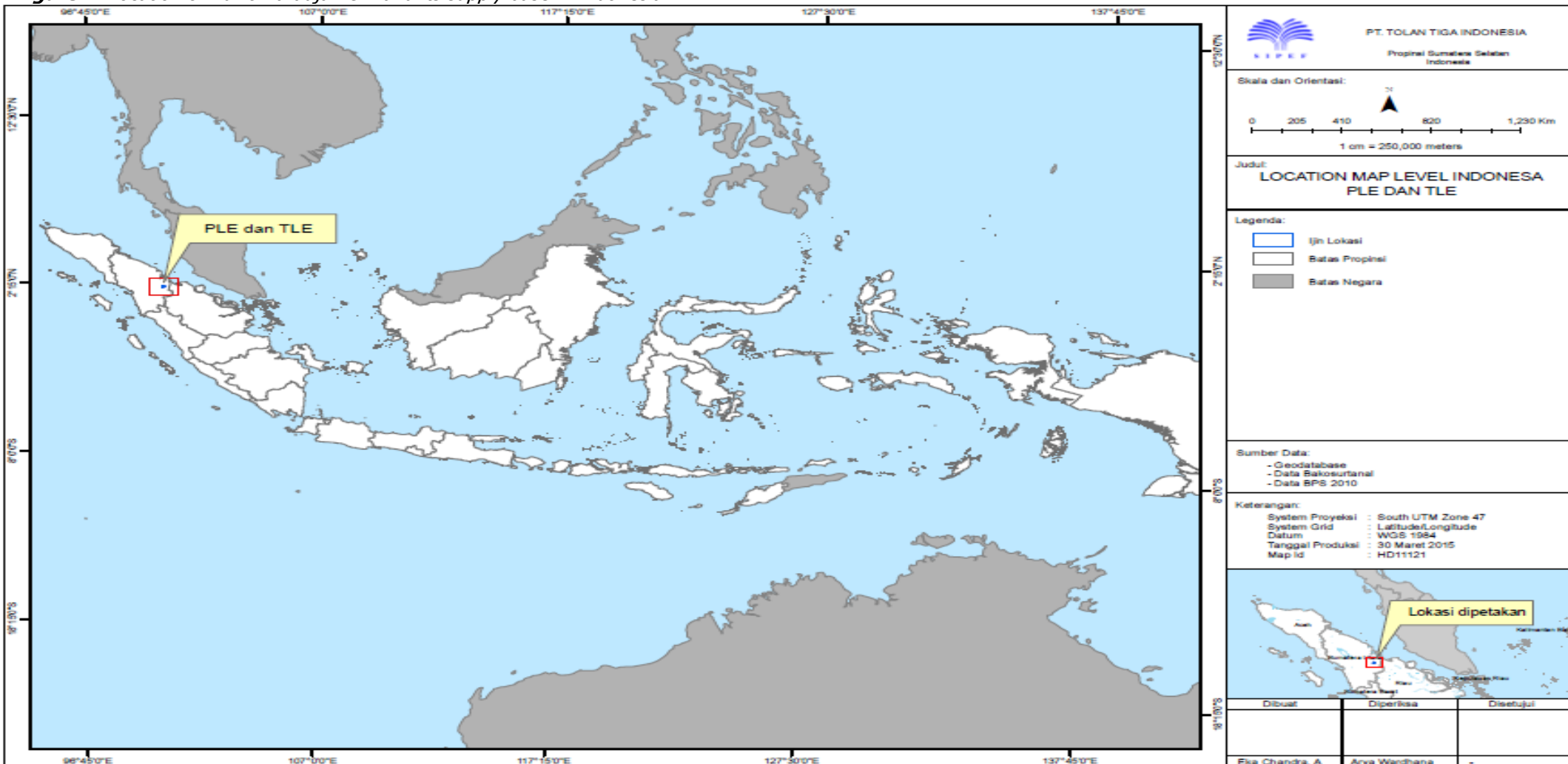
**Actual Tonnage Sales of Certified Palm Products - May/2016 – April/2017**

Mill	Certified CPO Sales	Certified PK Sales	Remarks
Bukit Marajada POM	20,319	5,419	-

Month	Certified Supply Base (from own certificate scope) (mt)		
	Bukit Maradja Estate	Kerasaan Estate	Total FFB/Month (MT)*
May 2016	4713	3961	8674
June 2016	4506	4386	8892
July 2016	5327	4627	9954
August 2016	4685	4055	8740
September 2016	6000	4524	10524
October 2016	5690	3696	9386
November 2016	4700	3166	7866
December 2016	4923	3329	8252
January 2017	4569	3027	7596
February 2017	3906	2295	6201
March 2017	4313	3327	7640
April 2017	2758	2084	4842
<b>Total</b>	<b>56,090</b>	<b>42,477</b>	<b>98,567</b>

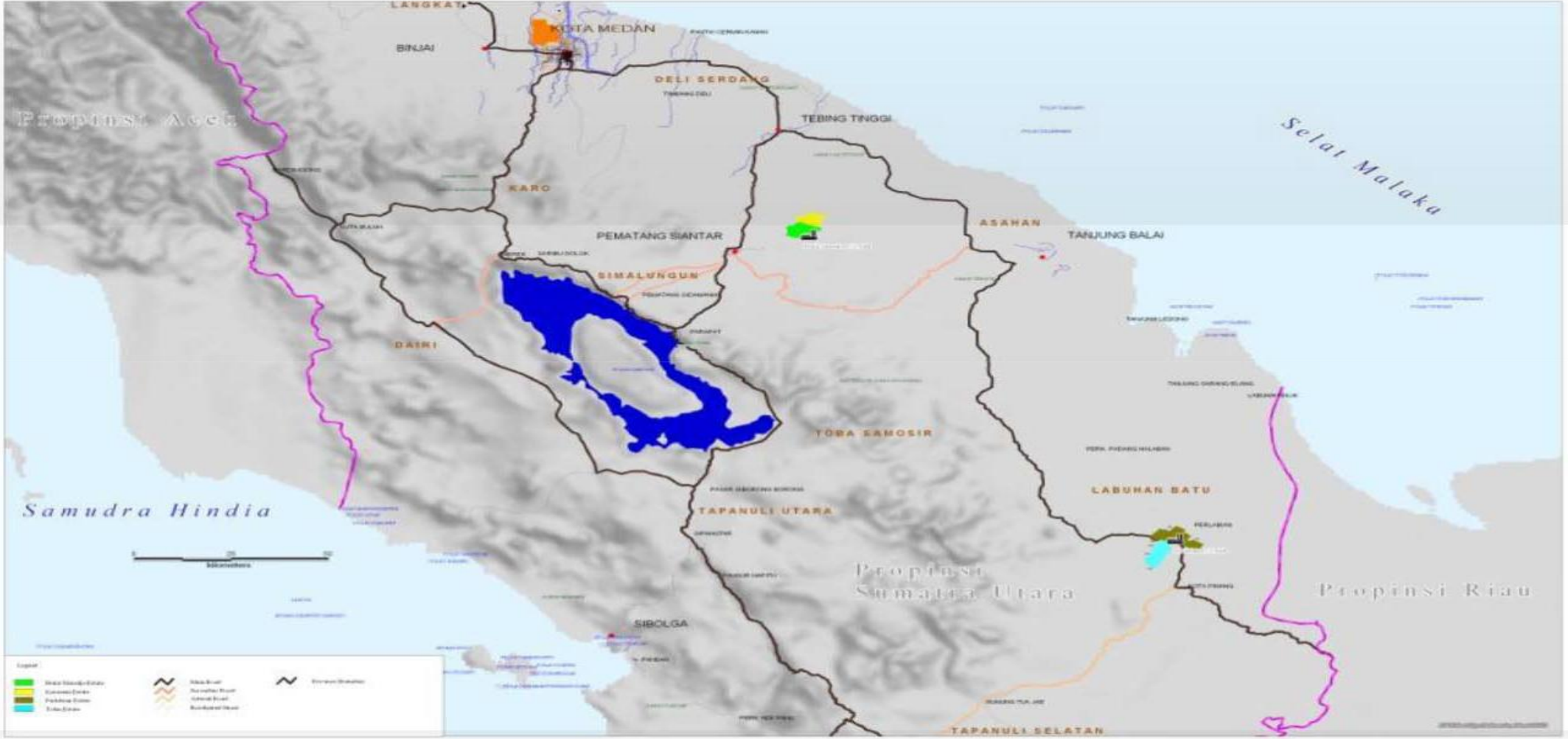
**Appendix G: Location Map of Certification Unit and Supply bases**

**Figure 1.** Location of Bukit Maradja POM and its supply base in Indonesia



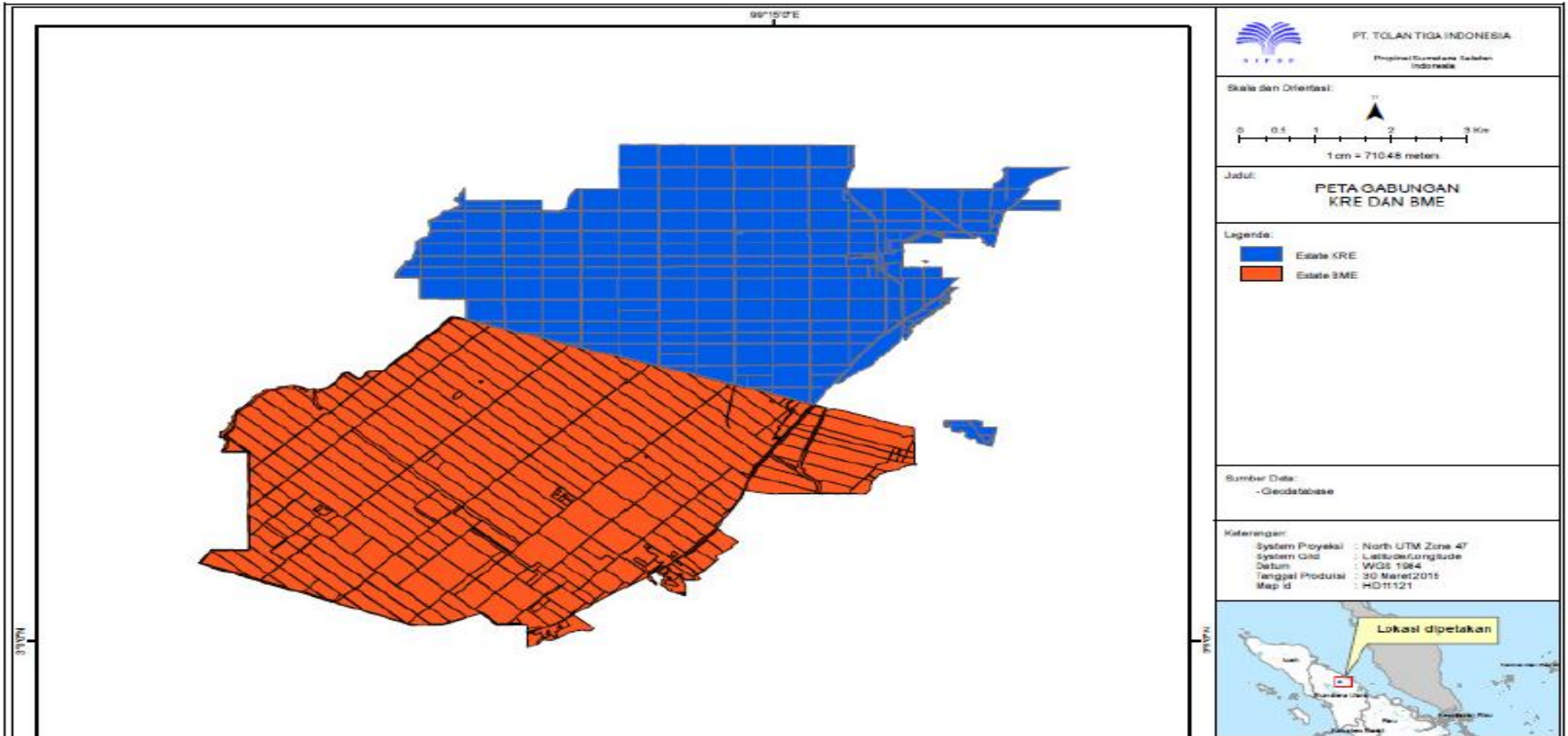
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Figure 2. Location of Bukit Maradja POM and its supply base in North Sumatera Province, Indonesia.



**Appendix H: Estate Field Map**

*Location of PT. Bukit Maradja Estate and PT. Kerasaan Indonesia as supply base Bukit Maradja POM and neighbouring entities*



## Appendix I: PalmGHG Calculation

### Summary of Net GHG Emissions

Emission per Product	tCO <sub>2</sub> e/tProduct
CPO	0.52
PK	0.5 2

Extraction	Percentage (%)
OER	23.62
KER	5.6

Production	Ton/year
FFB processed	97,202
CPO processed	22958

Land Use	Hectare
OP planted area	5207.48
OP planted on peat	0
Conservation (forested)	29.79
Conservation (non-forested)	0
Infrastructure & other	303.08
<b>Total</b>	<b>5540.45</b>

### Summary of Field Emissions and Sinks

	Own Crop		Group	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emissions</b>				
Land conversion	27293.87	0.5	22677.63	0.54
*CO <sub>2</sub> Emissions from Fertilizer	1940.53	0.04	1572.48	0.04
**N <sub>2</sub> O Emissions	2531.41	0.05	1394.5	0.03
Fuel Consumption	3223	0.01	231.77	0.01
Peat Oxidation	0	0	0	0
<b>Sinks</b>				
Crop Sequestration	--27210.07	-0.49	-21495.38	-0.05
Conservation Sequestration	0	0	0	0
<b>Total</b>	<b>4878.04</b>	<b>0.9</b>	<b>4381</b>	<b>0.1</b>

### Summary of Mill Emissions and Credits

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emissions</b>		
POME	3,594.17	0.04
Fuel Consumption	169.76	0
Grid Electricity Utilisation	1,758.45	0.02
<b>Credits</b>		
Export of Grid Electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
<b>Total</b>	<b>10710.46</b>	<b>0.06</b>

**Palm Oil Mill Effluent (POME) Treatment**

Divert to compost	0%
Divert to anaerobic digestion	100%

**POME diverted to Anaerobic Digestion**

Divert to anaerobic pond	0%
Divert to methane capture (flaring)	100%
Divert to methane capture (electricity generation)	0%

**Appendix J: List of Abbreviations Used**

AMDAL	Analisis Mengenai Dampak Lingkungan – Social Environmental Impact Assessment
BLH	Badan Lingkungan Hidup
BOD	Biological Oxygen Demand
CD	Community Development
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
EFB	Empty Fruit Bunch
EMS	Environmental Management System
ENC	Environment and Conservation Department
ESI	PT. Eastern Sumatra Indonesia
FA	Field Assisstant
FFB	Fresh Fruit Bunch
GMP	Good Manufacturing Practice
GRTG	Ganti Rugi Tanah Garapan – Compensation upon land used
GRTT	Ganti Rugi Tanam Tumbuh – Compensation upon planting
HCV	High Conservation Value
HGU	Hak Guna Usaha – Legal ownership of the land
IAV	Initial Assessment Visit
IPM	Integrated Pest Management
KER	Kernel Extraction Rate
KI	PT. Kerasaan Indonesia
LD <sub>50</sub>	Lethal Dosage on 50
MCA	Manager Corporate Affair
MSDS	Material Safety Data Sheet
NPP	New Planting Procedure
OER	Oil Extraction Rate
PK	Palm Kernel
PKB	Perjanjian Kerja Bersama – Collective Work Agreement
POM	Palm Oil Mill
PPE	Personal Protective Equipment
PT ESI	PT. Eastern Sumatra Indonesia
PT KI	PT. Kerasaan Indonesia
PUK	Pengurus Unit Kerja – Unit’s Committee
RED	Renewable Energy Directive
RKL	Rencana Pengelolaan Lingkungan – Environmental Management Plan
RPL	Rencana Pemantauan Lingkungan – Environmental Monitoring Plan
RSPO	Roundtable on Sustainable Palm Oil
RSPO P&C	Roundtable on Sustainable Palm Oil Principle & Criteria
SCCS	Supply Chain Certification Standard
SEIA	Social and Environmental Impact Assessment
SIA	Social Impact Assessment
SK	Surat Keputusan – Decree Letter
SKT	Surat Keterangan Tanah – Land Letter
SOP	Standard Operating Procedure
SP-BUMM ESI	Serikat Pekerja Bukit Maradja Mandiri – worker union PT. Eastern Sumatra Indonesia
SP-KIM	Serikat Pekerja Kerasaan Indonesia Mandiri – worker union PT. Kerasaan Indonesia