

**Roundtable on Sustainable Palm Oil Certification
R S P O**

Stage-1 Stage-2 Surveillance Re-Certification

Name of Management Organisation : Indrasakti Mill, PT Meganusa Intisawit subsidiary of PT Ivo Mas Tunggal
 Plantation Name : Indrasakti Mill, Indrasakti Estate, Indrasakti Plasma, Indragiri Plasma dan Indralestari Plasma
 Location : Talang Sukamaju Village, Sub District of Rakit Kulim, Indragiri Hulu District, Riau Province, Indonesia
 Certificate Code : **MUTU-RSPO/033**
 Date of Certificate Issue : 04 December 2013 Date of License Issue : 4 December 2017
 Date of Certificate Expiry : 03 December 2018 Date of License Expiry : 3 December 2018

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-4	25-30 September 2017	Ardiansyah (Lead Auditor), Arif Faisal Simatupang, Sahat Simarmata, Dwi Haryati, Radityo Puspanjana	Octo H.P.N. Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-4	10 October 2017

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FIGURE

Figure 1. Location Map of PT Meganusa Intisawit



Figure 2. Operational Map of Indrasakti Estate

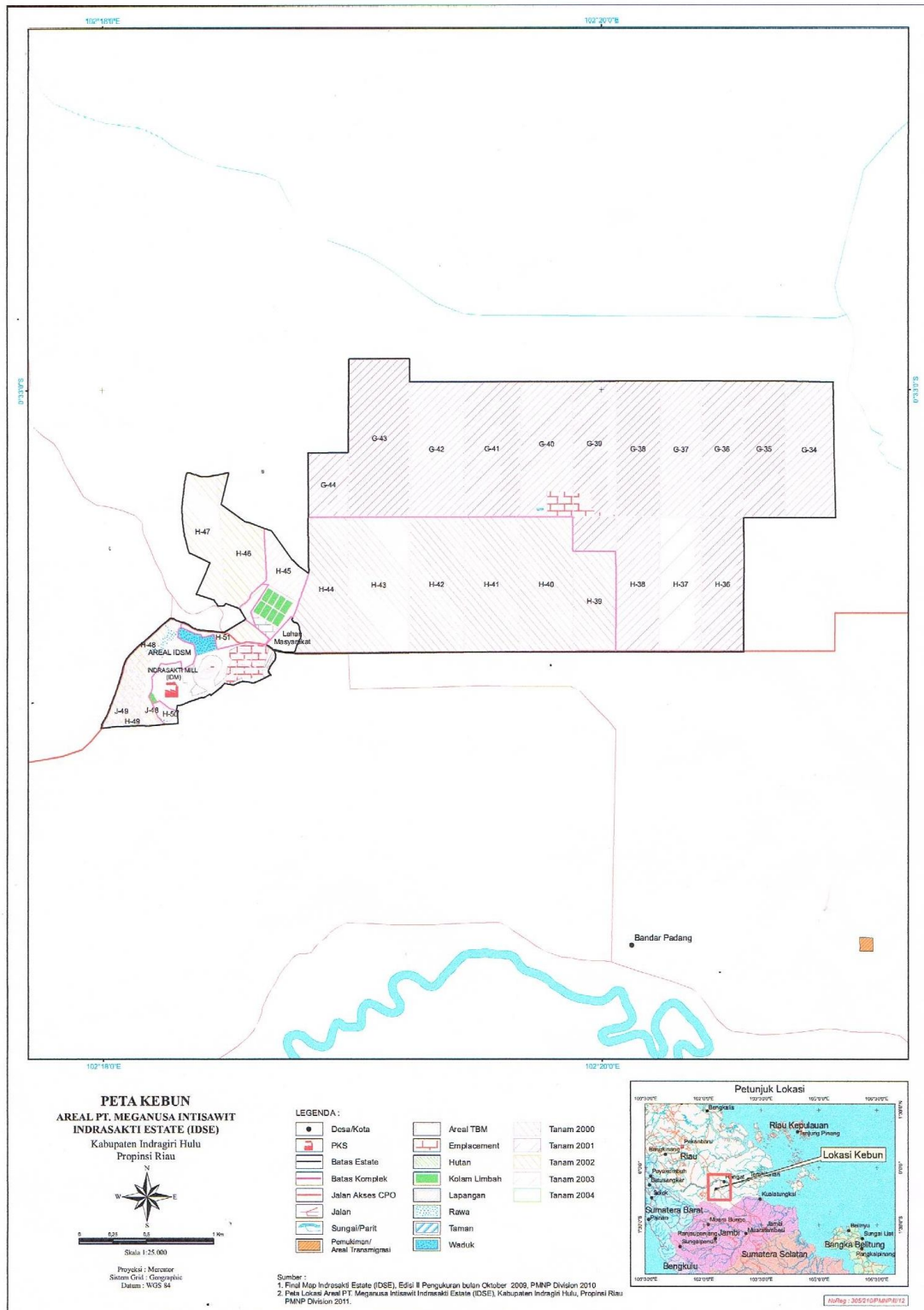


Figure 3. Operational Map of Indragiri Plasma

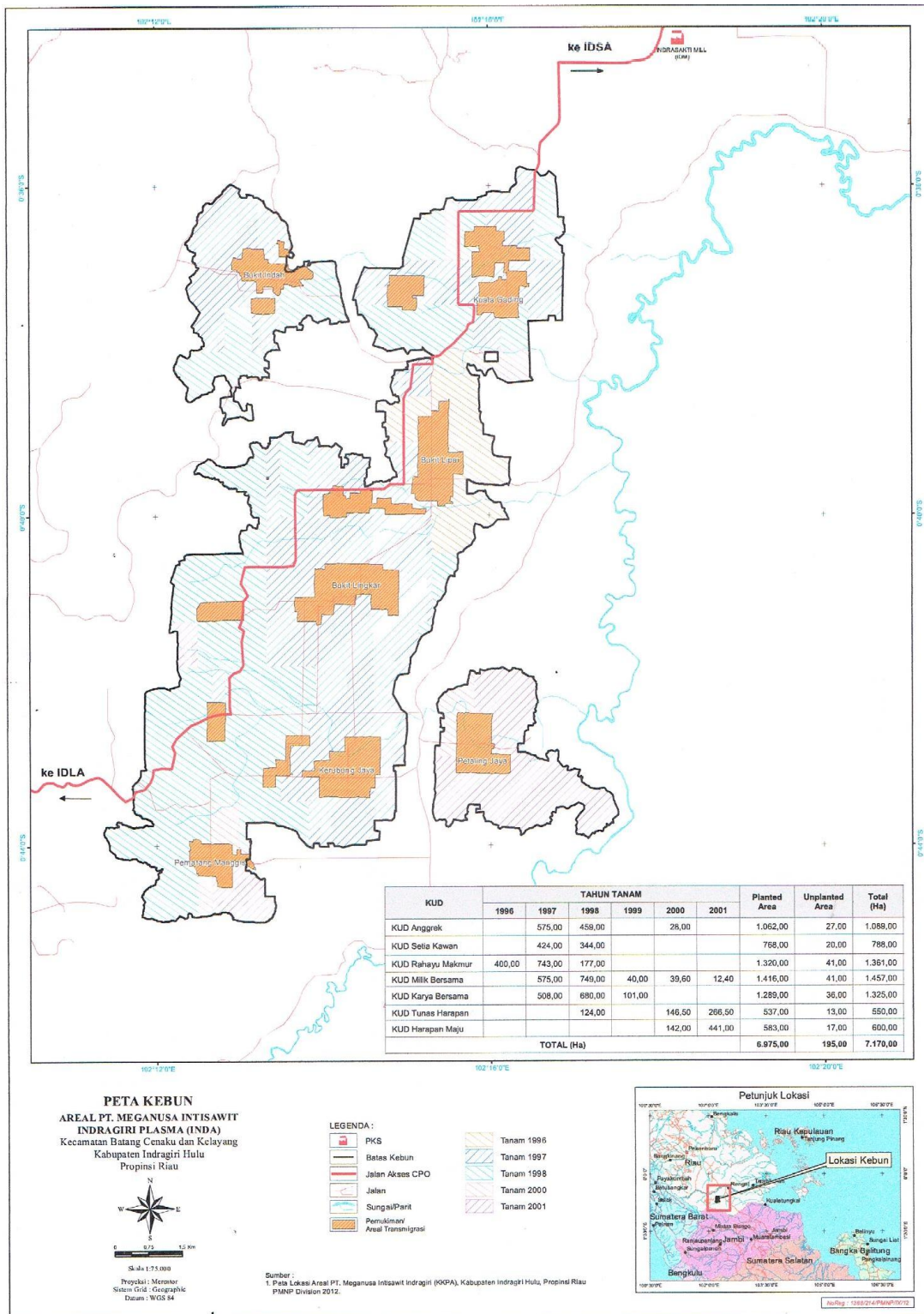


Figure 4. Operational Map of Indralestari Plasma

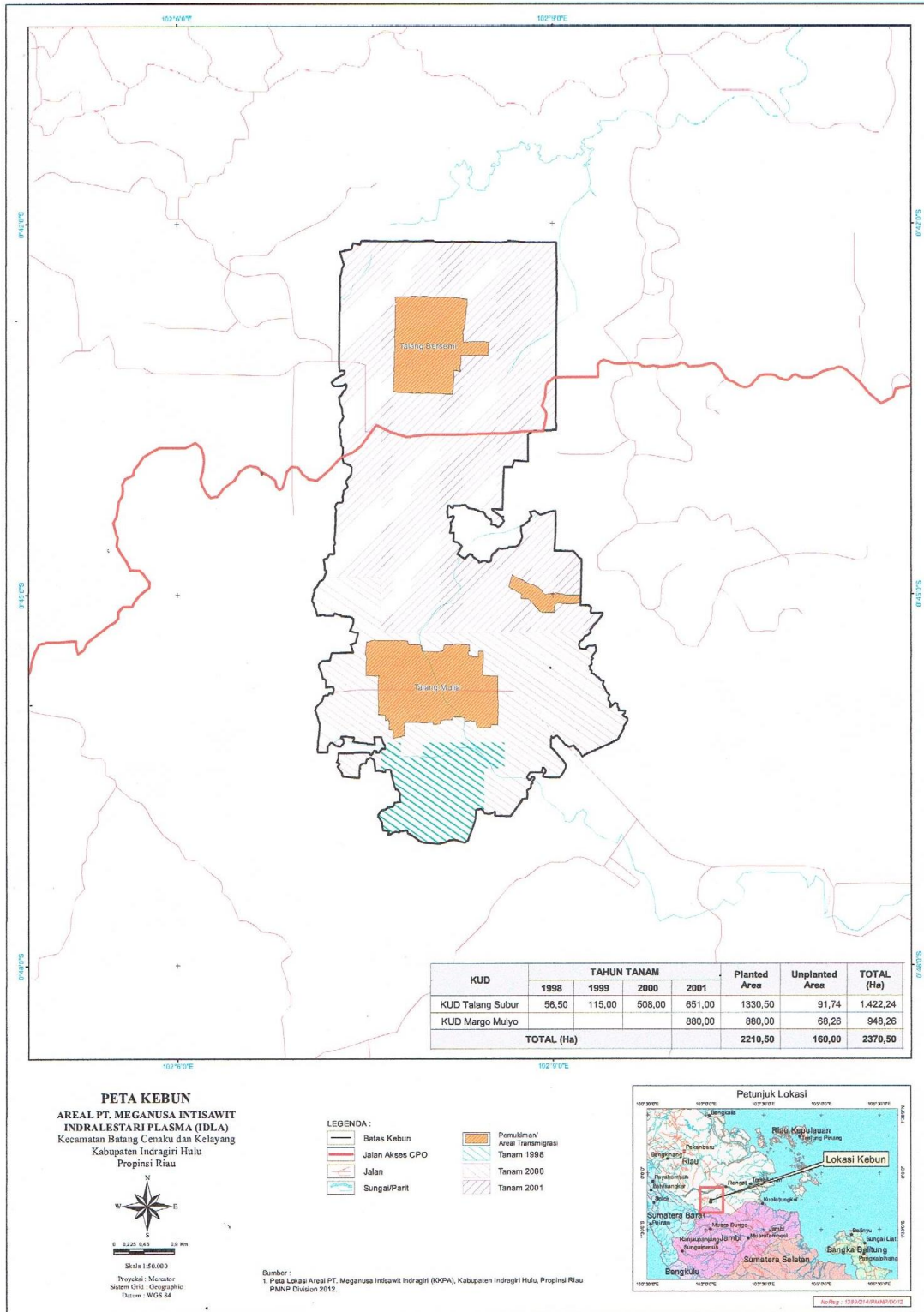
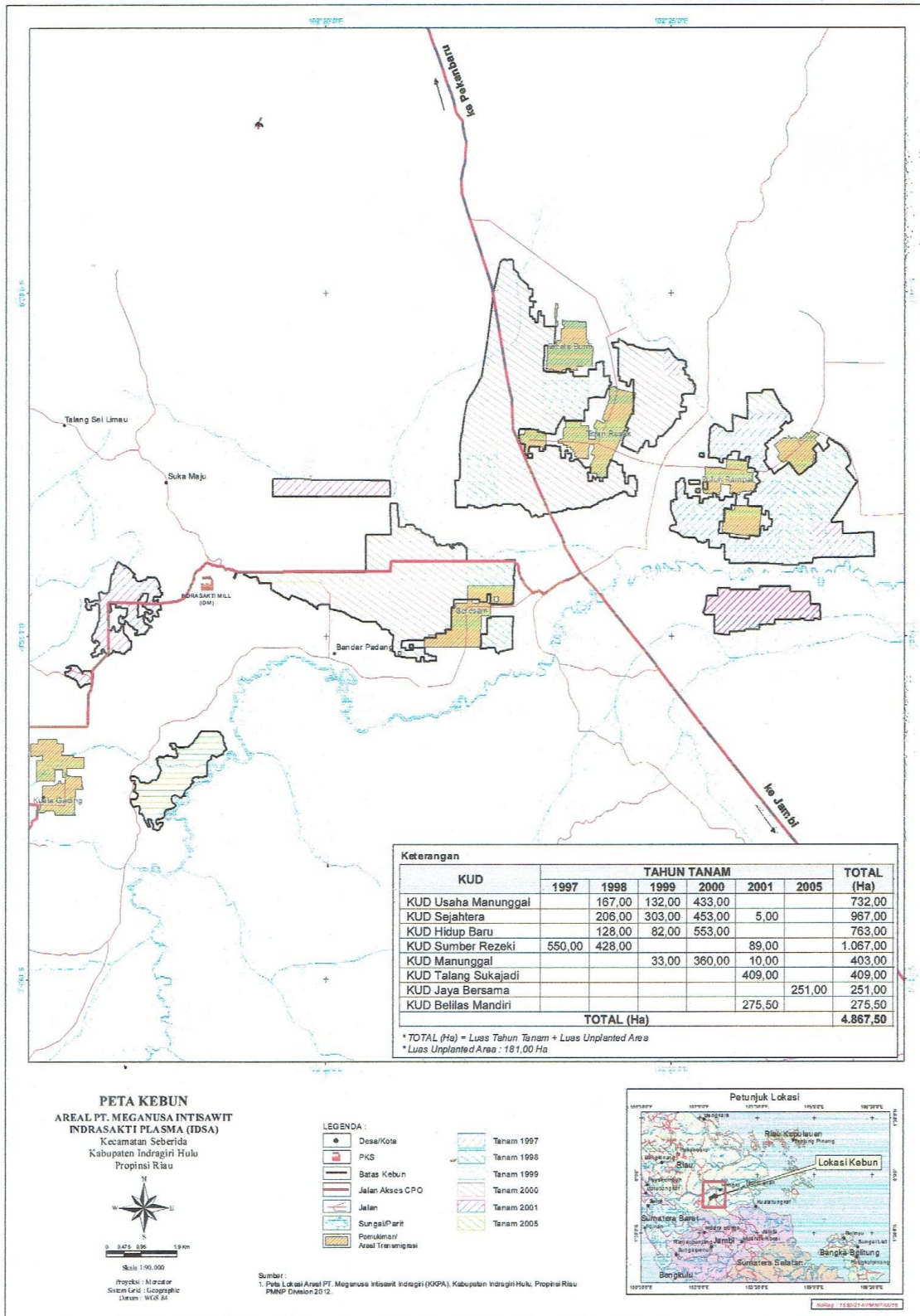


Figure 5. Operational Map of Indrasakti Plasma



Glossary

ASA	:	Annual Surveillance Assessment
BPN	:	Badan Pertanahan Nasional
BOB	:	Barn Owl Box
BOD	:	Biological Oxygen Demand
BPJS	:	Badan Penyelenggara Jaminan Sosial (<i>Social Assurance of Labor</i>)
BWL	:	Buana Wira Lestarimas
CB	:	Certification Body
CEO	:	Chief Executive Officer
CH	:	Certificate Holder
CITES	:	Convention, International, Threatened, Endangered Species
CLA	:	Collective Labor Agreement
CPO	:	Crude Palm Oil
D&L	:	Document & License
EIA	:	Environmental Impact Assessment
EFB	:	Empty Fruit Bunch
FFB	:	Fresh Fruit Bunches
FPIC	:	Free Prior Inform and Consent
GAR	:	Golden Agri Resources
GHG	:	Green House Gases
HCV	:	High Conservation Value
HGB	:	<i>Hak Guna Bangunan</i> / Building Title
HGU	:	<i>Hak Guna Usaha</i> / Land Use Title
IDLA	:	Indralestari Plasma
IDSA	:	Indrasakti Plasma
IDSE	:	Indrasakti Estate
IPM	:	Integrated Pest Management
IUCN	:	International Union for Conservation of Nature
INHU	:	Indragiri Hulu
INKM	:	Indrasakti Mill
INDA	:	Indragiri Plasma
KCP	:	Kernel Crushing Plant
KKPA	:	Koperasi Kredit Primer Anggota
KT	:	<i>Kelompok Tani</i> / Farmer Group
KUD	:	Koperasi Unit Desa (Smallholder Cooperative)
LSU	:	Leaf Sample Unit
MCAR	:	Management Committee Agronomy and Research
MCMD	:	Management Committee for Mill Development
MNIS	:	Meganusa Intisawit

MSDS	:	Material Safety Data Sheet
NGO	:	Non-Government Organisation
OHS	:	Occupational Health and Safety
OIA	:	Operational Internal Audit
P2K3	:	<i>Panitia Pelaksana Kesehatan dan Keselamatan Kerja</i> (OHS Guiding Committee)
P&C	:	Principle and Criteria
P&D	:	Pests & diseases
PC	:	Production controller
PK	:	Palm Kernel
PKWT	:	<i>Perjanjian Kerja Waktu Tertentu</i> (temporary worker)
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
PSM	:	<i>Perkebunan Sinarmas/</i> Sinarmas Plantation
RaCP	:	Remediation and Compensation Procedure
RC	:	Regional Controller
RKL- RPL	:	Environmental Management and Monitoring Report
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rare, Threatened or Endangered
RTRWP	:	<i>Rencana Tata Ruang Wilayah Provinsi</i> Province Spatial Plan
SH	:	Smallholder
SHM	:	<i>Surat Hak Milik</i>
SIA	:	Social Impact Assessment
SMARTRI	:	SMART Research Institute
SOP	:	Standard Operating Procedure
STDV	:	Sustainability Division
VPA	:	Vice President Agronomy
VPM	:	Vice President Manufacturing
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Plant

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT			
1.1 Assessment Standard Used			
<ul style="list-style-type: none"> • Indonesian National Interpretation of RSPO Principles and Criteria 2013, Endorsed by BOG on September 2016. • RSPO Supply Chain Certification Standard for Organisation seeking or holding certification. Adopted by the RSPO Board of Governors on 21st November 2014 (Module D / E for CPO Mill). • RSPO Certification System (Revised 2011). • RSPO Management System Requirements and Guidance for Group Certification of FFB Production, endorsed by the Board of Governors on 7th March 2016 			
1.2 Organisation Information			
1.2.1	Organisation name listed in the certificate	PT Ivo Mas Tunggal	
1.2.2	Contact person	Ismu Zulfikar	
1.2.3	Organisation address and site address	RSPO Registered Company: Sinan Mas Land Plaza, 30th Floor JL. MH Thamrin No 51 Kav 22 Jakarta 10350 Indonesia	
1.2.4	Telephone	+6221 50338899 ext 1184	
1.2.5	Fax	+6221 50389999	
1.2.6	E-mail	ismu.zulfikar@sinarmas-agri.com	
1.2.7	Web page address	www.smart-tbk.com	
1.2.8	Management Representative who completed the application for certification	Ismu Zulfikar (Head of Environmental Department)	
1.2.9	Registered as RSPO member	1- 0056 - 08 - 000 - 00 (17 June 2008)	
1.3 Type of Assessment			
1.3.1	Scope of Assessment and Number of Management Unit	Indrasakti POM and supply base (Indrasakti Estate and 7,125 Smallholders).	
1.3.2	Type of certificate	Single	
1.4 Locations of Mill and Plantation			
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Indrasakti POM	Sungai Limau Village, Sub District of Rakit Kulim, District of Indragiri Hulu.	S 0° 34' 15" E 102° 18' 18"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Indrasakti Estate	Sungai Limau Village, Sub District of Rakit Kulim, District of Indragiri Hulu.	S 0° 32' 52" - 0° 34' 3"
	Indralestari Plasma	Talang Bersemi Village, Sub District of Batang Cenaku, District of Indragiri Hulu	E 102° 18' 59" - 102° 20' 34"
			S E 0° 42' 8" - 0° 46' 56" 102° 07' 29" - 102° 07' 41"

Indrasakti Plasma	Sungai Limau Village, Sub District of Rakit Kulim, District of Indragiri Hulu.	S 0° 29' 31" - 0° 35' 11"	E 102° 22' 42" - 102° 22' 42"
Indragiri Plasma	Kuala Gading Village, Sub District of Batang Cenaku, District of Indragiri Hulu	S 0° 35' 58" - 0° 44' 51"	E 102° 12' 54" - 102° 11' 49"

1.5 Description of Area Statement

1.5.1	Tenure	
	• State	820.87 Ha
	• Community	14,564.00 Ha

Community land is based on total smallholder land title certificates (SHM).

1.5.2	Area Statement			
		PT MNIS (Ha)	Smallholders of PT MNIS (Ha)	TOTAL (Ha)
	• Total area	820.87	14,564.00	15,384.87
	• Planted Area	760.31	14,053.00	14,813.31
	• Mill/ Building/ Road/ Infrastructure	51.58	511.00	562.58
	• Trench/ Swamp/ River/ Reservoir	2.86	-	2.86
	• HCV	6.12	-	6.12
	• Conservation area	-	588.15*	588.15*

**HCV area include in planted area.*

1.6 Planting Year and Cycles

1.6.1	Age profile of planting year					
	Planting Year	Hectarage (Ha)				
		IDSE	IDSA	INDA	IDLA	Total
	1996	-	-	400.00	-	400.00
	1997	-	550.00	2,317.00	508.00	3,375.00
	1998	-	929.00	1,715.00	860.50	3,504.50
	1999	-	550.00	40.00	216.00	806.00
	2000	216.73	1,799.00	223.10	654.50	2,893.83
	2001	468.31	788.50	453.40	1,797.50	3,507.71
	2002	60.20	-	-	-	60.20
	2003	10.99	-	-	-	10.99
	2004	4.08	-	-	-	4.08
	2005	-	251.00	-	-	251.00
	Total	760.31	4,867.50	5,149.00	4,036.50	14,813.31
1.6.2	New Planting area after January 2010	-				Ha
1.6.3	Planting Cycle	1 st Cycle				

1.7 Description of Mill and Supply Base

1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Indrasakti	60	420,995	84,782	20.14	22,976	5.46

**Production data source from September 2016 to August 2017*

1.7.2	Description of Certification Scope of Supply Base								
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill			
						FFB (tonnes/year)	%		
	Indrasakti Estate	820.87	760.31	23,215.02	30.53	23,215.02	100		
	Scheme Smallholder (7,125 SH)								
	Indrasakti Plasma (2,465 SH)	5,023.50	4,867.50	142,004.76	29.17	123,015.85	86.63		
	Usaha Manunggal (367 SH)	780.00	732.00	22,292.41	30.45				
	Sawit Sejahtera (490 SH)	998.00	967.00	28,532.33	29.51				
	Hidup Baru (383 SH)	788.00	763.00	24,076.54	31.56				
	Sumber Rezeki (558 SH)	1,100.50	1,067.00	29,311.25	27.47				
	Manunggal (202 SH)	407.00	403.00	12,038.76	29.87				
	Talang Sukajadi (204 SH)	411.50	409.00	10,724.04	26.22				
	Jaya Bersama (125 SH)	254.00	251.00	7,472.08	29.77				
	Belilas Mandiri (136 SH)	284.50	275.50	7,557.35	27.43				
	Indragiri Plasma (2,622 SH)	5,295.00	5,149.00	182,277.87	35.40			179,596.87	98.53
	Anggrek (531 SH)	1,089.00	1,062.00	32,709.66	30.80				
	Setia Kawan (390 SH)	788.00	768.00	22,339.08	29.09				
	Rahayu Makmur (677 SH)	1,361.00	1,320.00	40,890.51	30.98				
	Milik Bersama (732 SH)	1,457.00	1,416.00	44,096.78	31.14				
	Harapan Maju (292 SH)	600.00	583.00	17,891.33	30.69				
	Karya Bersama (644 SH)	1,325.00	1,289.00	17,129.54	-				
	Tunas Harapan (280 SH)	550.00	537.00	7,220.97	-				
	Indralestari Plasma (2,038 SH)	4,245.50	4,036.50	95,371.44	23.63	95,168.16	99.79		
	Talang Subur (674 SH)	1,422.24	1,330.50	37,579.99	28.25				
	Margo Mulyo (440 SH)	948.26	880.00	26,449.15	30.06				
	Karya Bersama (644 SH)	1,325.00	1,289.00	22,113.48	30.44				
	Tunas Harapan (280 SH)	550.00	537.00	9,228.82	29.66				
	GRAND TOTAL	15,384.87	14,813.31	442,869.09	29.90	420,995.90	95.06		
	*Production data source from September 2016 to August 2017 KUD Karya Bersama and KUD Tunas Harapan include Indragiri Plasma until 2016, but since 2017 include in Indralestari Plasma								
1.7.3	FFB description from other source								
	Name of sources/ Organisation (RSPO certified / non-certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill				
					FFB (tonnes/year)				
	-	-	-	-	-	-	-		
	*Production data source from September 2016 to August 2017								
1.7.4	Jenis Produk			FFB, CPO, PK					
1.8	Estimate Tonnage of Certified Product								
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 04 December 2016 to 03 December 2017 (tonnes/year)		Actual certified product 04 December 2016 to 24 September 2017 (tonnes/year)				
	• FFB Production		461,794.25		299,811,620				
	• CPO Production		98,584.48		61,070.076				

	• Palm Kernel (PK) Production	25,555.33	16,682.598		
1.8.2	Product selling				
	Tonnage of selling product	Actual selling product period 04 December 2016 to 24 September 2017 (Ton)			
	• CSPO	35,235.29			
	• CSPK	17,614.37			
	• CPO under other scheme trading (e.g ISCC, RFS)	25,708.58			
	• CPO under conventional trading (if any)	-			
	• PK under other scheme	-			
	• PK under conventional trading (if any)	-			
1.8.3	Estimate of Certified FFB Claim				
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)
	Indrasakti Estate	820.87	760.31	24,330	32.00
	Scheme Smallholder (7,125 SH)				
	Indrasakti Plasma (2,465 SH)	5,023.50	4,867.50	146,025	30.00
	Usaha Manunggal (367 SH)	780.00	732.00	22,924	31.32
	Sawit Sejahtera (490 SH)	998.00	967.00	29,340	30.34
	Hidup Baru (383 SH)	788.00	763.00	24,758	32.45
	Sumber Rezeki (558 SH)	1,100.50	1,067.00	30,141	28.25
	Manunggal (202 SH)	407.00	403.00	12,380	30.72
	Talang Sukajadi (204 SH)	411.50	409.00	11,028	26.96
	Jaya Bersama (125 SH)	254.00	251.00	7,683	30.61
	Belilas Mandiri (136 SH)	284.50	275.50	7,771	28.21
	Indragiri Plasma (2,622 SH)	5,295.00	5,149.00	182,790	35.50
	Anggrek (531 SH)	1,089.00	1,062.00	37,859	35.65
	Setia Kawan (390 SH)	788.00	768.00	25,856	33.67
	Rahayu Makmur (677 SH)	1,361.00	1,320.00	47,328	35.85
	Milik Bersama (732 SH)	1,457.00	1,416.00	51,039	36.04
	Harapan Maju (292 SH)	600.00	583.00	20,708	35.52
	Indralestari Plasma (2,038 SH)	4,245.50	4,036.50	125,132	31.00
	Talang Subur (674 SH)	1,422.24	1,330.50	39,278	29.52
	Margo Mulyo (440 SH)	948.26	880.00	27,644	31.41
	Karya Bersama (644 SH)	1,325.00	1,289.00	41,017	31.82
	Tunas Harapan (280 SH)	550.00	537.00	17,193	32.02
	TOTAL	15,384.87	14,813.31	478,277	32.29
	<i>*Projected FFB production for 4 Dec 2017 – 3 Dec 2018</i>				

1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)	
	Indrasakti	60	478,277	100,438	21	26,305	5.5	IP
	<i>*Projected CSPO and CSPK production for 4 Dec 2017 – 3 Dec 2018</i>							
1.9	Other Certifications							
	ISPO from Mutuagung Lestari which valid from 9 September 2014 until 8 September 2019							
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	Mill	Time bound						
	Samsam Mill	2009	Samsam Estate	2009	SIAK-RIAU	Certified		
			Samsam Estate (HGU on progress)	2020	SIAK-RIAU	-		
			Kandista Estate	2009	SIAK-RIAU	Certified		
			Kandista Estate (HGU on progress)	2020	SIAK-RIAU	-		
			Palapa Estate	2009	SIAK-RIAU	Certified		
	Ujung Tanjung Mill	2009	Ujung Tanjung Estate	2009	SIAK-RIAU	Certified		
			Ujung Tanjung Estate (HGU on progress)	2020	SIAK-RIAU	-		
	Libo Mill	2009	Libo Estate	2009	SIAK-RIAU	Certified		
			Nenggala Estate	2009	SIAK-RIAU	Certified		
			Nenggala Estate (HGU on progress)	2020	SIAK-RIAU	-		
			Sei Rokan Estate	2009	SIAK-RIAU	Certified		
			Sei Estate (HGU on progress)	2020	SIAK-RIAU	-		
	Naga Sakti Mill	2010	Naga Mas Estate	2010	KAMPAR-RIAU	Certified		
			Naga Sakti Estate	2010	KAMPAR-RIAU	Certified		
			Rama Bakti	2010	KAMPAR-RIAU	Certified		
	Kijang Mill	2010	Kijang Mas Estate	2010	KAMPAR-RIAU	Certified		
			Kijang Kencana Plasma	2010	KAMPAR-RIAU	Certified		
	Ramarama Mill	2010	Ramarama Estate	2010	KAMPAR-RIAU	Certified		
			Amartajaya Plasma	2010	KAMPAR-RIAU	Certified		
	Indra Sakti Mill	2011	Indra Lestari Estate	2011	INDRAGIRI-RIAU	Certified		
			Indra Sakti Estate	2011	INDRAGIRI-RIAU	Certified		
			Indragiri Plasma	2011	INDRAGIRI-RIAU	Certified		
			Indrasakti Plasma	2011	INDRAGIRI-RIAU	Certified		
	Bumipalma Mill	2012	Bumi Lestari Estate	2012	INDRAGIRI-RIAU	Certified		
			Bumi Palma Estate	2012	INDRAGIRI-RIAU	Certified		

			Bumi Sentosa Estate	2012	INDRAGIRI-RIAU	Certified
	Sawita Mill	2018	Sawita Estate	2018	KALIMANTAN SELATAN	ST-1
			Pamukan Estate	2018	KALIMANTAN SELATAN	ST-1
			Sawita KKPA	2018	KALIMANTAN SELATAN	ST-1
	<p>Based on time bound plan on 31 January 2016, there is 1 (one) management unit was not certified yet i.e PT Sawit Karya Manunggal (Sawit Mill). Sawita Mill had conducted pre assessment on 2015 and for main assessment planned on 2018. The justification is waiting for approval of RaCP compensation plan.</p> <p>There is revision of time bound plan on 1 July 2017 for HGU on process in PT Ivomas Tunggal (Kandista Estate, Samsam Estate, Ujung Tanjung Estate, Sei Rokan Estate and Neggala Estate). For this area is planned for audit on 2020 because waiting for HGU.</p>					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	All of smallholders has certified since initial assessment.					

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-4	<ol style="list-style-type: none"> Ardiansyah (Lead Auditor). Indonesian citizen, Bachelor of Forest Resources Conservation, Department of Forestry. Had work experience in Environmental NGO for 6 month (2007) and consultant for making EIA Document and KLHS for 3 years (2009 – 2012). Had attend training such as RSPO Lead Auditor course, Lead Auditor ISPO, OHSAS (SIO 18001 – 2007), land cover crop mapping and Management System Certification (ISO 9001-2008), Environmental Management System Certification (ISO 14001-2004), Social Auditing and Conflict Resolution. Had many times following audit activities related to sustainable palm oil certification system which is ISPO as an auditor since 2012 for legal, environmental aspect, conservation and social. Fluent in bahasa and malay. At the time of audit, has verify aspect of Legality, SCCS and Land Dispute. Radytio Puspanjana ((Auditor Trainee). Indonesian Citizen. Bachelor of agriculture, majoring in Soil Science. Agriculture Faculty. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training which was held by National GMT, ISPO auditor training, ISO 9001/2008 auditor training, ISO 14001/2004 auditor training, IHT Geospacial Information System, IHT Hight Conservation Value, IHT Environmental Impact Assesment, IHT Green House Gas and RSPO Awareness In House Training. Since 2015 has been following many audit as auditor base on Best Management Practice and Environment. At the time of audit, has verify aspect of HCV and Environment. Arif Faisal Simatupang (Auditor). Bachelor of Agriculture from the Department of Agricultural Cultivation Agronomy Program, Faculty of Agriculture, University of Gadjah Mada. He has attended the Training of Indonesian Sustainable Palm Oil Auditor (ISPO), Roundtable on Sustainable Palm Oil (RSPO), Quality Management System Certification Training (ISO 9001-2008), Environmental Management System Certification Training (ISO 14001-2005), Awareness ISO 17021 and ISO 17065 and High Conservation Value (HCV). He has 4 years working experience as a plantation operations staff at a private oil palm plantation company in Indonesia. At the time of audit, has verify aspect of social walfare and transparency. Dwi Haryati (Auditor). Indonesian citizens. Bachelor of Agriculture Department of Agriculture – Program study : Agronomy. Has experience on Palm Oil Plantation as Sustainability staff. Training have been followed : Training Auditor ISPO, Quality Management ISO 9001-2008, ISO 14001 Environmental Management, ISO 17021 & 17065, HCV, General Health Safety Expert, Health Safety Management System, Workhshop GHG by the ISPO Commission, IHT Palm Oil Mill Processing, Awareness RSPO, IHT Best Practice in Peat Management, Mapping Potential and Conflict Resolution in Production Forest. RSPO audit experience since March 2015 and ISPO since May 2014. At the time of audit, has verify aspect of OHS and BMP. Sahat Simarmata (Auditor). Hold a bachelor degree on Agriculture Protection, from Agriculture Faculty of University of North Sumatera Medan and Master of Science (Environmental Biology) School of Environmental Science and Management, University of the Philippines Los Banos, Filipina. He had been worked in Ministry of Agriculture at Directorate of Plantation Ministry for 32 years and has followed the trial/ pra-pilot of RSPO P&C, drafting and experimenting ISPO P&C as well as socializing ISPO. During the assessment he assessing the best agricultural practices and integrated pest management.
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-4	<p>Number of auditors : 4 auditor and 1 auditor trainee</p> <p>Number of days for ASA-4 at site: 5 days</p> <p>Number of working days for ASA-4 at site: 20 Working days</p>
2.2.2	Assessment Process
ASA-4	The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT PT Meganusa Intisawit to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016 and Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D for CPO Mill).

	<p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results ASA-4 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (Re Certification).</p> <p>Improvement of findings from surveillance assesment findings were observed by auditors at this ASA-4 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-4.</p> <p>The assessment program please find Appendix 2</p>
<p>2.2.3</p>	<p>Location of Assessment</p>
<p>ASA-4</p>	<p>The number of management units of this activity consists of three estates that supply material FFB to the Indrasakti Mill. In conducting the assessment, auditor team using formula $0.8 \sqrt{y}$ to determine the sample of and consider the issue of problems arising from the stakeholders as fundamentaly and critical. Based on this formula, the team of auditors determine the location of sample is 1 unit mill, 1 estates (Indrasakti Estate) and 68 smallholders.</p> <p>Indrasakti Mill</p> <ol style="list-style-type: none"> 1. Water Reservoir. Obsertation the condition and management in water reservoir. 2. WWTP. Observation and interview related to the management of POME, the security of WWTP pond, possibility of leakage and OHS implementation. 3. Grading/sortation station. The auditor interviewed the grading officer and observed the grading of FFB from the estates and the plasma. All officers have been using PPE, in addition, employees also have BPJS Employment. The grading officer has understood the duties and responsibilities of each. 4. Sterilizer. The auditor interviewed the sterilizer operator, it is known that the company has conducted audiometric examination routinely every 6 months. The company has provided PPE such as: helmet, earplug, gloves, and boots. Any damages will be replaced by the company. During the past year there have been no serious or fatal accidents in the Mill; there is a first-aid box in the process office with the contents of 21 types (according to the rules). 5. Boiler station. The auditor interviews the boiler operator, it is known that the operator already has the Operator License. Spirometry health check has been done once every year. 6. Engine room. Interviews with 2 engine room officers related to PPE, health check and work accident. 7. Workshop. The auditor observes the condition of the fire extinguisher, the contents of the First Aid Box. In addition there are also PPE commonly used by welders, such as: Google Glass, Masks, and Fireproof Gloves. 8. Weighbridge. The auditor observes the activities of the weighing operator and the FFB logging system from the estates and the plasma. 9. Security Post. The auditor interviews the security associated with the registration of FFB. 10. Hydrant no 4. Auditors observed related to fire emergency response. 11. Chemical material warehouse. Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health. 12. Workshop. Observations and interviews with workers related to the management and implementation of health safety, and social worker and hazardous waste management. 13. WTP. Observations and interviews related to water management, recording of water use, health checks, PPE and waste management. 14. Mill Drainage. Observations mill effluent lines, sanitation mill and flow of leaching mill. 15. Hazardous waste temporary warehouse. Field observations related to the fulfillment of the attributes health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse. 16. Solid Waste. Observation of the management of Solid waste consist of EFB, fiber and shell from the production process of mill. <p>Indrasakti Estate</p> <ol style="list-style-type: none"> 17. Block G34. Observation the conditions and position of legal boundary BPN 12.

18. **Block G34.** Observation the conditions and position of legal boundary BPN 14
 19. **Block G44.** Observation the conditions and position of legal boundary BPN 32
 20. **Block G44.** Observation the conditions and position of legal boundary BPN 31
 21. **Block H45.** Observation the conditions and position of legal boundary BPN 07
 22. **Block H44.** Observation the conditions and position of legal boundary BPN 27
 23. **Block H38.** Observation the conditions and position of legal boundary BPN No. 06
 24. **Block H37.** Observation the management in peat land.
 25. **Block J49.** Observation the management of domestic waste in landfill area.
 26. **Block H48.** Observation the implementation of management in HCV area in form of area with natural vegetation.
 27. **Block H39 and Block H40 (Harvest).** Field observation and interview related to compliance of occupational safety and health, harvesting techniques, harvesting records, fruit grading, training, wages, housing facility, socialization of sexual harassment, socialization of grievance, and freedom of association.
 28. **Block H42 (Empty Fruit Bunch Application).** Observation and interview related to the implementation of empty fruit bunch (FFB) application and impact evaluation on productivity
 29. **Block G31 (Land Application).** Field observation and interview related to compliance of occupational safety and health, technical land application implementation, and housing facility.
 30. **Block H39 (Barn Owl Box).** Observation and interview related to the installation and implementation of Barn Owl Box monitoring, and control of rodent pests
 31. **Block H40, Block H39, Block G39, Block H40, and Block H38 IPM (Beneficial Plants).** Observation and interview related to planting/ maintenance of host plants of the natural enemies of leaf caterpillar.
 32. **Block H36 (Chemical Weed Control).** Interview related to compliance of occupational safety and health, spray techniques, training, wages, housing facility, socialization of sexual harassment, socialization of grievance, and freedom of association.
 33. **Block G36 (Manuring).** Interview related to compliance of occupational safety and health, manuring techniques, training, wages, housing facility, socialization of sexual harassment, socialization of grievance, and freedom of association.
 34. **Block H38 and Block H39 (Road Maintenance).** Observation and interview related to compliance of occupational safety and health, manual road maintenance, wage, and housing facility.
 35. **Block G42 and Block G43 (FFB Transportation).** Observation and interview related to the fulfillment of occupational safety and health, recording of the harvested fruit, fruit grading, mechanical loading and transportation of fruit, preparation of Delivery Order, wages, and housing facility.
 36. **Agrochemical material warehouse.** Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health.
 37. **Hazardous waste temporary warehouse.** Field observations related to the fulfillment of the attributes health and safety, recording, and the implementation of compliance requirements hazardous waste temporary warehouse.
 38. **Body shower of spraying team and mixing area.** Observation the conditions body shower room and PPE handling.
 39. **Fire Fighting Equipment Storage.** Simulation the function of fire extinguishers and team readiness.
 40. **Workshop.** Observations and interviews with workers related to the management and implementation of health safety, and social worker and hazardous waste management.
 41. **Housing complex and worker welfare facilities (school, sports, daycare).** Observation on workers facilities, and domestic waste management.
 42. **Fertilizer Storage.** Observation and interview on environmental aspect, OHS implementation and understanding of working procedure.
 43. **First Aid Post.** Observation on first aid mechanism, medical waste management and work accident record monitoring.
 44. **Generator room.** Observation and interview on environmental aspect, OHS implementation and understanding of working procedure.
- KUD Harapan Maju (Indragiri Plasma)**
45. **KUD Office.** Interview related to operational record, FFB price, structure, FFB payment system, OHS, dispute mechanism, handling of hazardous material, land conflict, training and handling of hazardous waste material.

	<p>46. Pesticide warehouse. Field observations related to the fulfillment of health and safety, building standard. Interview with out grower related to ex pesticide container management.</p> <p>47. Farmer group 3 Kav No 4440 – 4449 and farmer group 4 Kav No. 4465 – 4471. Interview and field observation related to HCV, harvesting, manuring, pesticide usage, land conflict, dispute management, business ethic, training and land border.</p> <p>KUD Rahayu Makmur (Indragiri Plasma)</p> <p>48. KUD Office. Interview related to operational record, FFB price, structure, FFB payment system, OHS, dispute mechanism, handling of hazardous material, land conflict and handling of hazardous waste material.</p> <p>49. Pesticide and fertilizer warehouse. Field observations related to the fulfillment of health and safety, building standard. Interview with out grower related to ex pesticide container management.</p> <p>50. Farmer group 1A Kav No 1057 – 1069 and farmer group 1B Kav No. 1053 – 1056. Internview and field observation related to HCV, harvesting, manuring, pesticide usage, land conflict, dispute management, business ethic and land border.</p> <p>KUD Manunggal (Indrasakti Plasma)</p> <p>51. KUD Office. Interview related to operational record, FFB price, structure, FFB payment system, OHS, dispute mechanism, handling of hazardous material, land conflict and handling of hazardous waste material.</p> <p>52. Pesticide warehouse. Field observations related to the fulfillment of health and safety, building standard. Interview with out grower related to ex pesticide container management.</p> <p>53. Farmer group 6 Kav No 1160 – 1167 and farmer group 7 Kav No. 1168 – 1176. Internview and field observation related to HCV, harvesting, manuring, pesticide usage, land conflict, dispute management, business ethic and land border.</p> <p>KUD Sumber Rezeki (Indrasakti Plasma)</p> <p>54. KUD Office. Interview related to operational record, FFB price, structure, FFB payment system, OHS, dispute mechanism, handling of hazardous material, land conflict and handling of hazardous waste material.</p> <p>55. Pesticide warehouse. Field observations related to the fulfillment of health and safety, building standard. Interview with out grower related to ex pesticide container management.</p> <p>56. Farmer group 14 Kav No 71 – 76; 82 – 87 and 136 – 140. Internview and field observation related to HCV, harvesting, manuring, pesticide usage, land conflict, dispute management, business ethic and land border.</p> <p>Stakeholder Consultation</p> <p>57. Surrounding communities (Talang Sukamaju Village, Kuala Gading Village and Bandar Padang Village). Interviews related to the issue of environmental pollution, land conflict issue, the company's contribution to society and the impact of corporate activities.</p> <p>58. Government Institutions of Siak Districts (Environmental Agency, Manpower Agency, National land Agency and Plantation Agency). Interviews related to regulatory compliance, the issue of environmental pollution, land conflict issue and company contributions to the area.</p>
2.3 Stakeholder Consultation and Stakeholders Contacted	
2.3.1	Summary of stakeholder consultation process.
ASA-4	<p>Consultation of stakeholders for PT. Meganusa Inti Sawit held by:</p> <ol style="list-style-type: none"> 1. Public announcement at web www.mutucertification.com on 11 September 2017. 2. Public consultation with government agencies of Indragiri Hulu district (Plantation agency, Labor Agency, Environmental agency) on 26 September 2017. 3. Public consultation by interview with locals of the nearby village (Talang Sukamaju Village, Kuala Gading Village and Bandar Padang Village) and local contractor on 26 & 28 September 2017. 4. Consultation meeting and interview with Internal Stakeholder (labour union, worker cooperative and gender committee) on 26 September 2017. 5. Consultation with NGO (Jikalahari and WWF) via email on 19 September 2017.

	Numbers of input from stakeholders were clarified by PT Meganusa Intisawit
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit (Re Certification) will be determined at least 9 – 12 months after this ASA-4 (<i>September 2018</i>).

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Indrasakti Mill – PT Meganusa Intisawit operation consisting of one (1) mill, one (1) oil palm estate and 7,125 Smallholder/Plasma.

During the assessment, there one (1) Nonconformity were assigned against Major Compliance Indicators and eight (8) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidences e.g. (document record/photographic) and field visit. Those corrective actions taken that consist of one (1) Major Nonconformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Indrasakti Mill – PT Meganusa Intisawit complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016 And Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is **Maintained**.

Ref Std.	VERIFICATION RESULT of MUTU-Certification
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY	
1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
<p>1.1.1 The certificate holder has a list of stakeholders that has been updated in 2017. The list of stakeholders includes government agencies in Indragiri Hulu District, District Police, Community Leaders, Customary Institutes (Melayu Adat), Religious Leaders, Indigenous Peoples (Sakai Indigenous People), Youth Leaders, Companies Around Plantation, Trade Unions, Educational Institutions, Suppliers, Contractors and corporate partners, NGOs (NGOs Around the Company). The data is prepared by SPO officer as of April 14, 2017. Stakeholder renewal is done once a year or done if there is a change in the arrangement or contact person Stakeholder. The officer who made the renewal was SPO PSM 5 Coordinator.</p> <p>The types of documents accessible and provided to stakaholders are in the list of information for stakeholders, such as employee lists, NPWP, local taxes / retribution payments, environmental documents, deed of incorporation and amendments, production area data and fertilization applications, land tenure certificates and HGU certificates , High Conservation Value report, Social Impact Assessment report, social activity document, and accident report and P2K3 report, improvement program document, RSPO audit report document, human rights policy document.</p> <p>Based on interview with the National Land Agency of Indragiri Hulu Regency stated that the issuance of PT MNIS HGU is still pending due to the uncertainty of RTRWP approval in Riau Province. Based on this information which is one form of communication with stakeholders, the auditor stated that this is an improvement opportunity for the company that if HGU has been published then the company can provide that information to the relevant agencies (OFI).</p>	

1.2.1

In Communication and Consultation SOP No. SOP / SMART / GENERAL / SADVI / 004, July 1, 2014, delivery period of advice no later than 1 week after letter received (from Unit Head to Department concerned). Response no later than 3 weeks after mail received. Based on the study of incoming and outgoing documents known until the implementation of ASA-4 there is no request for information.

Based on field interviews with smallholders, head of KUD of Rahayu Makmur, Manunggal, Harapan Maju and Sumber Rejeki smallholder cooperation, informed that information request could be addressed to smallholder cooperation management and then it will be forwarded to the company.

CH has procedures to respond the stakeholders in the Request of Information procedure No. SOP / SMART / GENERAL / SADVI / 004, July 1, 2014. Delivery period of advice no later than 1 week after letter received (from Unit Head to Department concerned). Feedback no later than 3 weeks after the letter received. Requests for information are documented in the communication book. As stated in the communication book there is no incoming letter demanding for information related to the operation of the estate and mill. The results of public consultations with stakeholders on September 26, 2017 obtained information that they never requested information about operational activities. However, if villagers are requesting for assistance, the company always responds quickly.

Records of incoming and outgoing requests for information and responses for 2017 in the form of consultation and consultation as follows Indragiri Plasma have 13 incoming letters in form of funding request. Records of requested information documents are documented in the documentation of Incoming and Outgoing Letter for Harapan Maju smallholder cooperation for the year 2017. Incoming letters such as internal memo and outgoing mail such as notice of harvested cavel change to farmer group.

Status: Comply

1.2

Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

1.2.1

CH has a list of the information types that can be obtained by other parties that are classified into : employee lists, NPWP, local taxes / retribution payments, environmental documents, deed of incorporation and amendments, production area data and fertilization applications, land tenure certificates and HGU certificates , High Conservation Value report, Social Impact Assessment report, social activity document, and accident report and P2K3 report, improvement program document, RSPO audit report document, human rights policy document. Communication and Consultation SOP No. SOP / SMART / GENERAL / SADVI / 004 explained that some documents are confidential and must require permission from the company to access them. Based on stakeholder consultation with smallholders, the document of deduction of the smallholders payment can be access by the smallholders and they have know the debt of plasma payment through cooperative (KUD).

The list of public document types in KUD Rahayu Makmur and KUD Harapan Maju consists of 15 types of information, namely: Contracts between partnership management and farmers, certificates, training materials and chemicals, enviromental document and monitoring reports, complaint notes, procedures for calculating prices, fixing of FFBs, recent records of debt & payments, deductions and fees, annual reports. Based on interviews with KUD Rahayu Makmur administrators, it was found that there were already some types of information that cooperative members could access.

Status: Comply

1.3

Growers and millers commit to ethical conduct in all business operations and transactions.

1.3.1

Certificate holder has consistently documented the Principles of Business Ethics Policy endorsed by RC and PC on January 03, 2015. The policy in the Indonesian language contains a commitment to behave ethically in all transactions and business operations that are guided by the company's shared values, integrity, positive attitude, commitment, continuous improvement, innovation and loyalty and in accordance with the principles of sustainable palm oil plantation

management.

This has been socialized by the document on the news of the socialization event on 2 February 2017 to Indrasakti Estate employees and representatives of Village Unit Cooperatives / Farmer Groups from Indragiri Estate to 39 workers consisting of the foreman, KUD chairman, sprayer, field coordinator.

The result of the interview of the worker, the policy has been socialized during the morning briefing activity and through bulletin board in each division office and mill. In addition, management have also conducted socialization to plasma farmers through KUD. For example socialization news on June 13, 2017 at KUD Sumber Rejeki and dated June 21, 2017 at KUD Manunggal. Based on interviews with workers and smallholder farmers it can be seen that with the corresponding language, they can explain things related to business ethics and corporate integrity codes.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

There is compliance with all applicable local, national and ratified international laws and regulations.

2.1.1

Certificate holder consistently applies legislation relating to plantation and palm oil mill. The last update of laws and regulations list was conducted on 2017. The Certification Unit has shown compliance with laws and regulations, for example:

- Scheme smallholder have land rights in the form of Land Title (*Surat Hak Milik/SHM*).
- Mill and facilities have land rights in the form of Building Use Title (*HGB*).
- Scheme smallholder group / KUD, mill and plantation has had business permit.
- Tax ID for KUD and PT MNIS
- License for Temporary Hazardous Waste Storage
- Environment impact analysis
- Provision of social insurance for manpower

Certificate holder can show a copy of the regulations was documented on soft file in the office of each unit. Based on interviews with relevant institutions (Plantation Agency, Labor Agency, Environment Bodies and the Land Office), it is noted that the management unit has complied with the regulations related to the estate, employment and the environment.

2.1.2; 2.1.3 and 2.1.4

To ensure compliance to regulations, company has SOP Regulatory Compliance and Other Requirements (SOP/SMART/UMUM/SADV/II/002, dated 1 July 2014) describes the person in charge is SADV (for national level regulations), SPO PSM Officer and SPO Unit Officer (for local level regulations). Information of regulation from national, provincial and district regulatory bodies, and renewal of any changes to prevailing laws and regulations and monitoring of expired regulations/licenses. A list of regulatory identifications ranging from Laws, Government Regulations, Presidential Decrees, Ministerial Regulations, Ministerial Decrees, Regional Regulations, and the ratification of the ILO. Internal audits have been conducted continuously and are documented. The last internal audit activities conducted on 17 to 27 July 2017.

Status: Comply

2.2

The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.

2.2.1

CH has had the land rights in the form of Building Use Title (HGB) for an area of 31.6964 hectares which consist of 6 certificate HGB and land title for 5,382 Smallholders. While for estate, the land rights still in process for an area of 789.80 Ha and for smallholder there are 1,743 kav which still in process. Based on document review and field visit known that

management unit has manage a area of 15,384.87 Ha consist of 14,813.31 Ha planted area, 562.58 Ha supporting facilities and 8.98 Ha others area. The progress of land rights of estate and smallholder will be observed on next assessment. (OFI).

Interview with communities and government agencies is known that the CH did not conduct expansion the operation area since last assessment (2016).

2.2.2

Management unit has had list and map of boundry stone from National Land Agency. Based on the data, there are 76 boundry stone in PT MNIS. Management unit have conducted monitoring and maintenance of boundary stone in accordance with procedure i.e every three month. The monitoring results for 2016 – 2017 showed that 75 boundary stones in certification scope are in good condition. There is 1 boundary stone is not documented in monitoring report, but while field visit found that boundary stone in good condition and maintained. The documetaion of boundary stones monitoring will be observed in next assessment (OFI).

Field visit in Indrasakti Estate showed that Boundary Stones BPN 12, BPN 14, BPN 32, BPN 31, BPN 07 and BPN 27 are well-maintained (see picture) and the pole position is meet with the coordinate. Besides that, CH also maintaining trenches as part of boundary marker.



Field visit in KUD Harapan Maju, KUD Rahayu Makmur, KUD Manunggal and KUD Sumber Rejeki found that Individual members has demarcate the boundaries of their land by using stick.

2.2.3; 2.2.4 & 2.2.5

The consultation results with communities (Talang Sukamaju Villange, Bandar Padang Village and Kuala Gading Village) is known that there was no dispute / conflict of land between the CH and communities for period 2016 – 2017. Field visit and document review also shows that there was no dispute / land conflict in operation area of CH. The company has had procedure for conflict resolution which stated that the resolution involve the stakeholder.

2.2.6

GAR as parent company of PT MNIS and BWL has had policy of Social and Environment which stated “We commit to actively promoting and supporting the responsible resolution of any conflicts involving GAR operation with legitimate concerned at the time underlying events occurred. This will include working with relevant stakeholders to ensure that a balanced, accountable, mutually agreed and documented conflict resolution system is accesible to smallholders, indigenous peoples, rural communities and other affected parties based in order to deal with complaints, grievances and resolve conflicts to the mutual satisfaction of the parties based on respect for their legal and costumary rights, including to lands and resources and their right to give or withhold their free, prior and informed consent to operation planned on their lands. The system will include the mapping of all conflicts in GAR’s operations, the development of action plans to address indentified conflicts, transparent monitoring and reporting, the option to local community and or customary groups for accesing independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers as well as the option of a third party mediator.

We categorically reject the use of violence in any dispute by any parties.”

Consultation with the stakeholders (Talang Sukamaju Villange, Bandar Padang Village and Kuala Gading Village), there is no indicate that the company use the mercenary/paramiliter in operation area.

Status: Comply

2.3

Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.

2.3.1; 2.3.2; 2.3.3 & 2.3.4

CH has had SOP of FPIC which approve by Head of Upstream on 1 July 2014. This procedure is used in the development of oil palm plantations and / or mills in new location permits and development of oil palm plantations and / or factories in existing location permits.

Interview and field visit show that land utilization by CH does not destruct local communities’ traditional and legal right. Land ownership is entirely belong to individual or belong to state. The evidence of communities’ land release have been well documented and well stored by D&L. The latest land compensation has been conducted in 2001.

Document review, field visit and interview shows that since the last assessment (2016), the company does not perform land expansion.

Status: Comply

PRINCIPLE #3 Commitment to long-term economic and financial viability

3.1

There is an implemented management plan that aims to achieve long term economic and financial viability.

3.1.1

Certificate holder has shows longterm management business and budget plan for period 2017-2021 include for smallholders activities. Management unit stated that the business plan are subjected to changed and reviewed annually by the respective management through considering actual trends and dynamic situation which predicted could be changed in the future. The objective of annual review is to optimize the company resouces to obtain a satisfactory goal. Parameters listed on the company long term plan has covers estimates of production, cost of production (plantation and mills), mills production projections (OER and KER), FFB and CPO price, and other financial parameters such as profitability and revenue. This longterm budget plan has made by Department of Finance and approved by Regional Controller. The business plan is considered the long term viability such as potential productivity, flooding, etc.

3.1.2

According to hectare statement 2017 map and year of planting data, it was known that the oldest palm were came from 1996 planting (21 years). Based on replanting criteria it is known that age of the plant has exceeded 25 years and the productivity of FFB production has decreased (<23 tons FFB ha/year).

Status: Comply

PRINCIPLE #4 Use of appropriate best practices by growers and millers

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1

The company has shown the oil palm agronomy and processing procedures (SOP) issued by Head of Upstream and arranged by the Chief of Management Committee Agronomy and Research (MCAR) Team on 12th June 2012 and the Chief of Management Committee for Mill Development (MCMD) Team on 6th December 2013 for Estate and Mill Units, respectively.

Agronomy Procedures

The SOP of Agronomy consists of Planning and New Planting, Planning of Replanting, Nursery, New Land Clearing, Planting, Replanting, Integrated Pest and Disease Management, Weed Control, Manuring, Upkeep on Immature Palm, Harvesting Preparation, Harvesting, FFB Loading and Transportation, and Rainfall Measurement by Ombrometer. The procedures. This SOP is also valid for **Plasma**.

Based on field observation and interview with pesticide applicator (spraying worker) in Block H36, it was known that the spraying worker was able to explain and to demonstrate her job in accordance with the SOP, such as considering wind flows during spraying process, pesticides and weeds target, the prohibited areas to be sprayed (for example conservation area and riparian zone), and the use of PPE as well as its management.

Field observation and interview with harvesters was also done in Farmer Group (FG6) of KUD Manunggal such as in Lot 1170. It was known that harvesters were able to explain and to demonstrate the harvesting process in accordance with SOP, such as the use of PPE, ripeness criteria, harvest rotation, collection of loosefruits, and frond stacking.

Oil Palm Preprocessing Procedures

The Oil Palm Processing Procedures were presented in document No. SOP/SMART/MCMD/I/TM-PKS dated 6th December 2013, authorized by Head of Management Committee for Mill Development (MCMD) and Head of Upstream. The company has shown also the Working Instruction (WI) No. DP-05-03 which consists of technical guidelines towards all processing stations, such as. Loading Ramp, Sterilizer, Thresher, Press, Clarification, Drain Tank, Oil Recovery Tank, Oil Recycling Storage Tank, Oil Purifier Tank, Flushing Sludge Centrifuge, Storage Tank Wash, Nut and Kernel, Boiler, Gauge and Glasss Boiler, Emergency Boiler, Boiler Maintenance, Generator Set Operation, Steam Turbine, Water Treatment, Final Effluent Treatment, Final Effluent Analysis and Ripple Mill. The WI has also describes the methods of stock and production measurement of CPO and PK, mill throughput and calcium carbonate analysis.

Sortation/grading workers interviewed in Loading Ramp Station of Indrasakti Mill have understood and were able to explain their jobs in accordance with Working Instruction they have. Example, taking samples to be sortated/graded (1 truck sample per day with 100 FFBs samples per truck), record of FFB sortation/grading namely, unripe fruit, less ripe fruit, ripe fruit, over ripe fruit, long stalk, and abnormal fruit.

4.1.2

The Company has had master list of procedure documents (softcopy and hardcopy) saved by Sustainability Division (STDV). All SOPs were firstly checked by STDV Head before distributed to Head of Upstream, Managing Director Operational, Chief Executive Officer (CEO), Vice President Agronomy (VPA), Vice President Manufacturing (VPM), Regional Controller (RC), Production Controller (PC), Estate Manager (EM), Factory Manager (FM), Operational Internal Audit (OIA), Estate or Mill Advisor, SMART Research Institute (SMARTRI), Sustainable Palm Oil (SPO) Officer of Sinar Mas Plantation (PSM), SPO Officer Region and SPO Officer in Units.

To ensure workers performance consistency towards SOPs, several internal and external training were conducted regularly for example as follows:

- Training on Paraquat Application, given by Pesticides Commission of Riau, held on 17th April 2012, attended by 149 participants consist of pesticide workers, Spray Foremen, Smallholders, Warehouse Workers, Assistants, and Senior Assistants.
- Training on Integrated Pest Management (IPM) for First Aid Officers of Indrasakti Estate and Indrasakti Smallholders, held on 21st January 2016 in Division I Indrasakti Estate, attended by 31 upkeep workers and Foremen of Spraying.
- Socialization on Material and Safety Data Sheet (MSDS), held on 18th April 2016 in Division I Indrasakti Estate, attended by 13 fertilizer applicators, 8 Foremen of Spraying, 10 IPM workers, 20 workshop workers, 8 pesticides applicators (including agrochemicals storage workers).
- Training of Integrated Pest Management (IPM) and Leaf Sampling Unit (LSU), given by SMARTRI, held on 7st February, 2017 in Division I Indrasakti Estate, attended by 31 workers of Indrasakti Estate.

Mechanism of revision of procedure was presented in document No. SOP/SMART/UMUM/SADV//001 dated 1st July 2014, about Control of Document and Record. Estate and Mill Management stated that up to conduction of ASA-4, there were no revision on the SOPs as well as WI of Agronomy and Oil Palm Processing.

Control and monitoring of SOPs were carried out by internal audit which carried out twice a year by Department of Operation Internal Audit (OIA). The company has been able to show memorandum and the latest OIA report No. 57/OIA/V-IDSE & IDSA/12/16, inspection date 14th thru 19th December 2016. The report informed that harvest inspection is inconsistent, from 152 days of harvest, detail harvest inspection is only done 69 times (45%), harvesting fines are not yet comply, there is a difference of less HM RGDR-01 as much as 37 HM in Vehicle Working Card with actual numbers on the machine speedometer on 15th December 2016. Regarding this matter, the Management has done follow up action. Based on document of monitoring, all findings were all considered closed on 27th December 2016.

The company also has been able to show the OIA report for **Plasma** No. 23/V-INDA/08/17, inspection date 2 thru 7 June 2016. The report informed among others that there are still rodent attacks and broken Barn Owl Box (BOB) that have not been repaired yet. The percentage of rats attack in KUD Anggrek, KUD Setia Kawan, KUD Rahayu Makmur, KUD Milik Bersama and KUD Harapan Maju is still below 5%, but tends to increase from 2.68% in January 2017 to 3.15% in April 2017. Based on monitoring documents provided, it is known that an action plan has been developed. For example, KUD Rahayu Makmur socializes the addition of BOB to 1 unit for 20 Ha and in 2017 will be added 6 BOBs; and KUD Harapan Maju will add BOB in the second semester of 2017.

4.1.3

The Company has records of the implementation of works along with its monitoring. Monitoring records of agronomy and processing activities of palm oil are described in the Daily Report and Monthly Report of the Manager. Example:

- Daily Report of Foreman. Foreman of Harvesting daily record informed harvester absence, harvesting quality, path quality, unharvested bunches, frond stacking placement, and cleanliness of loosefruits. The report then should be checked by the Assistant and be uploaded to the database using a program namely System Application Product in Data Processing (SAP).
- Monthly Report of Estate Manager report which describes 14 parameters that need to be recorded and be evaluated regularly, for example FFB security, fertilizer purchasing and supply, fertilizer application, upkeep, land application, IPM activities, and transportation. The report was then distributed to Vice President Agronomy (VPA) and OIA, to be checked, be analyzed and be evaluated for improvement. The VPA report dated 31st July 2017 informed, there were 8 findings. Based on document of monitoring, all findings have been considered closed
- Monthly Report of Mill Manager which describes 62 parameters that need to be regularly evaluated, such as FFB intake statement, production record, FFB grading recapitulation, production quality, cost and losses. The report was then distributed to Production Controller, Vice President Manufacturing (VPM) and OIA, to be checked, be analyzed and be evaluated for improvement. The VPM report dated 1th August 2017 informed there were 36 findings. Based on document of monitoring, 22 findings have been considered closed, 10 findings were on going, 3 findings were waiting for offer of vendor, and 1 finding has been doing gradually.

4.1.4

Indrasakti Mill has record the origins of all FFB source. The result of field visit, document review and interview with the management, known there is no FFB sourced from third party but there is FFB source from own estate and scheme smallholder that also has been certified.

Status: Comply

4.2

Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.

4.2.1 and 4.2.3

Procedure of soil fertility management was presented in document No. SOP/SMART/MCAR/IX/TA-PPK about manuring and No. SOP/SMART/MCAR/X/TA-PTB about upkeep in immature palms. Several important points mentioned on the SOP were describes, among others:

- To conduct annual leaf sampling and four to five yearly soil sampling by Sinarmas Research Institute (SMARTRI), which were subjected for annual fertilizer recommendation and soil fertility monitoring.
- Fertilizer application should meet the standard requirements, such as time and technique of application, as well as fertilizer placement and dosage used.
- To conduct a proper water management and monitoring on peat soil area towards water level control and piezometer

installation, as well as monitoring of peat subsidence.

- To conduct maintenance of cover crops such as *Nephrolepis bisserata* and legumes to maintain moisture and nutrient cycles.
- To conduct land application towards palm oil mill effluent (POME) application on the permitted areas. Dosage recommended by the agronomist was about 750 m³/ha/year, which divided into three times of rotation.

The company has been able to show annual leaf sampling analysis results for 2016. Management explained that soil sampling analysis record was lastly conducted in 2014. The chemical analysis was carried out in Analytical Laboratory of SMART Research Institute, located in Libo Estate, Riau. Parameters measured in leaf analysis are dry matter percentage of macronutrients (e.g. N, P, K, Mg, and Ca) and micronutrients (e.g. B, Mn, Zn, Cu, Cl, and Fe). Meanwhile, for soil analysis are soil moisture content, texture, pH, base saturation, organic C, N total, C/N ratio, available P, cation exchange capacity (CEC), and percentage dry matter of Ca, Mg, K and Na.

The Company has had a fertilizer recommendation in 2017 from SMARTRI based on the results of the 2016 leaf analysis. For example, fertilizer recommendations in IDSE Block H-40, Mature Area of 11.35 ha (1,329 trees), namely First Semester: Urea (1,000 tons), TSP (2,350 tons), MOP (2,650 tons), Super Dolomite (1,650 tons), and HGFB (66,450 kg); and Second Semester: Urea (1,000 tons), TSP (1,350 tons), and Bunch Ash 5,316 tons).

4.2.2 and 4.2.4

The Company does the manuring of plants in accordance with the 2017 recommendation from SMARTRI. Records of Actual Manuring are contained in the document of Recommendation and Actual Manuring of Indrasakti Estate (IDSE) Year 2017 and Division Work Program. The fertilizers and dosages applied are recommended by SMARTRI. In the period 2017, recommended fertilizers include Urea (N), TSP (P), MOP (K), Super Dolomite (Mg), Kieserite Powder (Mg), Borate (B), and Bunch Ash, and Liquid Waste (POME).

According to the report, it was informed that application of Super Dolomite (41,400 kg) and Kieserite (24,850 kg) have been delayed for 1 month (applied in July 2017). However, in the first semester has been applied 54,450 kg of Urea, 118,500 kg of TSP, 181,150 kg of MOP, and 4,900 kg of Borate. In the second semester, it has been applied 54,800 kg of Urea in September 2017. While TSP (44,850 kg), RP (55,400 kg), MOP (7,500 kg), Super Dolomite (31,300 kg), Kieserite Powder (4,400 kg), and Bunch Ash (210,468 kg) have not been applied.

The **Smallholder Plasma** also have applied fertilizer in 2017. Example:

- **KUD Manunggal:** In the first semester, applied 59,700 kg of Urea in January, 80,700 kg of MOP in February, 42,250 kg of TSP in March - April, 42,200 kg of Kieserite G and 4,300 kg of HGFB in April. In the second semester, applied 42,550 kg of MOP and 65,850 kg of Urea in August.
- **KUD Sumber Rezeki:** In the first semester, applied 200,450 kg of MOP in January, 11 2,000 kg of Urea in April, 125,850 kg of TSP in February - June, 5,500 kg of HGFB in May, and 104,200 kg of Kieserite G in May - August. In the second semester, applied 96,000 kg of Urea, 204,250 kg of MOP, and 70,000 kg of TSP in August.

Apart from the chemical fertilizers, estate has also conducting by-products application, i.e.

- Land Application (POME), applied in the permitted area of 304.78 ha e.g. Blocks H39-H46 and Blocks G42-G44 (750 m³/ha/year). In the first rotation (Januari - April 2017) applied as much as 85,913 tons and in the second rotation (May -August 2017) applied as much as 76,195 tons.
- Bunch ash application (3.50 - 4.00 kg/tree). Based on the Indrasakti Estate Division Work Program, the application will be conducted once in an area of 465.25 Ha in December 2017.
- Pruning: Based on Work Program Division 01 Indrasakti Estate Year 2017, pruning has been done in the first semester covered 1,616.80 ha (112%) of targeted 1.444.02 ha and in the second semester (July - September) covered 736.45 ha (48.43%) of targeted 1,520.62 ha.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1

CH has able to shows a proper semi detail soil survey maps of Indrasakti Estate with scale of 1:25,000. The has refers to soil type unit for survey (Revision LSC 2007), soil survey detail which conducted in march 13th to 17th 2012 and final map of Indrasakti Estate 2nd edition, issued in October 2009. The map has informed that there were eight soil types in Indrasakti Estate. Topography and elevation condition, soil depth, drainage properties, limitation factors on each soil type and its hectarages was provided on map legend. Soil type with marginal clasification (or S3) is decribes as follows:

- *Typic Haplohemist*, is a shallow peat with depth ranged from 150-300 cm which covers about 166.05 ha or 20.20 % from total Indrasakti Estate area. This soil type is located on the eastern side of the estate.
- *Typic Hapludults*, is a mineral soil with elevation ranged between 21-40 % or 12-22°, which covers about 19.71 ha or 2.40 % from Indrasakti Estate area. This soil type is located on the south east side of the estate.

Group Manager of Indrasakti Plasma and Indragiri Plasma has provided document and map of semi detil soil survey with scale of 1:25,000. Based on the document, Indrasakti Plasma has slope area (range 16 – 21 %) covered 67.52 ha (1.42 % of total area). There are peat soil *Typic haplohemist* covered 423.95 ha (8.9 % area) located in KUD Manunggal, and covered 683.95 ha (14.36 % area) located in KUD Sejahtera. Meanwhile there is no peat soil in Indragiri Plasma, but slope area (range 21 – 40 %) covered 315 ha (4.4 % of total area).

Based on the explanation above, it could be concluded that the CH has a proper soil map which clearly informed soil classification type and its properties for palm oil cultivation suitability. Furthermore, map also informed that there were no areas classified as fragile. Limitation factors were consist of the presence of shallow peat and slope factor.

4.3.2

To overcome limitation on slope area, several method had implemented which refers to procedure No. SOP/SMART/MCAR/II/TA-PPA about planning of land preparation on new planting and No. SOP/SMART/MCAR/IV/TA-PLB about new land clearing. Field observation in Indrasakti Estate Block H48, it was found that land management in 21-40 % slope area were individual and contour terrace, manual upkeep and fronds was stacked parallel to the contour line. Furthermore, according to erosion monitoring record in Block J49, it was informed that erosion rate is 0.00-0.17 mm/year. This is indicate soil conservation method has satisfactory implememented.

Meanwhile field observation in Indragiri Plasma (KUD Rahayu Makmur, KUD Harapan Maju) and Indrasakti Plasma (KUD Sumber Rezeki, KUD Manunggal) it is known that the topography are flat.

4.3.3

In general, from document review is known that the road maintenance in Indrasakti Estate has been conducting well. Current road maintenance activity are road grading by road grader. Based on field observations, main roads and collection roads are in good conditions. The drainage system is well organized to ensure passable in all weather conditions.

For Indragiri Plasma dan Indrasakti Plasma, the road maintenance are conducted mauully or by road grader from Indrasakti Estate, and the cost in charge to smallholder as the production cost. Field observation in Indragiri Plasma (KUD Rahayu Makmur, KUD Harapan Maju) and Indrasakti Plasma (KUD Sumber Rezeki, KUD Manunggal) known that the main roads and collection roads are in good conditions.

4.3.4; 4.3.5

The method on peat soil was refers to same procedure that mentioned above. The objective of water management in peat soil is to keep the water on the field and avoid an overdrain. Field observation in Indrasakti Estate Block H37, the CH has been implemented bund off, water level meter, piezometer and peat subsidence stake. Monitoring record shows that water level maintained in the drainage 53 – 60 cm under soil surface, that appropriate with the procedure (50-70 cm). Peat subsidence monitoring records in period of January to August 2017, shows the peat soil has decline for 0.12 cm (0.015 cm/month). These figures were still under regulation on Ministry of Environment (PermenLH) No. 7 year 2006 (35 cm/5 years).

Based on field observation of KUD Manunggal in Indrasakti Plasma, has been implemented bund off, water level meter, piezometer and peat subsidence stake. The water level maintained in the drainage 57 – 68 cm under soil surface. Peat subsidence monitoring records in period of January to August 2017, shows the peat soil has decline for 0.70 cm (0.087

cm/month). These figures were still under regulation on Ministry of Environment (PermenLH) No. 7 year 2006 (35 cm/5 years).

Based on CH hectare statement, it was informed that the oil palms in Indragiri Estate were firstly planted in 2000 or now it has been 17 years old. Since oil palm life cycle was setted for 25 years, hence, replanting activity is projected to be carried out in 2025. Thus, drainability study will be carried out together with replanting preparation activity. The oldest oil palm of smallholder is 20 years old in Indrasakti Plasma.

4.3.6

Based on field observation is known that CH has several strategies to manage low soil fertility or sandy area are by manuring, EFB application, and POME land application based on the recommendation. POME land application in Indrasakti Estate Block H42 has been implemented with dose 750 ton/ha/year, meanwhile EFB application in Block G31 has been implemented with dose 30 ton/ha/year.

Moreover, smallholder in Indragiri Plasma (KUD Rahayu Makmur, KUD Harapan Maju) and Indrasakti Plasma (KUD Sumber Rezeki, KUD Manunggal) already known the implementation of selective weeding to maintain soil mousturiser an minimising the evaporation.

Status: Comply

4.4

Practices maintain the quality and availability of surface and ground water.

4.4.1

CH has a water management plan that take account of the efficiency of use and renewability of sources. That's management plan has described in EIA report Semester 1 of 2017. The Plan had described the objectives such as water sources including catchment pond, rainfall records, water requirement, current, water quality and contingency plan.

According to environment monitoring analysis, it was informed that the company activity has not given negative affect. Moreover, water consumption in housing complex from Mill (WTP) and consumption water from reverse osmosis testing shows that all parameters are accordance with Minister of Health Regulation (Permenkes) No. 416/1990.

CH has conducted the testing of surface water quality once every 6 months, based on the results of testing of semester 1 of 2017 known there is no test results that exceed the quality standard Government Regulation No. 82/ 2001 Class II.

4.4.2

CH has identified rivers and wetlands inside plantation area. Analysis of HCV containing distribution maps of the river in the area of PT. MNIS. Based on the identification documents of High Conservation Value (HCV) no that rivers that flow in the operational area of Indrasakti Estate, only in the operational area of KUD.

All identified buffer zone has been designated as HCV and protected areas. Field observations in operational area KUD *Harapan Maju* showed evidence of surface water protection measures and including riparian such as:

- Determination of river buffer zone with a distance of 50 meters left-right of small river demarcation of the border is done with the installation of boundary markers.
- No chemicals application (fertilizers and herbicides) in the buffer zone area,
- Signboard of river buffer zone protection. Prohibiting the use of chemicals in the river buffer zone.
- Planting riparian with *Guatemala, bamboo and trembesi* to prevent landslide and erosion

4.4.3

CH has license for land application from government of Indragiri Hulu District since 1 November 2013 and valid for 5 years. Monitoring of BOD has carried out every month regularly and reported to Environment Agency every three month. Evaluation and water sampling in WWTP outlet were carried out by accredited laboratory. Based laboratory testing, it could be concluded that testing results from July 2016 to June 2017 were accordance with PermenLH No. 28/2003 and the license. Based on observation to WWTP, it was found that flow meter was well functioned and there were no spills to the land. Furthermore, the certification unit also has had land application permit and there is no issues from stakeholders related to land application.

4.4.4

Results of Interviews and field visits it was obtained information that the water used for mill processing activities comes from *Kuala Cenaku* River. The use of water has been monitored on a daily basis by using flow meter gauges. SOP for water use monitoring available in work instruction for water treatment plant. Records of daily water use were collected and compared with per tonne of FFB processed to check efficiency of water use in mill. The average ratio of water consumption for the last 8 months (January – August 2017) was 0.93 m³/ton FFB and water consumption budget be appointed (1.15 m³/ton of FFB) any water used that exceeds budget of 1.19 m³ / ton in June because there are Mill cleaning, so the use of water over.

CH has been process of the utilization surface water permit since April 14, 2017 to the Head of the Directorate General of Water Resources of the Ministry of Public and Public Housing. However, until the ASA-4 audit, CH has not been able to show the permit, and will be verified next assessment (recertification). (OFI)

Status: Comply

4.5

Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.

4.5.1

The program of integrated pest management (IPM) was presented in Division Work Program. The technical implementation referred to procedure of Pest and Disease Control (Doc.No. SOP/SMART/MCAR/VII/TA-TNM) The program consist of detection on pest and/or disease (P&D) incidence, planting of beneficial plant, census and control of P&D population. The procedure mentioned that chemical control is only carried out when the P&D incidence was more than its economic threshold. Record of IPM activity in 2017 was presented in several documents. Example:

- Census of Nettle caterpillars has been implemented for 8 times. The average number of larvae per frond was varied from 0.8 to 6.8 larvae. The highest average number in April 2017 (6.8 heads) has been above the economic threshold of 5 heads, so that chemical control has been carried out using BM Promax insecticide, ie in April 456.92 ha (933 kg) and May of 245.55 ha (501 kg). Biological control was also done by planting / upkeeping beneficial plants, such as *Turnera subulata*. Up to August 2018 it was planned to cover an area of 6,082.48 Ha and has been covered an area of 4,661.86 Ha (66.67%).
- Census of rat has been conducted for 3 times. The average percentage of attacks in January was 3.28%, in April was 3.77%, and July was 3.28%, which was still below economic threshold of 5%. Hence, there is no chemical application. Biological control has been implemented using an owl predator (*Tyto alba*) by installing 48 Barn Owl Box (BOB) scattered over 24 blocks on an area of 760.31 ha. Monitoring result in August 2017, all BOBs (100%) were still active.

The company had conducted biological control as a part of IPM activity, such as planting of beneficial plants for Nettle caterpillars control and barn owl (*Tyto alba*) for rats' control. Based on field observation, beneficial plants such as *Turnera subulata* dan *Antigonon leptopus* were planted along main road and collection road, such as in Block H38, H39, H40, G38, and G39 were well maintained. Moreover, record of BOBs monitoring informed that 48 nests were installed (2 units per block) and all were still active.

4.5.2

The Company was able to show evidence of training attended by workers who are involved in handling IPM. Example:

- Integrated Pest Management (IPM) Training for employees and Fisrt Aid staff of Indrasakti Estate and Indrasakti Plasma, held on 21st January 2016 in Division I, attended by 31 participants (upkeep workers and spray foremen).
- Socialization of MSDS, held on 18th April 2016 at Indrasakti Estate, attended by 59 participants, ie 13 fertilizer workers, 8 spray foremen, 10 IPM workers, 20 workshop workers, and 8 workers of spray and agrochemical warehouse.
- IPM and LSU training, held on 7th February 2017 at Indrasakti Estate, facilitated by the Company and SMARTRI, attended by 31 participants (workers of Indrasakti Estate and Indraskati Plasma Officers)
- Socialization of MSDS, held on 31th July 2017 at Indragiri Estate, attended by 29 participants (4 spray workers of KUD Harapan Maju, 5 spray workers of KUD Rahayu Makmur, 1 spray foreman of KUD Harapan Maju, and 1 spray foreman of KUD Rahayu Makmur).

- Training on Plant Upkeep and Pest and Disease Control for Plasma farmers of PT. Meganusa Inti Sawit, held on 15th thru 20th May 2017 facilitated by SMARTRI and Company, attended by 270 participants, they were farmers of 15 KUD, among others KUD Sumber Rezeki, KUD Manunggal, KUD Rahayu, and KUD Harapan Maju

When conducting ASA-4, there was no spray activity, however interviews were conducted with spray worker in Block H36. The spray worker claimed to have attended the Limited Pesticide Applications training held by the Indonesian Pesticides Commission of Riau Province on 17th April 2012. She understood and can explain and demonstrate the technical work in accordance with the procedures they have, for example the use of a complete PPE, safe herbicide mixing, pay attention to wind direction during spraying, spraying targets, prohibited areas for spraying (such as riparian and conservation areas), laundry and storage areas of PPE and spray equipment.

The **Plasma** farmers (KT6 and KT7 of KUD Manunggal) interviewed, they explained that weed control by using chemical is done by the well trained Spray Team from PT Meganusa Indrasakti, 2 - 3 times a year. The farmers claimed that they have attended training organized by KUD Manunggal, such as training of spraying, and the use of PPE.

The Company has an Integrated Pest Management and Realization Program of 2017 made by SPO Officer and is known by Indragiri Estate Manager and the Head of KUD. Example:

KUD Rahayu Makmur

- Census of rat has been performed for 3 times. The average percentage of attack in January was 3.20%, April (3.20%), and July (3.28%), which was still below the economic threshold (5%). Control has been done biologically by installing BOB on an area of 590 ha. The addition of Ferrocemen BOB has been done 100%.
- Census of Nettle caterpillar done in January, March, May, and July has not found attack. Control has been done biologically with the planting / upkeeping of beneficial plants. Up to August 2017 it has been covered an area of 590 ha.

KUD Manunggal

- Census of rat has been performed for 3 times. The average percentage of attack in January was 3.5%, April (2.8%), and July (2.6%), which was still below economic threshold (5%) Control is done biologically by installing BOB on the area of 403 ha. The addition of Ferrocemen BOBs has been done 80%.
- Census of Nettle caterpillar has been done for 3 times. The average number of larvae per frond was varied from 0.5 to 1.9 heads, which was still below the economic threshold (5 tail / frond). Control has been done biologically by planting / upkeeping beneficial plants (*Turnera subulata* and *Antigonon leptosus*). Up to August 2017 it has been covered an area of 403 ha.

Based on field observation in the farm owned by the farmers of KUD Manunggal, namely KT6 (Lot No. 1160 - 1167) and KT7 (Lot No. 1168 - 1176), there are no symptoms of Nettle caterpillar attack as well as rat infestation.

Status: Comply

4.6

Pesticides are used in ways that do not endanger health or the environment

4.6.1; 4.6.3; and 4.6.4

The company has SOP on Pest and Disease Control (Doc. No. SOP/SMART/MCAR/VII/TA-TNM). The procedure mentioned that chemical control on pest and disease were only allowed if the level of infestation has been more than its economic threshold. Justification of pesticides used must be based on census analysis which conducted every month. The company has no regulation on specific pesticides used. However, list of pesticides used in 2017 were available. There were only four brands of pesticides used, namely Roll Up 480 SL (*Isopropyl amine glyphosate*), Erkaforon 20 WG (*Methyl Metsulfuron*), and Rolifos 150 SL (Ammonium glufosinate) for weed control, and BM Promax 75 SP (*Acephate*) for leaf caterpillar control. All pesticides used are listed in the Book of Pesticide Commission 2016 issued by Department of Agriculture, Republic of Indonesia. Furthermore, there are also no pesticides classified in Class 1A or 1B WHO and/or listed in Stockholm and Rotterdam Convention.

The company uses the census results as a basis for chemical control justification. For example, census of Nettle caterpillar in April 2017 has reached 6.8 heads per fronds in average (exceeding the economic threshold of 5 heads). The chemical control has been performed using BM Promax 75 SP (*Acephate* 75%) insecticide in April (933 kg in an area of 456.92 ha) and in May (501 kg in an area of 245.55 ha). The effectiveness of *Acephate* insecticides is monitored

monthly. The reduction usage of *Acephate* from April to May 2017 was 46.25%.

The Company has a policy / effort to prevent pest resistance, including weeds by rotating and substituting pesticide use for the same target, and performing biological controls. Example:

- Control of mixed weeds using different active ingredients of herbicide alternately, namely *Isopropyl amine glyphosate* and *Ammonium glufosinate*. For example, in 2017 (January to August) used *Isopropyl amine glyphosate* of 493.75lt and *Ammonium glufosinate* of 24.63 lt
- Control of Nettle caterpillars biologically by planting beneficial plants of local species, such as *Turnera subulata* and *Antigonon leptopus*, and control of rat using predator barn owl (*Tyto alba*) of local species.

Related to the pesticide reduction program, the Company shows the President Director's memorandum No. 032 / PD / VIII / 2016 dated 13th August 2015 regarding the abolition of paraquat usage in 2016. The Company has data on pesticide use over the last 5 years (2013 s.d 2017). Since 2016 there is no use of paraquat herbicide. The results of observation in agrochemical warehouse, there are four trade mark of pesticide stock and there is no paraquat herbicide.

Based on document of pesticide usage data at smallholders, it is known that there are only 2 types of herbicide used, i.e. Erkaforon 20 WG (*Ammonium glufosinat* 150 g / l) and Roll Up 480 SL (*Isopropifl amine glyphosate* 480 g / l) applied by Team Spray alternately to loosen the broadleaf weeds and mixed weeds on the dish and harvest path.

KT6 and KT7 of KUD Manunggal interviewed in Lot 1170 explained that rat infestation (<1%) is still below economic threshold (5%). Hence, rat is cotrolled biologically by installing 10 units of barn owl box (BOB) in 9 blocks of their farms.

4.6.2

The Company has a pesticide use program presented in the document Work Program Division. While the recording of pesticide usage is presented in the document of Pesticide Use and Analysis which is updated monthly. The recording also contains monitoring data on the percentage of active ingredients and LD₅₀. For example, percentage of active ingredient used for Roll Up 480 SL and Erkaforon 20 WG in August 2017 were 0.41% and 0.20%, respectively. Based on the usage of pesticide data, the usage of Roll Up 480 SL in 2017 was 493.75 lt decreased 18.50% compared to 605.75 lt in 2016. While usage of Erkaforon 20 WG in 2017 was only 24.63 lt.

The company also has a toxicity record of pesticide used in 2017 every month. For example, herbicide toxicity of Roll Up 480 SL and Erkaforon 20 WG used in August 2017 were 0.055498058 and 0.002814901, respectively.

Indragiri Plasma also has record of pesticide toxicity in 2017. For example, pesticide toxicity of herbicide used in August 2017:

- KUD Harapan Maju: Roll Up 480 SL, percentage of active ingredient 0.41%, LD₅₀ (5000), total applied (28.13 lt), total active ingredient (11.53 lt), FFB production (1,208.590 kg), and pesticide unit (0.000009541).
- KUD Rahayu Makmur: and Erkaforon 20 WG, percentage of active ingredient 0.20%, LD₅₀ (5000), total applied (2.0 lt), total active ingredient (0.40 lt), FFB production (2,844.070 kg), and pesticide unit (0.000000141).

4.6.5, 4.6.7, 4.6.9

The Company has a mechanism to handle agrochemical, presented in procedure No. SOP/SMART/MCAR/VIII/TA-PGM about Weeds Control, No. SOP/SPO/SMART/LH-09 about Wastes Management and Working Instruction No. IK/SPO/SMART/LH-09/01 about Step of Ex Pesticides Containers Washing and Cleaning. To maintain pesticides applicators knowledge on pesticides handlings and applications, several trainings have been conducted, for example:

- Training on Paraquat Application, given by Pesticides Commission, held on 17th April 2012, attended by 149 participants consist of pesticide applicators, Foremen, Smallholders, Warehouse Officers, Assistants, and Senior Assistants.
- Training of Integrated Pest Management (IPM) for First Aid Officers of Indrasakti Estate and Indrasakti Smallholders, held on 21st January 2016 in Division I Indrasakti Estate, attended by 31 upkeep workers and Foremen of Spraying.
- Socialization on Material and Safety Data Sheet (MSDS), held on 18th April 2016 in Division I Indrasakti Estate, attended by 13 fertilizer applicators, 8 Foremen of Spraying, 10 IPM workers, 20 workshop workers, .8 pesticides applicators (including agrochemicals storage workers).

- Socialization of MSDS, held on 31th July 2017 at Indragiri Estate, attended by 29 participants (4 spray workers of KUD Harapan Maju, 5 spray workers of KUD Rahayu Makmur, 1 spray foreman of KUD Harapan Maju, and 1 spray foreman of KUD Rahayu Makmur).
- Training on Plant Upkeep and Pest and Disease Control for smallholders of PT. Meganusa Inti Sawit, held on 15th thru 20th May 2017 facilitated by SMARTRI and Company, attended by 270 participants, they were smallholders of 15 KUD, among others KUD Sumber Rezeki, KUD Manunggal, KUD Rahayu, and KUD Harapan Maju

When conducting ASA-4, there was no spraying activity, however interview was done with spray worker in Block H36. She claimed to have attended the Training of Limited Pesticide Applications held by the Indonesian Pesticides Commission of Riau Province on 17th April 2012. She understood, could explain, and demonstrated the technical work in accordance with the procedures, for example the use of a complete PPE, safe herbicide mixing, pay attention to wind direction during spraying, spraying targets, prohibited areas for spraying (such as riparian and conservation areas), laundry and storage areas of PPE and spray equipment.

Observation in division office shows that there is mixing area for pesticide, PPE store, locker for clean cloth and bathroom for spraying team. The PPE that provide for spraying operator is accordance with MSDS such as respirator and rubber gloves. This facility also used for cleaning up after work.

At the time of assessment there was no spraying activity in the plasma, but available training recording of MSDS, PPE, and spraying technical work for the workers in Indragiri Plasma (KUD Rahayu Makmur, KUD Harapan Maju) and Indrasakti Plasma (KUD Sumber Rezeki, KUD Maunggal). For example KUD Rahayu Makmur showed the records of training in 2nd August 2017 to all smallholder and spraying worker. Based on interviews with smallholder it is known that spray workers have understood good technical work and have used PPE in accordance with the procedure

KUD Rahayu Makmur showed the circular letter from the Chairman of KUD Rahayu Makmur No.03 / SE-KRM / 08/2017 dated 2nd August 2017 to all Farmers Groups of KUD Rahayu Makmur, KUD employees, and FFB coordinators regarding chemical application, among others:

- Does not use chemicals with harmful active ingredients, such as paraquat, and replaced with other materials that are safe for the environment and workers;
- Implement and maintain a program of using chemicals by reducing chemical application and attempted to use manual or natural enemies.
- Increase awareness of farmer members on awareness and knowledge in the application of chemicals;

4.6.6.

The Company has shown the document of waste management procedure (No. SOP/SMART/LEMS-EHSD/SADV/II/002, dated 1st July 2014) which covers waste inventories, waste management permit, waste management program, evaluation, and recording. It was also available procedure of hazardous materials presented in Working Instruction No. IK/SMART/LEMS-EHSD/SADV/002/001. The WI explained that all ex pesticide containers are collected and are recorded, can be reused for the same purpose, and / or be returned to suppliers and / or submitted to hazardous officers

Based on observations to the warehouse of agrochemicals, the management was appropriate, for instance, records of pesticide stocks used is available and appropriate placement of hazard symbols. It is also available MSDS of each pesticide product, appropriate PPE, Fire Distinguisher, and First Aid Kit. Observations to the Hazardous Waste Temporary Storage, it was found among others that waste labeling was appropriate, and the waste was handed over to the licensed collector, PT Primanru Jaya.

Observations to the housing area of Division I, there is no use of pesticide ex container and other hazardous materials used for domestic purposes of households and residential areas.

Management of KUD Manunggal, explained that the procurement of pesticides is done by Company (PT Meganusa Indrasakti) and pesticide application in **smallholders** is done by a trained Spray Team. KUD Manunggal does not have pesticide storage, but "*Rumah Aduk Pestisida*" for mixing of pesticides, washing and storage of PPE and spray tools, temporary storage of pesticide ex container, and place of rinse after spraying. Observation to "*Rumah Aduk Pestisida*", it was found among others, log book of pesticide ex container, appropriate risk symbol, MSDS of pesticide, herbicide

preparation procedure, spray tank, place for washing PPE and fertilizer sacks, shower, and sedimentation of rinse water. Based on the logbook, the ex container of pesticide was handed over to Indrasakti Estate.

4.6.8

Unit Management explained that the Company has never conducted aerial pesticide application. At the time of ASA-4 implementation, there was no spray activity. However, interview with spray worker in Block H36 was conducted. The spray worker explained that the herbicide application was done using sprayer (knapsack sprayer or Micron Herbi Sprayer) and not by aerial spraying.

4.6.10

Certification unit has a SOP about waste management published on July 2, 2014. SOP explained that the agrochemical containers washed three times and stored in the warehouse to be returned to the supplier. Certification unit has agreement with supplier for transport the former pesticide container which valid until Mei, 20 2018. Certification unit also has a work instruction of washing and cleaning of used pesticide containers. SOP explained that the former pesticide containers were washed 3 times (according to the MSDS) and used washing water is re-used for spraying. All discarded containers of chemicals generated by estate and mill, placed in hazardous waste warehouse.

Record of hazardous waste management included in report of hazardous waste management which quarterly sent to environment agency, such as report of on April to June 2017. The training and socialization to spraying workers, about ex pesticide container disposal is available.

4.6.11

The company have a medical examination for pesticide operator. Indrasakti Estate has a list of the latest pesticide operator as many as 5 workers, while in Plasma has 19 workers (Rahayu Makmur, Manunggal, Sumber Rejeki and Harapan Maju). All workers spray has examined health through inspection types of *cholinesterase* and *spirometri*, to ascertain the condition of workers in good health. This semester examination was conducted in July, 22nd 2017 for all units. Examination results stating that all workers spray are in a healthy condition (normal result). Based on interview with chemical warehouse clerk in Indrasakti Estate that the results of medical examinations are known to workers.

4.6.12

The company has a policy that prohibits pregnant and lactating personnel working with chemical material. Based on interview with spraying personnel, it is known that there was neither pregnant nor lactating female personnel who work with pesticide. Moreover, company conducts pregnancy test and examination every month. Audit team also got information that the personnel have understood that female personnel cannot work with chemical material if they are pregnant or lactating.

Pesticide spraying for Smallholders by KUD, applicator pesticide provided by KUD. Ex-pesticide container washing at washhouse ex-pesticide container each KUD and ex-pesticide was directly collected at temporary hazardous waste storage licensed, Indrasakti Estate. Wastewater used for ex-pesticide containers collected and forwarded for mixing water.

Status: Comply

4.7

An occupational health and safety plan is documented, effectively communicated and implemented.

4.7.1

The Policy on Occupational Safety and Health still same with the previous assessment. The company has a policy of occupational safety and health available in Indonesian language. The policy has been legalized and updated on 1 November 2013 by President Director of PT SMART. This policy is designed to control hazards in every activity that is in the working environment to prevent accidents and occupational diseases. It has been disseminated on the activities of the safety briefing before doing the work. Management have work program of occupational health safety every year. Realization of the program of work will be monitored through regular meetings Guiding Committee of Occupational Safety & Health every month. This work program applies generally to all workers in the workplace. If the plans have been made yet on target then will be evaluated in the management review to assess effectiveness.

Interviews were conducted to 2 harvester in block H39-H40 IDSE, 2 EFB application worker in block G31 IDSE, workers in Indrasakti POM (2 grading workers, 1 boiler operator, 2 engine room operator, 1 welder and 1 sterilizer worker). Based on the results of interviews can be concluded that workers understand the OHS policy and it's recognized that every morning meeting is always affirmed about the importance of safety and the use of PPE in work.

4.7.2

The company has had document of risk analysis for OHS program. The document is composed to conduct identification and analysis of dangers potential that is probably happened at workplace and the recommendation to reduce the potential of work accident. According to the result of document review and field visit to mill and estate, the management unit has socialized the risk analysis document to all workers. Based on interview with the employees in Indrasakti Estate, Mill and smallholder, obtained information that the employee has known the potential of dangers that could occur at workplace.

Based on site observation at workshop and agrochemical warehouse in IDSE, INKM, and smallholder it was clearly confirmed that workers had been aware related potential risk and hazards in the work place. Following up on this, the company has been reduce the potential risk by providing PPE and OHS signboard are available in workplace.

4.7.3

The certificate holder already has documents related to the implementation of OHS such as :

- Procedur for Hazard Source Identification, Risk Assessment and Control (SOP / SMART / HESS-EHSD / SADV / I / 002)
- SOP Management of Personal Protective Equipment (SOP / SMART / HESS-EHSD / SADV / I / 010).
- Hazard Source Identification, Risk Assessment and Control (ISBPR) Period January - December 2017 (F / SMART / HESS-EHSD / SADV / 002/002)
- Follow Up Plan and ISBPR Review Period January - December 2017 (F / SMART / HESS-EHSD / SADV / 002/003).

In the Document of Follow-up Actions and Review of Indrasakti Mill ISBPR Period from January - December 2017 and interview with management, it is known that the recommended type of foot protective for all stations (except workshops) is Safety Boots. However, based on field observations at Grading Station, Sterilizer Station, Boiler Station, Engine Room Station and WTP, it is known that all workers in the station use PPE type in the form of boots.

In relation there, the Certificate Holder has not been able to show the provision of PPE in accordance with the applicable provisions. Based on field visits and interviews with workers, companies have not provided PPE to workers in accordance with risk assessment. **Non conformance No. 2017.01 with major category.**

4.7.4

The Company has appointed the person in charge for the OHS implementation in P2K3 Organizational Structure which has been approved by the Labor Agency and in accordance with the regulations. The organization routinely conducts monthly meetings on OHS issues in the workplace. The minutes of the meeting were recorded and stored well. Based on interviews to workers who are members of the P2K3 organization it is known that monthly meetings are always routinely conducted to discuss about OHS such as consistency of PPE usage, work accident report, medical check up, safe working practices etc.

4.7.5

Procedures regarding emergency response is still the same as the previous assessment. The company provides procedures for accidents and emergencies in the SOP handling accidents and occupational diseases (SOP/SMART/HESS-EHSD-10) and SOP Preparedness and Emergency Response (SOP/SMART/GENERAL/SADV/I/005) Established procedures has included the identification of fires, chemical spills. Simulation was performed to know the preparedness of emergency response equipment in the POM. The simulation was performed on hydrants located in Indrasakti Mill and the result of the simulation was concluded that the hydrant tool is ready for use.

Indrasakti Mill, Indrasakti Estate and Smallholders has already licensed first aid officers and there was first aid internal

training conducted on September, 7 2017 in Indrasakti Estate which was attended by 52 participants. Unit certification also has a first aid kit in each unit and based on observations, it's concluded that the contents in the first aid box are sufficient. There is also a checklist of observations of the contents of first aid boxes routinely performed every month by first aid officers.

4.7.6

The company has provided the employees with insurance to cover occupational accident in accordance with the provision set by the government (BPJS). Such insurance is named national social insurance for manpower/ BPJS, which is routinely paid every month.

Meanwhile, for medical insurance, PT MNIS has registered its entire personnel in manpower medical insurance/ BPJS. Based on interview with some personnel, it is known that the entire personnel have been registered in manpower medical insurance/ BPJS. Moreover, interview with contractor revealed that contractor's personnel have also been registered in manpower insurance/ BPJS.

4.7.7

Certificate holder has been consistently conducting the Occupational Accident monitoring that could provide a comprehensive information on the month the accident occurred, the number of cases, the accident location, the types of accident, the effects, the work hours lost, the causes, the follow-up, and the results. Such monitoring is performed every month. An evaluation of the accident is also conducted every month and the outcome is discussed during the monthly meeting of P2K3. Based on record of accident period of Jan – August 2017 it is known that there are 9 accident cases in Indrasakti Estate and no accident case in mill.

4.7.3 Status: Non conformance No.2017.01 with major category

4.8

All staff, workers, smallholders and contractors are appropriately trained.

4.8.1, 4.8.2

The CH has had training programme 2017 for staff and workers related all aspects of RSPO principles and criteria. The training programme for all employees based on identification of needs that prepared by SPO Officer. The annual training programme covered all existing estate and mill activities, among others simulation handling chemical spills, first aid, fires simulation, socialization of policies for the protection of reproductive rights, prevention of sexual harassment in the workplace. The training record that shows historical training of each employee and contractor are well maintained in place.

Based on observation of operational activities in Indrasakti Mill and Indrasakti Estate, the workers are known to have received training, and are able to demonstrate safe working practices in accordance with procedures. Interviews with local contractors are also known that contractors have been trained from CH related safe working practices.

Group Manager of Indrasakti Plasma and Indragiri Plasma through KUD (cooperatives) have the proper training programs to smallholders and workers. Formal training programs cover aspects of RSPO principles and criteria, among others: first aid, simulated emergency response, PPE use, handling work accident, MSDS, integrated pest management, handling of chemical spills, and so forth. The training records has been well documented. Field observation and interview on smallholders and workers in Indragiri Plasma (KUD Rahayu Makmur, KUD Harapan Maju) and Indrasakti Plasma (KUD Sumber Rezeki, KUD Maunggal) known that smallholder and workers has been given proper training and socialization related aspects of best practices as well as health and safety.

Status: Comply

PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity

5.1

Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.

5.1.1

Until ASA-04 there is no operational scope changes for mill and estate, all of positive and negative impact for environment has been covered on previous EIA document.

The company possess 2 EIA covering different areas i.e.:

- Analisa dampak lingkungan (AMDAL) PT MNIS (Indrasakti estate) in 1998 for an area 6,000 ha estate and 14,000 ha for smallholders
- UKL/UPL for PT BWL (Indrasakti mill) in 2003 for 60 tonne FFB/hour mill capacity.

This EIA are include consultation with relevant stakeholders to identify impacts, conducted on 1998 and 2003. Environmental impact assessment explained all activities for pre construction, construction, operation, and post operation for example (road construction, drain construction, housing and facilities, waste water treatment plant, IPM, replanting, etc.

Based on document verification Indrasakti production document, known that the average throughput in the 1 year period July 2016 to August 2017 exceeds that specified the environmental documents, for that to communicate with the parties related to the actual capacity Mill and coverage environmental documents. **(OFI)**

5.1.2

CH has conducted environmental management based on addendum documents of Environmental Management Plan / Environmental Monitoring Plan. Report implementation for environmental monitoring and management plan has been reported to Environmental Agency of Indragiri Hulu Regent regularly. For examples, 1st semester 2017 RKL/RPL report (PT BWL) have been reported on September 14, 2017. Implementation of environment management plan PT MNIS such as potential Land Fires, management plan is a prohibition use of fire, make warnings, preparing fire control devices, socializing to workers, forming a fire control team. Groundwater and soil water disorders management is minimizing the generated waste and reviewing all activities that produce waste, especially the utilization of land application.

Implementation of environment management plan PT BWL (Indrasakti Mill.) such as decreased of air quality (Dust, gas and odor) is done spraying water periodically, elevating the chimney stove burning stink, the smell of POME is overcome with the natural vegetation around Indrasakti Mill.

Records of implementation of environmental management describe in RKL-RPL implementation report such as report of 1st semester 2017 and has been reported to environment agency.

5.1.3

Implementation of environmental monitoring was described in RKL-RPL implementation report. Based on the RKL-RPL implementation report of semester 1st of 2017 known there isn't negative impact caused by CH. The result of mill effluent quality testing that conducted periodically has been accordance with the standard qualities set by the government. Base on interview with Environmental Agency of Kuantan Singingi District show that CH has been submit the RKL-RPL implementation report every six month and there isn't negative impact caused by CH.

Status: Comply

5.2

The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced

5.2.1

HCV assessment has been conducted on 2012 by RSPO approve assessor, using HCV identification guidelines in Indonesia 2008, and public consultations during HCV assessment was done on August 2012. Identification results indicates the presence of HCV 1.3 and 1.4 (catchment areas) within 6.12 ha area in Indrasakti Estate. This HCV identifications also found Rare, Threatened or Endangered (RTE) species according IUCN- Redlist such as Nyamang (*hylobates agilis*). All of indicates HCV areas was mapped by 1:25000 scale and this HCV identifications covered all estates/mill operational areas including surrounding landscape.

HCV identification for smallholders excluded KUD Belilas Mandiri is done simultaneously with PT MNIS on 2012. The HCV that identified in smallholders area was HCV 1.1/4.1 in form of riparian area that has been planted with oil palm. The total area was 585.83 Ha.

KUD Belilas Mandiri has identified HCV in 2014 using HCV identification guideline in Indonesia (2008) and has been peer reviewed by Resit Sozer in November 2014 (listed as ALS assessor HCV). Consultations with affected parties was carried out on 13 August 2014. The results of identification HCV area in KUD Belilas : HCV 1.1 / 4.1 covering 2.32 ha.

5.2.2

CH has HCV management plan document period of 2017, the program consist of :

- Riparian area management (HCV boundaries marking and maintaining, marking of chemicals application borders, HCV socialization to surrounded community and workers, planting of erosion control plants and HCV area patrols)
- Management of RTE species
- To conduct species identified protection.
- Implementation of company procedure related to HCV management, such as Number SOP/NP/Smart/IV/LH001 about HCV identification and management, Senior Managing Director Circulation Letter No. 002/SE-SMDOPS/IX/2010 dated September 20th 2010.
- HCV monitoring (monitoring of HCV attribute, monitoring of HCV in three monthly basis and monitoring of HCV rehabilitation)

Based on field observation on HCV 1.3 and 1.4 catchment areas block H48 (natural vegetation) Indrasakti Estate known that the HCV area has been managed well and in accordance with the management plan. The company was able to shows monthly monitoring of fauna and monitoring/maintenance of marking HCV stick which conducted weekly. It was reported that there were no conflict between human and wildlife.

Management of existing HCV areas of smallholders is fully done by KUD, KUD Harapan Maju shows HCV reporting patrols for period June to September 2017 is known there is no activity hunting, illegal logging, fires and damage to HCV attributes.

5.2.3

Disciplinary action to the employee who catch, hurt and/or collecting RTE species has been explained on document of Internal Office Memo of MD Services & Project No. 1231/M-Int/ MDSP-VIC/XI/11 dated 25 November 2011 in term of Zero Tolerance policy against Endangered Animal.

Training and socialization on RTE species and sanction programmed and conducted routinely, for examples training on August 23, 2017 by all employees of Indrasakti estate such as foreman, maintenance workers, harvesters, and pesticide applicator. Meanwhile, socialization on RTE species to the workers also conducted in time of muster morning including socialization of sanction. It also has been verified during interview with the workers in field and emplacement.

Based on interview with community figures from Talang Suka maju Village and Kuala Gading village, it was state that the CH has conducting socialization on HCV area and protected fauna within estates operational areas which also informed by signboard. Moreover, there were found no protected fauna on offices and employees housing areas in both in estate and mill.

5.2.4

Monitoring of RTE species has been conducted routinely (every semester), the monitoring result will be the input in the next monitoring plan. The CH was able to shows evidence of receipt note document of flora and fauna identified in to relevant Agency. Such as submission of HCV management implementation report of 1st semester 2017 on September 4, 2017 which has been received by Environmental Agency of Indragiri Hulu District.

5.2.5

HCV identification results shows there are no local communities' right presence at PT Meganusa Inti Sawit areas. HCV 6 presence at smallholders scheme areas at Talang Sukajadi cooperative unit (Talang mamak tribes cemetary). Both of

them, company and talang mamak tribes shown the agreement based on FPIC dealing for example, Public consultations to Talang Mamak villagers from company on 29th August 2015 about the presence of HCV 6.

Memorandum of agreement on August 15th 2015 between company and talang mamak villages. Both of them have reached the agreement for HCV management by company, and this agreement are signed by both sides.

Status: Comply

5.3

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

5.3.1

The entire products of waste and it sources have been identified and documented in the identification list document of Environmental Aspects on 2017. The examples of waste products are oil sourced from FFB trucks, emissions/smoke from FFB trucks/CPO, waste sourced from used sacks, emissions/smoke that comes from generators, emissions/smoke coming from the chimney boiler, emissions/smoke coming from EFB fireplace, spilled diese/oil sourced from the generator engine, oil drums sourced from the workshop, former battery/former dust cloth/used lamp sourced from materials warehouse, former chemical container from chemical warehouse, effluent that sourced from the former chemical bottles derived from laboratory, effluent that comes from FFB processing, and others. The company has SOP of hazardous waste handling which describe the waste (domestic and hazardous waste) management program, as follows:

- Agrochemical ex-container collected, washed, recorded on the form of agrochemicals containers Log book (F/SMART/LEMS-EHSD/SADV/002/001). All records should be maintained on the provided place.
- Liquid waste (effluent) applied to increase the nutrient in the soil
- Emission controlled by using air pollution controller and tested on accredited lab.
- Domestic waste managed by separated organic and an-organic, organic waste backfilled and an-organic collected to be transported to domestic waste landfill.
- Hazardous waste (used oil, used filter, used battery, contaminated spill kit, used neon) recorded and stored in the scheduled hazardous waste storage, will be hand over to the licensed transporter.

Based on visit in FFB processing activities known that effluent product resulting from the processing of FFB. Based on visit in chemical warehouse known that the former packaging chemical products are produced from chemical warehouse. Results of observation on housing known that the waste products generated from household activities.

5.3.2

Company conduct an inventory of the waste described in the document of Evaluation Aspects of 2017. The result of inventory in Indrasakti Estate and Indrasakti Mill such as spray activities produce waste, such as former pesticide container placed in hazardous waste warehouse, preparation and maintenance block mark, such as former paint cans, placed in hazardous waste warehouse, plastic waste fertilizer, placed in hazardous waste warehouse.

Based on field visits in chemical warehouse Indrasakti Estate and Indrasakti Mill (central warehouses) is known, former chemicals container be placed to hazardous waste warehouse. Record of hazardous waste management included in report of hazardous waste management which quarterly sent to Environment Agency, such as report of on April to Juni 2017 submitted July 17 2017 to Environmental Agency of Indragiri Hulu District. The training and socialization to spraying workers, about ex pesticide container disposal is available.

Pesticide spraying for smallholders conducted by applicator pesticide provided by KUD. Ex-pesticide container washing at washhouse ex-pesticide container each KUD and ex-pesticide was directly collected at temporary hazardous waste storage licensed, Indrasakti Estate. Wastewater used for ex-pesticide containers collected and forwarded for mixing water. KUD showing letter of minute's ex-pesticide container handover August 25, 2017 from KUD Harapan Maju to temporary hazardous storage licensed Indrasakti Estate.

5.3.3

Record management of hazardous waste, included in reporting management hazardous waste quarter period April to Juni 2017 addressed to environment agency of district Indragiri Hulu. Hazardous waste management recorded several

documents, consist of:

- Company has Logbook (Hazardous Waste Warehouse) period April to Juni 2017
- Company has Balance Hazardous waste warehouse reported period April to Juni 2017
- Company has Agreement Letter, PT Primanru for transporter Hazardous waste
- Company has shipping manifest Hazardous waste warehouse, period April to Juni 2017

Based on field visit in housing complex and landfill block J49 Indarasakti Estate is known there are no ex pesticide containers disposed in landfills and the use pesticide containers for other uses that are not similar.

Based on field visits in the boiler station any a fiber and shell is used as fuel. Remaining fiber shell and placed so did not result in pollution and potential fire. Based on visit in Indrasakti Mill known to EFB burned on 4 burning stoves, furnace chimney has been done emissions testing in accordance with Minister Decree Environmental Agency number 13/1995 besides EFB is also used as fertilizer in land.

CH manages the POME generated by Indrasakti Mill on WWTP ponds, then utilize on land application according regent's decree number 23/2013 issued November 1, 2013 valid for 5 years. CH also has testing POME quality every month, accordance Minister Decree environmental agency number 28/2003.

Based on field visits EFB application in CR block 44/43 still piling up the location of the first laying, the surplus has been long. CH has done an action plan by applying to the land in each application block, while the corrective action is to give the application's responsibility to each field assistant to be directly applicable to block EFB application. Based on it must be ensured again related to the application of EFB according to SOP / SMART / LEMS-EHSD / SADV / I / 002 waste management SOP. (OFI)

Status: Comply

5.4

Efficiency of fossil fuel use and the use of renewable energy is optimised.

5.4.1

The Company already maximizing the use of renewable energy (fiber & shell) as boiler fuel, use of shells and fiber period January to September 2017 was 238,493 ton which produce 4,800,480 kWh of electricity from turbine. Renewable energy use per ton of palm product in the mill is 0.05 kWh / ton FFB. Result Direct fossil fuel use per ton of Fresh Fruit Bunches (FFB) is 156.398/ ton FFB.

Status: Comply

5.5

Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.

5.5.1 and 5.5.2

Based on Sinarmas Technical Guidelines for Palm Oil Cultivation point 5 on land preparation and planting No. SMA / MCAR / 05 / 05-07 states that in the context of land preparation should use the principle without burning (Zero Burning).

Based on hectare statement and year of planting data, it was informed that latest planting has been carried out in 2004. The company was able shows a letter of agreement with land clearing contractor No. IDSA/PKNO/04/05/002-LC dated April 26th 2004. The letter of agreement mentioned that list of land clearing activity on 251 ha area were carried out manually. Documentation of activity was also provided.

The company has able to shows an evidence of zero burning and environment management socialization event to smallholders, for example in KUD Sejahtera on April 16th 2016 and Indralestari Plasma on July 15th 2016, through list of absence and picture documentation. The event has attended by 54 and 20 participants, respectively.

Based on field visit ASA-4 at Indrasakti Estate and smallholders there is no indication of land burning activities, the

structure and equipment of the field fire extinguisher provided by KUD.

Status: Comply

5.6

Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.

5.6.1

The Company has GHG emission mitigation mechanism (SOP / IMT / GRK document) effective April 5, 2012. Identification of GHG sources has been done, as follows:

- Emissions derived from the consumption of fossil fuels for internal transportation of gardens and machinery.
- Emissions derived from the use of fertilizers,
- Emissions derived from the use of pesticides
- Emissions derived from the consumption of fossil fuels at the plant, and the use of factory byproducts.
- Emissions from Palm Oil Mill Effluent.

The management unit has identified the sources of pollution and emissions in the mill and estate.

5.6.2

The Company periodically per 6 months has been testing the sources of emissions and pollutants, as indicated by the test results semester 1 years 2017 with test results that are below the threshold. Based on field interviews obtained information that smallholders have a fertilization work plan based on recommendations from the company, spraying activity schedule and the use of to reduce the use of rat poison. In addition, smallholder also has a wash facility for spraying equipment.

5.6.3

Available proof of delivery of GHG RSPO performances as follows: Indrasakti Mill, dated September 22, 2017.

Summary of Net GHG Emissions

Emissions per product	tCO ₂ e/tProduct	Extraction	%	Production	ton/year
CPO	1.08	OER	20.14	FFB Processed	444844.58
PK	1.08	KER	5.4	CPO Produced	89591.69

Land Use	ha
OP planted area	13945.86
OP Planted on peat	0
Conservation (forested)	0.5
Conservation (non-forested)	-

Summary of Field Emissions and Sinks

	Own Crop		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha
Emissions								
Land conversion	7448.85	9.88	130289.22	9.88	-	-		
*CO ₂ emissions from fertilizer	441.16	0.58	11988.44	0.91	-	-		
**N ₂ O emissions	3320.35	4.4	9211.98	0.7	-	-		
Fuel consumption	132.48	0.18	2297.43	0.17	-	-		
Peat	0	0	0	0	-	-		

Oxidation								
Sinks								
Crop sequestration	7060.53	-9.36	123496.89	-9.36	-	-		
Conservation Sequestration	-56.12	-0.07	0	0	-	-		
Total	4226.19	5.6	30290.18	2.3	-	-		

Summary of Mill Emissions and Credits

	tCO ₂ e	tCO ₂ e/tFFB
Emissions		
POME	87197.07	0.2
Fuel consumption	804.48	0.02
Grid Electricity Utilisation	0.00	0.00
Credits		
Export of Grid Electricity	0.00	0.00
Sales of PKS	0.00	0.00
Sales of EFB	0.00	0.00
Total	88004.55	0.2

Palm oil Mill Effluent (POME) Treatment

Divert to compost	0.00 %
Divert to anaerobic digestion	100.00 %

POME Diverted to Anaerobic Digestion:

Divert to anaerobic pond	100.00 %
Divert to methane capture (flaring)	0.00 %
Divert to methane capture (electricity generation)	0.00 %

Status: Comply

PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills

6.1

Aspects of plantation and mill management, including replanting, that have social impacts 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 the continuous improvement.

6.1.1, 6.1.2, 6.1.3

The CH has Social Impact Analysis (SIA) document conducted in 2012. SIA had involving the affected parties, it is evidenced by their attendance and documentation in photos of counseling and socialization activity of Indrasakti Plasma, Indragiri Plasma, Indralestari Plasma and Village Communities around the CH area on August 29, 2013 - September 4, 2012. Some aspects were examined are economic that consists of economic resources potential, income level and the local economy. Social and culture aspects that consist of education, customs and social institutions.

In the SIA document there are some summary of public perceptions, both positive and negative. The CH has recommendation recommendations to manage those impacts in the form of management plan, social impact management plan, social impact monitoring plan and social impact monitoring implementation. Based on interviews with the Officials of Kuala Gading Village and Bandar Padang Village, it is known that all social issues have been identified in the SIA. If there is a new issue that has not been accommodated yet, it can be submitted to the meeting for evaluation of SIA documents.

6.1.4, 6.1.5

The document of management plan and monitoring of social impact has been reviewed every two years as outlined in

document of Review of Management Plan and Social Impact Monitoring of Estate and Mill for 2016 – 2017. The scope of review are Indrasakti Mill, Indrasakti Estate, Indrasakti Plasma, Indragiri Plasma and Indralestari Plasma.

Interview with Head of Kuala Gading Village, Bandar Padang Village, public figure of ethnic of Talang Mamak, as well as smallholder in Indrasakti Plasma and Indragiri Plasma as surrounding communities, involved information that the existence of the CH has a major impact on improving and developing the welfare of the surrounding communities, especially with the plasma scheme. The CH conducts an evaluation and communication with the village head related plans to improve the welfare of the community. Some negative impacts exists, but not significant and has been controlled by the CH. Special attention has been given to smallholder, such as mentoring and supervision by placing Staff and Supervisor at KUD, providing training and socialization on aspects of best practices, health and safety, and environment.

Status: Comply

6.2

There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

6.2.1 ;6.2.2

PT BWL-MNIS has had communication and consultation procedure which explain flow chat of communitation and consultation, time frame to response, etc. Based on interview with stakeholder (government agency, community and scheme smallholder) found that they already known the mechanism to communitation and consultation with PT BWL-MNIS. The PIC for communication and consultation is Estate/Mill Manager.

The Certificate holder already has a recording of a list of stakeholders that has been updated April 04, 2017 that explains the name of the institution / organization, address, contact number and name of the person in charge. The Company has SOP Communication and Consulting (SOP / SMART / GENERAL / SAD VI / 004 Published Date July 1, 2014). The Communication and Consultation Procedure explains to the user about the handling of communication and consultation related to the application of Sustainability Palm Oil (SPO) principle and requirements in every operational area of palm oil company PT SMART Tbk. This procedure includes guidelines for planning, implementing, on communication and consultation among stakeholders (stakeholders). Procedures are also provided with procedures for implementation, communication responses, and delivery of information to stakeholders, as well as flowcharts that describe in detail the steps of implementation of the activities, along with related documents. The explanation of the FPIC approach is contained in the SOP on the Implementation of Free Prior Informed Consent. SOP / SMART / SENS-CSR / SADV / I / 003 dated July 1, 2014.

Appointment of communications and consultants:

- KUD Harapan Maju : Mr.Panut / Chairman of KUD based on letter number 001/SK/KHM//2014 dated January 2, 2014 as communication PIC
- KUD Rahayu Makmur: Mr Waljanto / Chairman of KUD / based on letter number 001./SK/KRM//2014 dated January 2, 2014 as communication PIC
- KUD Manunggal : Mr Mawardi / Chairman of KUD / based on letter number SK No.001/SK/MGL/V/2016 dated May 16, 2016 as communication PIC.
- KUD Sumber Rejeki : Mr Titis Astiadi / Chairman of KUD / based on letter number May 16, 2016 dated May 16, 2016 as communication PIC

The appointment of the person in charge of the implementation of communication and consulting of smallholder is the chairman of KUD. One of the responsibilities is to receive and accommodate all forms of communication and consultation in the form of aspirations, complaints and information from KUD members, KUD employees, farmers, farmer groups, and communities. Based on interviews with representatives from the villages explaining that they currently need information on the clarity of responsible officers regarding the communication process with the surrounding community. This becomes an improvement opportunity for the company **(OFI)**.

6.2.3

The certificate holder has a list of stakeholders that has been updated in 2017. The list of stakeholders includes government agencies in Indragiri Hulu District, District Police, Community Leaders, Customary Institutes (Melayu Adat),

Religious Leaders, Indigenous Peoples (Sakai Indigenous People), Youth Leaders, Companies Around Plantation, Trade Unions, Educational Institutions, Suppliers, Contractors and corporate partners, NGOs (NGOs Around the Company). The data is prepared by SPO officer as of April 14, 2017. Stakeholder renewal is done once a year or done if there is a change in the arrangement or contact person Stakeholder. The officer who made the renewal was SPO PSM 5 Coordinator.

Available books of communication, such as communication books for Indragiri Plasma, where for January - August 2017 there are 13 incoming letter. The communication related to funding proposal and meeting invitation.

Status: Comply

6.3

There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.

6.3.1 & 6.3.2

The management has Procedures for handling complaints that contained in SOP for Complaints Handling and Dissatisfaction (SOP / SMART / SIGS-CSR / SADV / I / 003), dated July 1, 2014. Administration Head is the person who responsible person to review and follow up the complaint from other stakeholders.

Based on interviews with village heads Kuala Gading and Bandar Padang as well as the chairman of KUD Rahayu Makmur and KUD Harapan Maju informed that communication with the company can be done either by letter or directly to the Manager or administration head. The Company continues to facilitate complaints handling in accordance with its own procedures, but until this annual assessment is not known there are no significant complaints to be brought to the RSPO.

KUD Rahayu Makmur and KUD Harapan Maju have grievance handling mechanism in the form of groove handling complaints. The groove is a flowchart that is installed in front of the KUD Rahayu Makmur and KUD Harapan Maju office announcements.

Records of complaints handling in the complaint record form and dissatisfaction are as follows:

- KUD Rahayu Makmur and KUD Harapan Maju : no complaints from January to August 2017.
- Indrasakti Mill : there are 1 complaints in the period January to August 2017, for example complaint from Mill workers who live in the housing employees on May 3, 2017 submitted a complaint / complaint that rain water trench behind the home broke and need to be repaired. This has been responded by the civil INKM team at the 3rd week of May 2017

Based on interviews with the heads of KUD Rahayu Makmur and KUD Harapan Maju, it was found that there were no significant complaints that could hamper the operation of the farmers' land.

Status: Comply

6.4

Any negotiations concerning compensation for loss of legal or customary 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.

6.4.1

CH has had SOP for land compensation which describes identification, calculation and compensation for land release mechanism. In this procedure was explained that the process of land identification is involved the community and the village government.

6.4.2 & 6.4.3

The results of document review, field visit and interviews show that the CH does not perform new expansion since the last assessment (2016). The latest land compensation has been conducted in 2001.

Status: Comply

6.5

Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

6.5.1, 6.5.2

The policy related to employment in Indrasakti Mill and Indrasakti Estate set forth in the Collective Labor Agreement (CLA) of 2015 – 2017 between Labor Union and CH, there has been explanations related the recruitment of labor, working time, wages, employment, help of sick days, loss of work, payment of food allowanc, overtime work, premium provisions, religion holiday allowance, employment insurance, work equipment, health and safety, old-age benefits, migrant workers/contracts, dismissal, separation and dispute settlement. As for non permanen (PKWT) workers, there is a separate employment agreement with reference to the applicable regulation.

In the Collective Labor Agreement, the minimum wage is determined by the governor's decree on minimum wage. Minimum wage year 2017 for Riau has been determined by Decree of Riau Governor No. 120/II/2017 for plantation sector amounted to Rp 2,516,162. This wage includes the value of the rice supply for its own workers by 15 kg per month.

Based on payment list, interviews with the workers, and Labor Unions, known that the CH had paid the minimum wage, overtime, and provide minimum condition for worker in accordance with the CLA and applicable regulations. There is no significant obstacles related to employment or violations of CLA. For example for the harvesters works daily based in 7 working hours. CH provides output targets that can be obtained in less than 7 hours of work. If the harvester obtains more output within or more than 7 working hours, then the harvester will get the harvest premium payment. No penalty is given to the harvester if it does not get output due to natural factors such as rain. Based on payment list, the harvesters have earned more than the minimum wage.

For smallholders, the workers in Indragiri Plasma and Indrasakti Plasma consist of workers that working for KUD (cooperatives) such as clerk, or workers that working directly with smallholders such as harvesters. The workers for KUD has had agreement that has describes the duties and responsibilities of both party, wages and the payment period, the period of validity of the agreement, dispute settlement and expiration of employment agreement. Based in payment list and interview with the workers in Indragiri Plasma (KUD Rahayu Makmur, KUD Harapan Maju) and Indrasakti Plasma (KUD Sumber Rezeki, KUD Maunggal), known that the workers has been paid in accordance with the regulation.

6.5.3 6.5.4

Related to employee welfare facilities in Indrasakti Mill and Indrasakti Estate, based on document review and field observations are known that the CH has been providing well housing facilities, lighting, water, daycare, employee halls, places of worship, educational facilities, school buses, clinics, and employee insurance. If there is damage to the house, the workers report to the office and will be repaired in a relatively short time.

The CH provides an allowance for rice by 15 kg for permanent worker. To access reasonable, adequate and affordable other food sources, the workers obtain in nearby villages or nearby towns that can be reached in a relatively short time of 15-30 minutes. Based on interview known that the workers have felt fulfilled with the infrastructure and facilities that have been provided by the CH.

Result of interviews known that the workers have their own house in the village. Electricity are obtained from state owned electricity, clean water from own wells, health insurance comes from government insurance, clinics available in the village. The food sources accessable in the village or nearby towns that can be reached in a relatively short time of 15-30 minutes.

Based on document review, interviews and field observations it is known that there are no foreigner in worker level.

Status: Comply

6.6

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

6.6.1 & 6.6.2

Policy regarding freedom of association contained in the Environmental and Social Policy documents the company issued on September 8, 2015. The policy reads: respect freedom of association of workers and their right to collective bargaining.

In addition, recognition of the right of association of workers is also stated in the article the collective agreement.

Indrasakti Mill and Indrasakti Estate has it's own Labor Union. They already have decree related organization structure and letter of registration to Manpower Agency in 2015. During stakeholder consultation with Manpower Agency of Indragiri Hulu District, both organization has been registered and approved officially. Based on interviews with the Head of Labor Unions of Indrasakti Mill and Indrasakti Estate noted that the CH has facilitated the establishment, regular meeting, and the member to understand the functioning of the union. The CH shows example records of regular meetings and responses between the union and the CH.

Group Manager of smallholder has dissemination records of policy regarding freedom of association through KUD (cooperative). Interview with workers in Indragiri Plasma (KUD Rahayu Makmur, KUD Harapan Maju) and Indrasakti Plasma (KUD Sumber Rezeki, KUD Manunggal) known that the policy regarding freedom of association has been disseminated through monthly meeting of KUD with smallholder, but the workers has no initiative to set up the Labor Union regarding there is no obstacles related industrial relation between workers and smallholder or KUD.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

The CH has had a Collective Labor Agreement between the CH (BKS-PPS) with the Central Committee of the Union Federation of Agriculture and Plantation FSP PP-SPSI year period 2015-2017. In the Collective Labor Agreement contained an explanation of the minimum age of workers (18 years old). Document review of employee list period August 2017, field observation and interview with the workers and Labor Union, there is no any underage workers.

Group Manager of smallholder has dissemination records of policy regarding minimum age of workers through KUD (cooperative). Interview with smallholders of Indragiri Plasma (KUD Rahayu Makmur, KUD Harapan Maju) and Indrasakti Plasma (KUD Sumber Rezeki, KUD Manunggal) known that the policy regarding minimum age of workers has been disseminated through monthly meeting of KUD with smallholder. Result of employee list and field observation, there is no any underage workers.

Status: Comply

6.8

Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.

6.8.1

Policy regarding equal opportunity and treatment for work contained in the document of Environmental and Social Policy issued on September 8, 2015. The policy assured equal opportunities for all workers, and embrace diversity, regardless of ethnicity, religion, disability, gender, political affiliation, sexual orientation, or union membership workers, and ensure that all workers are protected from discrimination in all stages of the employment relationship. Group Manager of smallholder has dissemination records of policy regarding equal opportunity and treatment for work through KUD. Interview with smallholder of Indrasakti Plasma dan Indragiri Plasma known that the policy has been disseminated through monthly meeting of KUD with smallholder.

6.8.2 & 6.8.3

Based on review of employee list of Indrasakti Mill, Indrasakti Estate, field observation, and interview with the workers, Gender Committee, Labor Unions, it is known that there is no indication of discrimination based on ethnicity, religion, gender, sexual orientation, race and class, or origin. Interview with the Village Head of Kuala Gading and Bandar Padang, known that the job advertisements are open to the public.

The employee selection and promotion are conducted in accordance with the assessment and without any discrimination. There is procedure (HRD D-014-00) related the rules concerning the general promotion of employees. CH shows the documents of process of employee assessment and promotion, as well as letter of appointment. Until August 2017, there are 34 daily worker promoted to monthly worker.

Interview with the workers in Indragiri Plasma (KUD Rahayu Makmur, KUD Harapan Maju) and Indrasakti Plasma (KUD Sumber Rezeki, KUD Manunggal), known that there is no discrimination based on ethnicity, religion, gender, sexual orientation, race and class, or origin.

Status: Comply

6.9

There is no harassment or abuse in the work place, and reproductive rights are protected.

6.9.1, 6.9.2, 6.9.3

The CH's Environmental and Social Policy covered policy related to prevent sexual and other form of harassment and violence, as well as to protect reproductive rights. Available CEO Circular Letter dated 2 March 2009 on Granting Menstrual Period mention that the CH provides menstruation leave for female employees as much as 2 days/month (first and second day) with a doctor's examination. Also available Memorandum VPA PSM 5 dated 20 December 2008 regarding pregnant and nursing workers mentioned that the company does not allow workers to pregnant and lactating women are employed as a spray.

In the Collective Labor Agreement, there are regulations concerning female menstruation leave as much as 2 days/month (first and second day) with a doctor's examination, as well as maternity leave 1.5 months before giving birth and 1.5 months after birth with the calculation of a doctor's examination. The CH's procedure of Handling of Complaints and Grievances assured the anonymity of the reporting and the revealer of the case.

Interview with the female workers, Labor Unions, and Gender Committee, known that CH has disseminated and implemented the policy related to prevent sexual and other form of harassment and violence, as well as to protect reproductive rights. Pregnant and lactating women are prohibited to work related to agrochemicals. The workers already known the grievance mechanism through grievance book, Labor Union, Gender Committee, or anonymous by suggestion box. Up to the time of the assessment there is no complaints related to sexual harassment, violence, or violation of reproductive rights.

Group Manager of smallholders has dissemination records of policies related to prevent sexual and other form of harassment and violence, as well as to protect reproductive rights through KUD (cooperative). Interview with smallholders of Indragiri Plasma (KUD Rahayu Makmur, KUD Harapan Maju) and Indrasakti Plasma (KUD Sumber Rezeki, KUD Manunggal) known that the policies has been disseminated through monthly meeting of KUD with smallholder. Interview with the workers known that there is no violence in the workplace.

Status: Comply

6.10

Growers and mills deal fairly and transparently with smallholders and other local businesses.

6.10.1 & 6.10.2

Based on the agreement of smallholdings development between companies with cooperative, the determination of the purchasing price of smallholder's FFB refers to formal regulation of Price Determination Committee of Provincial Government of Riau. Determination is conducted twice in a month.

The Company can show the Minutes of Meeting Result of FFB Pricing Team in Riau Province from 20 to 26 September 2017. Price determination is based on CPO and kernel prices and also adjusted for planting year. Based on interviews with smallholder's cooperatives, it was explained that the price was obtained directly from the Plantation Agency and was informed to the members. Based on the explanation, it is known that the FFB pricing is not under the control of the plantation or the factory.

Based on field interviews with landowners in KUD Rahayu Makmur and KUD Harapan Maju, it was learned that FFB

from smallholders was valued by the company in accordance with the price set by the Plantation Department in the Province.

6.10.3 & 6.10.4

The Company has an agreement between the mill and the farmer where all parties have understood the signed contract agreement. For example, the agreement on the development of cultivation of oil palm cultivation in development land number 03 / KUD / SR / XI / 96 dated October 20, 1996. The agreement has been signed by both parties fairly and transparently and the copy of the agreement has been kept by both parties.

Information calculation based on gross production, grading, net production, gross income, cost (operational fund, bank, total) and net income. Based on interviews with the member of KUD Harapan Maju, KUD Rahayu Makmur, KUD Sumber Rezeki and KUD Manunggal, obtained information that the payment is made by transfer to smallholders group account every month.

The recording of transactions between the smallholders and the company is based on the number of FFB smallholders received daily in the Indrasakti Mill based on the net scales. Available samples of payment documents of FFB smallholders in the form of: a request for payment of FFB from KUD Rahayu Makmur for period 21 July – 20 August 2017 on August 2017 to PT MNIS. Payment based on Price fixing from Provincial Plantation Office period 21 July – 20 August 2017.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1, 6.11.2

In Social Impact Assessments in 2012 and Social Impact Review 2016-2017, the CH has discussed about the CSR program and the needs required by local villagers. Management plan review and social impact monitoring is carried out with the involvement of affected parties, such as communities of Talang Sukamaju Village, Petala Bumi Village, Talang Bersemi Village, Kuala Gading Village and Kerubung Jaya Village.

Based on document review of CSR program, interview with Head of Kuala Gading Village and Bandar Padang Village known that the CH's CSR program has been arranged with the needs and aspirations of the community. The CH has contribute to local development through plasma smallholder, education, health, economic activities, infrastructure and social culture. Review of employee list also known that majority workers come from the nearby village. Interview with local contractor CV Novela, also known that the CH involve local contractor for CH's operational activity.

The contribution to improve smallholder productivity has been implemented through supervision, regular training, covered aspect of spraying, fertilizing, harvesting, socialization of the use of PPE and others.

Interview with Indragiri Plasma (KUD Rahayu Makmur, KUD Harapan Maju), Indrasakti Plasma (KUD Sumber Rezeki, KUD Maunggal) and Head of Kuala Gading Village as well as Bandar Padang Village, known that smallholder through KUD has budget for social/community development.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1, 6.12.2, 6.12.3

The CH's Environmental and Social Policy covered policy related prohibits forced or bonded labor or debt bondage and take steps to prevent it. The procedures related to human resources management shows that every worker has a work agreement that describe specific job description. Based on employee list, field observation and interview with workers, Labor Unions, and Manpower Agency known that there is no migrant workers, forced labor. Every worker has a work agreement that describe specific job description, there is no substitution of contract without prior consultation and agreement from the worker.

For example for the harvesters works daily based in 7 working hours. CH provides output targets that can be obtained in less than 7 hours of work. If the harvester obtains more output within or more than 7 working hours, then the harvester will get the harvest premium payment. No penalty is given to the harvester if it does not get output due to natural factors such as rain. Based on payment list, the harvesters have earned more than the minimum wage. Field observations also known that the harvesters did not work accompanied by the wife or children.

Group Manager of smallholders has dissemination records of policies related to business ethics and no discrimination in work through KUD (cooperative). Interview with smallholders of Indragiri Plasma (KUD Rahayu Makmur, KUD Harapan Maju) and Indrasakti Plasma (KUD Sumber Rezeki, KUD Manunggal) known that the policies has been disseminated through monthly meeting of KUD with smallholder. There is no forced or trafficked labor in the plasma.

Status: Comply

**6.13
Growers and millers respect human rights**

6.13.1

The CH has had a human rights policy in the social and environmental document, dated 8 September 2015, points 2.2.3 on Human Rights, which reads: "We are committed to upholding and promoting the general statements about the human rights of the UN for all workers, contractors, indigenous peoples and community in all of the company's operations".

Based on interviews with workers in Indrasakti Mill and Indrasakti Estate, Labor Union, Gender Committee, and Local Contractor are known that human rights policy has been disseminated. Document review of Complaints Book and Interview with Labor Agency also obtained information that there were no cases of human rights violations during the period of ASA-4.

Group Manager of smallholder has dissemination records of human rights policy through KUD (cooperative). Interview with smallholder in Indragiri Plasma (KUD Rahayu Makmur, KUD Harapan Maju) and Indrasakti Plasma (KUD Sumber Rezeki, KUD Manunggal) known that the human rights policy has been disseminated through monthly meeting of KUD with smallholder. There were no cases of human rights violations during the period of ASA-4 in smallholder.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

The results of document review, field visits and interviews found that CH did not expand or conduct new planting since 2005.

The document review and interview with management showed that the company is not performed land clearing after 1 November 2005. HCV identification in PT Ivomas Tunggal was conducted on 2009. GAR, as the parent of PT MNIS and BWL has conducted disclosure of liability data and zero liability disclosure on 29 August 2014 by email.

Status: Comply

PRINCIPLE #8 Commitment to continuous improvement in key areas of activity

**8.1
Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.**

8.1.1

RSPO Internal Audit of CH held on 17 – 27 July 2017 with an internal team of auditors from the Sustainability Policy and Compliance Division. Internal audit results have 7 nonconformities. The non-conformities has been closed by the management. The correction of internal audit NC has been verified during ASA-4.

CH has a commitment to eliminate use of paraquat through memorandum from the President Director on 21 November 2014. According to pesticide use records, the paraquat has not applied since 2016.

According to documents reviews which supported by field observations, it could be concluded that the current HCV related programs, realizations and its evaluations were in accordance with RSPO BMPs manual. The implementations on the field has obviously considered satisfactory. Hence, the existing program will remain continued on the next following period.

The company has implemented commitment to reduce environment impacts on the regular action plan. For example:

- Effluent management and monitoring. WWTP pond management, effluent quality test and report it to Indragiri Hulu District Environment Agency.
- Air quality management and monitoring. Road maintenance, air quality test and report it to Indragiri Hulu District Environment Agency.
- Ground water management and monitoring. Testing ground water quality and report it to Indragiri Hulu District Environment Agency. Hazardous waste management. Storing hazardous waste at the permitted hazardous waste, managing and monitoring hazardous waste.

The company has implemented commitment to continuous improvement in Best Management Practice For example:

- The mechanism of procedure implementation is done through internal audit conducted every semester by Department of Operational Internal Audit (OIA). Based on the latest report of Operational Internal Audit No. 57/ V-IDSE & IDSA /12/16, Inspection Date 14th thru 19th December 2016 there were 2 findings related to production and maintenance aspects. The findings have been closed on 27th December 2016.
- Inspection by Vice President Agronomy (VPA) was conducted on 31st July 2017. There were 8 findings related to production and plant upkeep and all have been followed up.
- Inspection by Vice President Manufacturing (VPM) was conducted on 1st August 2017. There were 36 findings related to processing. The findings have been followed up, 22 findings have been closed, 10 findings were on going, 3 findings were waiting for vendor offerings, and 1 findings was implemented gradually.
- The Management Review Meeting has been performed on 31st July 2017, in order to discuss the Internal Audit of RSPO & ISPO and ISCC 2017.
- It was available the Internal Audit Operations Report for **Plasma** (No. 23 / V-INDA / 08/17). Inspection was done on 2nd thru 7th June 2017 (Memo No.03 / OIA / V-INDA / 08/17, dated August 14, 2017). The findings, among others, there was still rodent infestation and the damaged BOBs have not yet been repaired. An action plan has been prepared, for example VCU Rahayu Makmur to socialize the addition of BOB to be 1 unit for 20 Ha and in 2017 will be added 6 units of BOB; and VCU Harapan Maju will add BOB in the second half of 2017.
- The Company, as well as in Plasma, has no longer used paraquat herbicide since 2016.
- The Company, as well as Plasma, implement IPM with emphasis on biological control methods, such as rat control using local species of barn owl (*Tyto alba*) and control of fire caterpillars by planting/upkeeping local species of beneficial plants, such as *Turnera subulata* and *Antigonon leptopus*.
- Improving/increasing soil fertility through recycling of nutrients, such as empty fruit bunch (EFB) application, land application (POME), pruning, and soft fern conservation (*Nephrolepis biserrata*). Plasma conducted pruning and conservation of *Nephrolepis biserrata*.

Status: Comply	
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3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module D) CPO Mills – Identity Preserved Requirements																								
D1	Definition																								
<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&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>Indrasakti Mill is used RSPO supply chain of Identity Preserved module because only received FFB from the estate which has been certified with RSPO.</p>																									
	Status: Comply																								
D.2	Explanation																								
<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 CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> <p>Estimates of CPO and PK produced by Indrasakti Mill obtained from the data of 12 months before the audit activities and have been described in this ASA-4 report. The estimation of CPO and PK for 2017 – 2018 is 100,438 ton CSPO and 26,305 CSPK.</p>																									
	Status: Comply																								
<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). RSPO IT Platform member registration number: RSPO_PO1000001065</p>																									
<ul style="list-style-type: none"> Certified CPO sold to each buyer period of 4 Dec 2016 to 24 September 2017 <table border="1"> <thead> <tr> <th>Date</th> <th>Buyer</th> <th>Volume</th> </tr> </thead> <tbody> <tr> <td>25 – 8 – 2017</td> <td>GAR</td> <td>4,410</td> </tr> <tr> <td>30 – 7 – 2017</td> <td>GAR</td> <td>7,528</td> </tr> <tr> <td>15 – 6 – 2017</td> <td>GAR</td> <td>3,801</td> </tr> <tr> <td>21 – 5 – 2017</td> <td>GAR</td> <td>2,310</td> </tr> <tr> <td>21 – 4 – 2017</td> <td>GAR</td> <td>900</td> </tr> <tr> <td>21 – 4 – 2017</td> <td>GAR</td> <td>2,600</td> </tr> <tr> <td colspan="2">Total</td> <td>21,549</td> </tr> </tbody> </table> 		Date	Buyer	Volume	25 – 8 – 2017	GAR	4,410	30 – 7 – 2017	GAR	7,528	15 – 6 – 2017	GAR	3,801	21 – 5 – 2017	GAR	2,310	21 – 4 – 2017	GAR	900	21 – 4 – 2017	GAR	2,600	Total		21,549
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6 – 7 – 2017	Libo KCP	1,007.77																							
15 – 6 – 2017	Rama-Rama KCP	1,014.53																							
9 – 6 – 2017	Rama-Rama KCP	1,009.44																							
29 – 4 – 2017	Libo KCP	1,006.44																							

12 – 4 – 2017	Rama-Rama KCP	999.26
30 – 3 – 2017	Libo KCP	1,002.66
1 – 3 – 2017	Rama-Rama KCP	507.76
10 – 2 – 2017	Libo KCP	1,022.72
31 – 1 – 2017	Libo KCP	1,010.66
7 – 2 – 2017	Rama-Rama KCP	1,015.07
21 – 1 – 2017	Libo KCP	1,002.63
14 – 12 – 2016	Libo KCP	1,011.80
5 – 12 – 2016	Libo KCP	1,025.84
16 – 12 – 2016	Rama-Rama KCP	1,053.96
4 – 12 – 2016	Libo KCP	1,000.36
4 – 12 – 2016	Libo KCP	1,011.21
4 – 12 – 2016	Libo KCP	997.97
4 – 12 – 2016	Libo KCP	1,038.44
4 – 12 – 2016	Rama-Rama KCP	996.29
4 – 12 – 2016	Libo KCP	1,002.2
4 – 12 – 2016	Rama-Rama KCP	1,003.16
Total		21,753.37
Status: Comply		
D.3	Documented procedures	
D.3.1		
<p>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> <ul style="list-style-type: none"> a. Complete and up to date procedures covering the implementation of all the elements in these requirements; b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard. 		
<p>Indraskati Mill has SOP for the implementation of supply chain in the identification procedure and Traceability. SOP describes the procedure to guarantee the products produced by the mill can be traced to its source and certainly comes from certified sources. The procedure also explains the related officers and the responsibility in the implementation of the requirements.</p> <p>The results of interviews with head of administration and weighbridge operator showed that workers have already known the duties and responsibilities of each in the implementation of SCCS.</p>		
Status: Comply		
D.3.2		
<p>The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>		
<p>Indrasakti Mill has had SOP for the implementation of supply chain in the identification procedure and Traceability. SOP describes the procedure to guarantee the products produced by the mill can be traced to its source and certainly comes from certified sources. To find the source of FFB comes from the estate that has been certified with RSPO, each estate has been marked with unieq code and the code is inputted to computerize system.</p> <p>During the verification in Mill, weighbridge operator has checked FFB document to ensuring FFB delivered from certified supply bases. All FFBs received from certified estate is marked with “certified product” in weighbridge slip. Certified product or “certified supply base” code has been online authorized in SAP “System Analysis and Programmed”.</p>		
Status: Comply		

D.4	Purchasing and goods in							
D.4.1								
The site shall verify and document the volumes of certified and non-certified FFBs received.								
<ul style="list-style-type: none"> Certified and non-certified FFB received period of 4 December 2016 to 24 September 2017 								
	Month	FFB (Kg)						
		RSPO Certified	Non Certified	Total				
	4-31 December 2016	33,023,040	-	33,023,040				
	January 2017	40,136,150	-	40,136,150				
	February 2017	31,879,560	-	31,879,560				
	March 2017	27,191,170	-	27,191,170				
	April 2017	23,953,480	-	23,953,480				
	May 2017	28,262,800	-	28,262,800				
	June 2017	22,208,590	-	22,208,590				
	July 2017	34,153,110	-	34,153,110				
	August 2017	33,007,270	-	33,007,270				
	1-24 September 2017	25,996,450	-	25,996,450				
	Total	299,811,620	-	299,811,620				
	Status: Comply							
D.4.2								
The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.								
<p>Indrasakti Mill has had SOP for the implementation of supply chain in the identification procedure and Traceability. This procedure stated that in case the projection is exceeding the claim of certified product, then company should inform related RSPO certification body and RSPO IT System/ e-trace. On 8 May 2017, CH sent email to CB (Mutuagung Lestari) to extend the volume and palmtrace has been approved the extension. The volume after extension is 98,584.48 MT CPO and 25,555.33 MT PK.</p> <p>CSPO and CSPK production from 4 December 2016 – 24 September 2017 was 61,070.076 Ton CSPO and 16,682.598 Ton CSPK.</p>								
	Status: Comply							
D.5	Record keeping							
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.								
Indrasakti Mill has record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified product (CPO and PK) on a three-monthly basis as describe on table below								
	Period	CPO Production (Kg)			CPO Despatch (Kg)			
		Cert	Non	Total	RSPO	ISCC	Non	Total
	Stock Dec 16	1,301,862	-	1,301,862	-	-	-	-
	Jan 17	8,483,697	-	8,483,697	-	7,213,120	-	7,213,120
	Feb 17	6,621,327	-	6,621,327	-	7,254,530	-	7,254,530
	Mar 17	5,577,244	-	5,577,244	3,699,130	3,610,830	-	7,309,960
	Total	21,984,130	0	20,682,268	3,699,130	18,078,480	0	21,777,610
	Stock Mar 17	206,520	-	206,520	-	-	-	-
	Apr 17	4,953,818	-	4,953,818	4,057,080	-	-	4,057,080
	May 17	5,808,087	-	5,808,087	6,519,470	-	-	6,519,470
	June 17	4,354,123	-	4,354,123	4,026,020	-	-	4,026,020

Total	15,322,548	0	15,322,548	14,602,570	0	0	14,602,570
Stock Jun 17	719,978	-	719,978	-	-	-	-
July 17	6,532,913	-	6,532,913	6,893,870	-	-	6,893,870
August 17	6,297,693	-	6,297,693	5,504,820	-	-	5,504,820
Sept 17	5,152,418	-	5,152,418	4,534,900	-	-	4,534,900
Total	18,703,002	0	18,703,002	16,933,590	0	0	16,933,590

Period	PK Production (Kg)			PK Despatch (Kg)			
	Cert	Non	Total	RSPO	ISCC	Non	Total
Stock Dec 16	763,746	-	763,746	-	-	-	-
Jan 17	2,215,867	-	2,215,867	2,210,580	-	-	2,210,580
Feb 17	1,871,286	-	1,871,286	1,933,320	-	-	1,933,320
Mar 17	1,407,226	-	1,407,226	1,668,230	-	-	1,668,230
Total	6,258,125	-	6,258,125	5,812,130	-	-	5,812,130
Stock Mar 17	445,995	-	445,995	-	-	-	-
Apr 17	1,252,045	-	1,252,045	1,137,690	-	-	1,137,690
May 17	1,481,853	-	1,481,853	1,490,740	-	-	1,490,740
June 17	1,356,640	-	1,356,640	1,334,990	-	-	1,334,990
Total	4,536,533	-	4,536,533	3,963,420	-	-	3,963,420
Stock Jun 17	573,113	-	573,113	-	-	-	-
July 17	1,849,683	-	1,849,683	1,773,170	-	-	1,773,170
August 17	1,805,503	-	1,805,503	1,972,370	-	-	1,972,370
Sept 17	1,436,391	-	1,436,391	1,599,490	-	-	1,599,490
Total	5,664,690	-	5,664,690	5,345,030	-	-	5,345,030

Based on the data, the delivery of certified product (CPO and PK) only from positive stock.

	Status: Comply
D.6	Processing
D.6.1	The 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
	Indrasakti Mill only processes FFB from RSPO certified estate, so the entire product is CSPO and CSPK.
	Status: Comply
D.6.2	The objective is for 100 % segregated material to be reached
	Indrasakti Mill only processes FFB from RSPO certified estate.
	Status: Comply

3.3 Conformity Checklist of Certificate and Logo Use

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ASA-4	The company does not use RSPO logo.	√
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-4	The company does not use RSPO logo.	√
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-4	The company does not use RSPO logo.	√
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-4	The company does not use RSPO logo.	√

3.4 Summary of RSPO Partial Certification

Compliance of the uncertified management units of Ivomas Tunggal against the rules for partial certification was determined through Self Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below

Ivomas Tunggal Time Bound Plan is explaining in table 1.10. Ivomas Tunggal run eight (9) mills, nineteen (19) own estates and assist six (6) scheme smallholders in Indonesia, and has achieved RSPO certified for seven (8) mills and supply base in Indonesia. Ivomas Tunggal has informed the Time Bound Plan progress, MUTU has considered that Ivomas Tunggal is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by Ivomas Tunggal on 1 July 2017 approved by President Director and MO Sustainability Strategic & Stakeholders Engagement.

MUTU has verified partial certification for un-certified unit's subsidiary of Ivomas Tunggal based on their Time Bound Plan. There are one (1) uncertified management unit of Ivomas Tunggal. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There is no significant land conflicts which have not been declared above
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labour disputes that are not being resolved through an agreed process
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Company Group/Holding Statement: Yes, there was an internal audit and has positive assurance statement.</p> <p>Auditor Verification: Internal Audit report available for PT Sawitakarya Manunggal (Sawita Mill and supply base) and PT Ivomas Tunggal.</p>
2.2.2	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>Company Group/Holding Statement: Ivomas Tunggal and its subsidiaries have been reporting disclosure and zero liability to RSPO by email dated August 29, 2014 and the company has been sent data evidence of LUCA to RSPO by email dated April 11, 2016. Progress result of review LUCA at follow-up via email RSPO dated October 24, 2016 to answer RSPO is still in the review process.</p> <p>Auditor Verification: RaCP for PT Sawitakarya Manunggal (Sawita Mill and supply base) and PT Ivomas Tunggal.</p>
2.2.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>Company Group/Holding Statement: There is no new planting after 1 Jan 2010.</p> <p>Auditor Verification:</p>

		Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.
2.2.4	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>Company Group/Holding Statement: There are no land conflicts. The Company has a land conflict resolution mechanism in accordance with the RSPO criteria 6.4; 7.5; and 7.6. This procedure is outlined in the SOP Social Conflict Management (SOP/SMART/SENS-CSR/SADV/II/02). This procedure regulates social conflict settlement agreed. Conflict resolution can be done in a participatory manner and can also be done by a third party (mediator). The company also has procedures to deal with complaints before they become conflicts. The procedure is SOP/SMART/SIGS-CSR/SADV/II/003. The company handling complaints appropriately and quickly. Ivomas Tunggal has been initiated to become a member of RSPO DSF as a category "out growers".</p> <p>Auditor Verification: Auditor has verified the supporting evidence of above the company statement. There are no land conflicts for uncertified unit of the group subsidiaries.</p>
2.2.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>Company Group/Holding Statement: There is no issue of labour disputes in uncertified unit. The company also has procedures to deal with complaints workers before they become conflicts. The procedure is SOP/SMART/SIGS-CSR/SADV/II/003. Procedures related employee issues arranged in the form of internal grooves for employees included in the category of internal stakeholders. Media used complaint is a formal letter submitted by unions or incorporated into a suggestion box which is provided in a convenient location.</p> <p>Auditor Verification: There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p>
2.2.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Company Group/Holding Statement: Companies comply with the regulations in accordance with the requirements of the RSPO 2.1 and 2.2 where there is no violation of the rules that are relevant to the plantation. The company has a mechanism to evaluate compliance with regulations, namely SOP/SMART/UMUM/SADV/II/002. In SOP describes procedures for compliance, completeness and groove sections which explain in detail to evaluate compliance with the legislation.</p> <p>Auditor Verification: PT Sawitakarya Manunggal and PT Ivomas Tunggal there is an area is still in process for HGU (Committee B meeting).</p>

3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components

3.5.1 Identification of Findings, Corrective Actions and Observations at **ASA-3** Assessment

NCRNo.	:	-	Issued by	:	-
Date Issued	:	-	Time Limit	:	-
NC Grade	:	-	Date of Closing	:	-
Standard Ref. & Requirement	:	-			
Non-Conformance Description & Evidence observed :					
During the surveillance-3 assessment there was no non-conformance identified.					
Root Cause Analysis:					
-					
Corrective Action:					
-					
Preventive Action:					
-					
Assessor Evaluation and Conclusion:					
-					
Verified by	:	-			

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-4 Assessment

NCR No.	: 2017.01	Issued by	: Dwi Haryati
Date Issued	: September, 29 2017	Time Limit	: November, 28 2017
NC Grade	: MAJOR	Date of Closing	: October,10 2017
Standard Ref. & Requirement	4.7.3 Record of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.		
Non-Conformance Description & Evidence observed : The certificate holder already has documents related to OSH implementation among others : <ul style="list-style-type: none"> - Standar of Procedure Hazard Identification, Risk Assessment and Control (SOP/SMART/HESS-EHSD/SADV/I/002) - Standar of Procedure Management of Personal Protective Equipment (SOP/SMART/HESS-EHSD/SADV/I/010) - Hazard Identification, Risk Assessment and Control Period January – December 2017 (F/SMART/HESS-EHSD/SADV/002/002) - Standar of Procedure Follow-Up Plan and Review Period January – December 2017 (F/SMART/HESS-EHSD/SADV/002/003). <p>In the document of follow-up actions and review of HIRAC Period from January to December 2017 and interview with management, it is known that the recommended type of foot protective (PPE) for all station (except workshop) is safety boots. However, based on field observations at station of sortation, sterilizer, boiler, engine room, and WTP, it is known that all workers in the station use PPE boots without metal protective toes (toe cap).</p> <p>The certificate holder has not been able to show the provision of PPE in accordance with the applicable provisions.</p>			
Root Cause Analysis : Assistant at Indrasakti Mill when making reservations (Purchase Requisition) PPE shoes not in accordance with SOP Management of Personal Protective Equipment (SOP / SMART / HESS-EHSD / SADV / I / 010) and document Identification of Hazards, Assessment and Risk Control (HIRAC) has been prepared by safety officer Indrasakti Mill. Determination of PPE type where is safety boots / safety shoes with PVC boot specification with toe cap or sole resistant to soils and acids / alkalis, antistatic steel / carbon toe cap.			
Corrective Action : <ol style="list-style-type: none"> 1. Assistant makes Purchase Requisition PPE in the form of Safety Boots PVC with toe cap for process station, grading station, laboratory, engine room, WTP, and safety shoes for boiler station. Evidence of booking document PPE, PR number 10126113 for safety shoes and PO Number 4900021098 for safety boots. 2. Realize safety shoes with safety specs and PVC safety boots with toe cap on October 5, 2017. 3. Safety Officer Indrasakti Mill disseminates Standard Of Procedure Management of Personal Protective Equipment (SOP / SMAR / HESS-EHSD / SADV / I / 010), Procedure for Demand and Reception of Materials (SOP / SMART / GENERAL / SADV / I / 007) and HIRAC related to the standard PPE used, to Indrasakti Mill Manager, head of administration, and all Assistant Indrasakti Mill. 			

Preventive Action :

Every PPE purchase (Purchase Requisition Order) always involve safety officer of Indrasakti Mill and refer to document of Hazard Source, Risk Identification and Risk Identification (ISBPR) as well as SOP Management document of Personal Protective Equipment (SOP / SMART / HESS / SADV / I / 010) point 2.2.2 (specifying the type of PPE)

Assessor Evaluation and Conclusion :

October, 10 2017

The management unit has shown PO No. 4900021098 dated October 4, 2017 for ordering 146 safety boots and PR No. 10126113 for ordering 36 safety shoes. The management unit also shows a delivery letter of goods informing that 129 safety boots and 22 safety shoes have been received by Indrasakti Mill on October 4, 2017. In addition there is also a shipping letter on October 2, 2017 for 18 safety boots.

Indrasakti Mill has shown evidence distribution of PPE for each station conducted on October 5, 2017. Based on this evidence it is known that safety shoes are distribution to 17 workers at boiler station and burning stove, while safety boots are handed over to 118 workers at other stations . The management unit also completes the proof of PPE distribution with documentation of the activity. Indrasakti mill also shows evidence of socialization of HIRAC, SOP of PPE Management and Procedure for Demand and Reception of Materials conducted on October 5, 2017 to head assisstant, assistant and SPO region. Based on the corrective action, **Nonconformity is closed.**

Verified by : **Dwi Haryati/ Ardiansyah**

3.5.3 Opportunity for Improvement

No	Ref. Std.	Description
1	1.1.1	Provide information on the use and utilization of HGU to relevant agencies if HGU has been issued
2	2.1.4	Follow-up completion of industrial relations administration to employees of work termination
3	2.2.1	Monitoring the progress of HGU PT MNIS and land title of PT MNIS smallholders
4	2.2.2	Ensure all legal borders are documented
5	4.4.4	Follow-up of the permit of the utilization of surface water to relevant agency
6	5.1.1	Communications with relevant parties regarding actual mill capacity and environmental documents
7	5.3.3	The Company encourage to ensure the implementation of all EFB application in accordance with procedure
8	6.2.1	Clarify the duties and responsibilities of personnel who communicate with the surrounding community.

3.5.4 Noteworthy Positive Components

No	Description
1	Has had ISPO Certificate on 2014
2	Has had OHS Management System Certificate on 2015
3	Has had PROPER BIRU on 2016
4	Has had ISCC Certificate on 2016

3.6 Summary of Arising Issues from Public and Auditor Response

Issue for Stakeholders	Auditor Verification
<p>Environmental Agency of District Indragiri Hulu</p> <ul style="list-style-type: none"> - CH has environmental document in form of Environmental impact assessment document for PT MNIS in core area plantation 6,000 ha and scheme smallholder area 14,000 ha year 1998 which has been authorized by the Agriculture Minister with No. 22/ANDAL/RKL-RPL/BA/VI/1998 - CH has Environmental management/monitoring Plan Document of POM Buana Wira Lestari with 60 ton FFB/hour capacities and 31.27 ha plantation area, which has been authorized by Regional Environment Impact Agency by letter No. 794/Bapedalda-Inhu/IX/2003 dated 22 September 2003. - CH has Hazardous Waste Temporary Warehouse in : <ul style="list-style-type: none"> • POM Indrasakti : hazardous waste storage permit No. 15/BPMD&PPT/BP-LB3/VI/2016 which has been authorized by Regent of Indragiri Hulu Region dated 17 June 2016 valid for 5 years. • Indrasakti Estate : hazardous waste storage permit No. 03/BPMD&PPT/BP-LB3/XI/2012 authorized by regional investment and Integrated Licensing Services about licensing of PT MNIS hazardous waste storage. The permit valid for 5 years and end in 21 November 2017. - Hazardous waste management activities done with store hazardous waste in licensed Hazardous Waste Temporary Warehouse then submitted to licensed collector and transporter. The Hazardous waste management reported every 3 months to related agencies. - CH has POME application permit on 2013 assigned on 1 November and valid for 5 years. - CH has done POME quality testing every months and reporting the result to Environment Agency of Indragiri Hulu Region. - CH has done air ambient quality testing every semesters and reporting the result to Environment Agency of Indragiri Hulu Region. - CH has done noise, vibration, and odor quality testing every semesters and reporting the result to Environment Agency of Indragiri Hulu Region. - CH has reported Hazardous waste management report (balance sheet and manifest) to Environment Agency of Indragiri Hulu Region, such as Hazardous waste management 2nd quarter of 2017. - CH has reported the implementation of Environmental management /monitoring Plan periodically, such as 1st Semesters of 2017. - CH has done Conservation Area management in form of river riparian. - Requested information responded well by Management unit. - Environment agency has done environment observation on April 2017, there's minute of letter of the activity. - Until now, there's no negative issues and report from other parties about negative impact from mill and estate activities. 	<p>There is no negative issue from the Environment Agency. CH has shown compliance with criteria, 2.1, 4.4, 5.1, 5.2, 5.3 and 5.6.</p>
<p>Department of Agriculture and Fisheries, Sector Plantation District of Indragiri Hulu.</p> <ul style="list-style-type: none"> - Estate Class Assessment of PT MNIS is done by Region of 2016 period. - PT MNIS has legal document in form of Plantation Business Permit and Plantation Industry Business permit. - PT MNIS is not located in protected forest area and mine area. 	<p>There is no negative issue from the Plantation Agency. CH has shown compliance with criteria 1.1; 2.1; 2.2; 4.3 and 6.2.</p>

Issue for Stakeholders	Auditor Verification
<ul style="list-style-type: none"> - CH has reported Business Development report periodically every semesters, such as 2nd Semesters of 2016. - Facilities of Fire land has sufficient even though not fully compliant with Directorate General of Plantation Decree. CH has done justification about facilities of fire land suitable with land area and landscape condition. Based on Fishery and Agriculture Agency, Plantation Sector of Indragiri Hulu Region statement, that CH had done monitoring of fire emergency response which been reported every semesters and helping firefighting outside the company's management area, Such as Fire Land report on 1st Semesters of 2017. - Has done socialization of fire land hazard involving surrounding communities. - There's no peat land in PT MNIS management area. - CSR activities has done for surrounding village need to improve more. - Requested information has been responded quickly by management unit. - Agency recommended accelerating the release of certificate for scheme smallholders. 	
<p>Manpower Agency of District Indragiri Hulu</p> <ul style="list-style-type: none"> - Wage Minimum Rate suitable with Wage Minimum rate for Sectoral Region for 2017 amount Rp. 2,516,812,- - All workers already had permanent status (there's no contract worker) - All worker has been registered in Labour Social Assurance program and Health insurance. - Based on Report of Work Accident in Labour Agency, it stated that there's no work accident. - Guiding Committee of Occupational Safety & Health Report and labour Report has been reported periodically. - Special operator has Operator License and extended Operator License for Diesel motor operator done by Labour Agency of Riau Province. - Has done inspection of POM machine periodically, the last one is done by Labour Agency of Riau Province - There's no Child labour below 18 years - Collective Labour Agreement still valid. - CH use local worker. - CH has Worker Union named SP3 SPSI. - Based on Labour Agency statement, there's no negative issues related to employment. - There's no foreign worker. - Requested information has been responded quickly by management unit. 	<p>There is no negative issue from the Manpower Agency. CH has shown compliance with criteria 1.1; 2.1; 4.7; 6.2; 6.5; 6.6; 6.7; 6.11 and 6.12.</p>
<p>National Land Agency of District Indragiri Hulu</p> <ul style="list-style-type: none"> • There's no native rights in operational area of PT MNIS and POM Indrasakti. • There's no land conflict in operational area of company. • Report of Land Utilization must be at least once a year, but especially for company which yet get his rights may be controlled or managed accordingly Regulation of agrarian and layout No. 7/2017. • There' no abandonment of desolate land for PT MNIS and POM Indrasakti of PT BWL. 	<p>There is no negative issue from the National Land Agency. CH has shown compliance with criteria 1.1; 2.1 and 2.2.</p>

Issue for Stakeholders	Auditor Verification
<ul style="list-style-type: none"> For scheme smallholder, for now National Land Agency still on land ownership assurance activities based on number plots in the area, so there are some unpublished certificates. The total of Building Use title for Indrasakti Mill is 31.6964 Ha (based on measurement). The possibility area on Plantation Business permit based from location permit made globally. Process of land right of PT MNIS is still on cadastral stage. The latest process might be in stage of Region Office in National Land Agency of Province. The publishing of Land Use Title for PT MNIS still delayed, because there's no certainly ratification Provincial Spatial Plan in Riau Province, so that the BPN did not have a legal basis for the publishing of HGU Based on Forestry Ministry Decree No. 878/2014 and Decree No. 314/2016, there's indication that the location of company included in forest area. CH has pole map based on result of cadastral measurement. The maintenance of pole done by own company. Requested information has been responded quickly by management unit. Company has been recommended to accelerating the release of Land Use Title and Certification for scheme smallholder. 	
<p>Talang Mamak Community Figure</p> <ul style="list-style-type: none"> No issue of environmental pollution The community still performs customary activities such as <i>gawai</i>, marriage, <i>naik tambak</i>, <i>kemantan</i> and <i>dukun</i>. Companies come to help in existing activities such as providing clean water. The company's contribution to local development includes the construction of access roads, employment and educational facilities. Communication between community and company is good. Communities are involved in an environmental impact assessment carried out before the opening of the plantation Oil palm plantations can be develop due to the approval of the community of <i>Talang Mamak</i>. There is no land conflict 	<p>There is no negative issue from the community. CH has shown compliance with criteria 1.1; 2.1; 2.2 and 5.1.</p>
<p>Village of Kuala Gading</p> <ul style="list-style-type: none"> The village does not experience any constraints related to transparency, communication, requests and information responses to the CH. Communication and consultation between the two parties is harmoniously established between the village and the CH through the Estate / Mill Manager. There are no constraints related to legality, land disputes with village parties. The CH contributes to village development through CSR program. Significant programs are plasma collaboration through KUD Anggrek. CSR programs are channeled in a participatory manner, ie consulted in accordance with the needs of the Village. No environmental pollution issues from CH operations. Including villagers have also understood the concept of conservation areas, protected animals and should not be hunted. In general, the relationship between the CH and the Village is quite good and conducive. Currently, the village will discuss with related companies of 	<p>There is no negative issue from the community. CH has shown compliance with criteria 1.1; 2.1; 2.2; 5.1; 5.2 and 6.11.</p>

Issue for Stakeholders	Auditor Verification
<p>cooperation (CSR) which is contributive (besides plasma) in the aspect of education, such as assistance for the construction (facilities) of pesantren (islamic school) and schools.</p>	
<p>Head of Bandar Padang Village</p> <ul style="list-style-type: none"> • Communications between villagers and the plantation is good, but communication with mill is not good • There is no land conflict in operation area of PT MNIS and smallholders • The company has provided good guidance and training to smallholders • CH contributions to the community include road maintenance, smallholders plantations, etc • KUD contributions to villages include fees and construction of public facilities • The perceived impact of the mill is smoke, whereas from the plantation there is no significant impact • Giving information from the plantation is good 	<p>There is an issue from community that communication with mill representative is not to good. Interview with CH is known that the PIC to communication for CH is cestate manager. CH has an opportunity to clarify the duties and responsibilities of personnel who communicate with the surrounding community</p>
<p>Labour Union of PT MNIS</p> <ul style="list-style-type: none"> • Labor Union management can not show document of authorization of Board Membership and Membership of Working Unions of Federation of Agricultural and Plantation Trade Unions - Confederation of SPSI (PUK FSPPP-KSPSI) Palm Plantation of PT. Meganusa Inti Sawit. • Company has facilitated labor union with office building near warehouse workshop, Indrasakti Estate (1 room and 1 set of table / chairs), but never used. • Labor union employees are formed on (dated April, 23 2014), with board composition, as follows Chairman, Vice Chairman; Secretary and Treasurer. • The nature of membership is voluntary. The number of members up to the time of the interview was 260 people. • Membership fee is IDR 10,000 / month, deducted monthly salary (upon the knowledge of the members). • Informal internal discussions of the board (routine 1 - 2 months), housed in the house committee in turn, discuss about the problems or complaints of members to be negotiated with the company. • Meetings between labor union's board and members are conducted regularly 6 months or once a year. The last meeting was the Year End Meeting held at the Hall of Primary School – Indrasakti Estate, attended by about 70 s.d 80 members. In the meeting discussed about the complaints and problems faced by members. If there is going to be appointed in a board meeting with the company. At meeting the complaints were: <ul style="list-style-type: none"> - Treatment problems with BPJS facilities are perceived to be more complicated than previous facilities of the company; - Overtime employees (no more overtime / fixed), except water operators, genset engine operators, drivers, and security. It has been verbally notified in 2016 by the company to labor union members working in the office. The complaint has been verbally reported by the labor union board to the management of the company. • Facilities from companies for employees (members of labor union), such as housing, schools, salaries, PPE, work tools (eg, harvesting equipment) are sufficient to provide or replace / repair. 	<p>The CH has presented documents on labor union endorsement from Manpower Agency</p> <p>Collective labor agreements of 2018 - 2019 are under discussion.</p> <p>Based on document review, employee complaints are documented in the complaint recording books available for estates or smallholder. Based on the evidence shown by the management unit of IDSE, INKM, and plasma has had complaints recording book. All complaint are recorded in the book either verbal complaint or written complaint.</p> <p>CH has documented minutes of meetings with labor union officials.</p>

Issue for Stakeholders	Auditor Verification
<ul style="list-style-type: none"> • Harvest activity with base system (about 50 FFB) and no premi and employing children for quotation loss fruits. • Employee wages of Rp 2,538,000 per month (above minimum wages 2017) and supplemented by natura (rice 15 kg) plus family member 10 kg for wife and 7.5 kg for 1 child - maximum 3 children) - given after payday . The quality of rice is generally good and can be returned if it is not good (for example, lice or rocky) - it has happened and has been resolved well. • Collective Labor Agreement Period (2016 - 2017) - not yet published, but labor union (branch and regional leadership councils) are discussing this draft period 2018 - 2019 in Medan. • CLA socialization to SPSI members is planned to be done after there is new CLA. • No discrimination for recruitment of new employees by companies (not distinguish between local and immigrant or religious and ethnic or racial population, provided they meet the required qualifications / competencies Employees who are employed are at least 20 years of age. • Submission of complaints from employees (labor union members) to their superiors only verbal form (unwritten). • Meetings between labor union management employees with the company have not been done. 	
<p>Labor Union of Indrasakti Mill PT Buana Wiralestari Mas Periode 2017 - 2022.</p> <ol style="list-style-type: none"> 1. The results of the interview are as follows: Labor Union employee was formed in 2004. Board of Labor management of Indrasakti Mill for the Period 2017 - 2022 was elected in May 2017 with the following board members: Chairman, Vice Chairman I, Vice Chairman II, Secretary I, Secretary II, Secretary III, Treasurer 2. The Chairman has not been able to show the document of the Endorsement of the Board and Membership of the Working Units the Federation Labor Unions of Agriculture and Plantations – Confederation (PUK FSPPP-KSPSI) of PT Meganusa Inti Sawit. 3. The company has facilitated labor union with office building beside Mosque in Mill Housing Complex in the form of 1 room. No furniture yet, but a request has been made to the company and has been approved but the item has not been received. The management still uses the OHS space in the office. 4. The membership is voluntary. The number of members up to the interview was 151 people. 5. Membership fee is IDR 10,000 / month with monthly salary deductions (upon the knowledge of the members). 6. Internal meeting of the board (will be done routinely 4 months) at meeting hall, housing employee of Indrasakti mill complex to consolidate and discuss about membership card. 7. Meetings between labor union and members are conducted once a year. For example: a meeting in May 2016 discussed a demonstration plan to the Riau governor's office in Pekanbaru regarding the proposed pending wage increase (Governor's Decree). The demonstration took place on June 1, 2016 and the Governor's decision regarding the pending wage salary increase was signed by the Riau Governor on June 3, 2016. 	<p>There is no negative issue from the labor union. CH has shown compliance with criteria 6.3; 6.5; 6.6; 6.7 and 6.8.</p> <ul style="list-style-type: none"> • The CH has presented documents on labor union endorsement from Manpower Agency. • The CH has facilitated the labor union secretariat building. For furniture and chairs are in procurement process.

Issue for Stakeholders	Auditor Verification
<p>8. The last meeting was April 2017 at meeting hall of employee at housing of Indrasakti mill complex which was attended by about 70 members discussed about:</p> <ul style="list-style-type: none"> - Suggestions for labor union members may also be proposed as board members as before (labor union rules mention that those who can become Chairman are those who have served in previous periods). - Treatment with health insurance that are more complicated than the company's facilities of the company. - Overtime employees (no more overtime / fixed) but there are still overtime for water operators (WTP), genset engine operators, drivers, and security. <p>9. Complaints from members are submitted first to the labor union board and then submitted to corporate management (written or unwritten) depending on the problem. The company always responds to member complaints well.</p> <p>10. Housing, school, salary, PPE, work tools such as welding machine, grinding machine, and others all smoothly supply and repair / replacemen.</p> <p>11. Members of labor union in companies are productive age, no children.</p> <p>12. The employee's wage of IDR 2,350,000 per month (above UMK 2017) plus natura (rice 15 kg) and family member, 10 kg wife and child Rp.7.5 kg (up to 3 children) - given 2 times a month, ie on a small payday and a big payday. The quality of rice is generally good and can be returned if it is not good (for example, lice or broken broken), This has happened and has been resolved well.</p> <p>13. CLA (Colective Labour Agreements) Period 2017 - 2018 still waiting for information from PC Indragiri Hulu regency).</p> <p>14. CLA socialization to labor union members has not been done formally, but if there are problems for the members, answered / explained by the board.</p> <p>15. No discrimination for recruitment of new employees by companies (not distinguish between local and immigrant or religious and ethnic or racial population), provided they meet the required qualifications / competencies employees who are employed are at least 20 years of age.</p> <p>16. Submission of complaints from employees (labor union members) to their superiors only verbal form (unwritten).</p> <p>17. Meetings between labor union management and the management of the company have been conducted in 2016, related to the demand for clean water to the employee's housing. Previously there was a drilled well for bathing / washing but not worth consuming. It is proposed to have clean water for cooking. The company has approved and has provided large water tanks at 6 points.</p>	
<p>Gender committee</p> <ul style="list-style-type: none"> • Organizational structure of Indrasakti estate Committee: chairman of the period 2013 – present. • Annual program: health pos, socialization of sexual harassment prevention, weekly recitation, skill course. • Cases of Domestic Violence / Sexual Harassment: Lastly in 2014 there is a case between school bus drivers and junior high school students. The case has been completed with the reporting mechanism of the parent-PRISMA / mother-company mother-manager group-called the mutation process from the driver to the workshop and moving to the transport part of the FFB. Settlement with familial process. • No cases of family violence • Whistblower system is available. 	<p>There is no negative issue from the gender committee. CH has shown compliance with criteria 6.9</p>

Issue for Stakeholders	Auditor Verification
<ul style="list-style-type: none"> In June 2017 there was a socialization of sexual harassment prevention in the employee's hall, and a recitation to the employee housewife mother. Documentation is in the RSPO archive section (RSPO assistant). There are creche facility in Indrasakti estate. Reproductive protection : routine examination by health personnel. Maternity leave / menstrual leave: present. If anyone is pregnant will report to the health worker. Until now there has been no reporting. No female worker rights / discrimination rights. Facilities from the company: the provision of space and accommodation from the company. Health facility I accident insurance at Muizah clinic, Pangakalan Kasai Belinas village, Seberidah Inhul District. Health facility I health insurance at <i>Puskesmas Pangkalan Kasai</i>. 	
<p>Local Contractor of Hardening Road (CV Novela)</p> <ul style="list-style-type: none"> The CH is open in engaging local contractors for the CH's project, subject to project availability and contractor capabilities. In the preparation of the agreement, it has been transparent and open in negotiating the price of work. The contents of agreement cover aspects of payment pricing, payment mechanism and timing, complaints handling and dispute settlement. The agreement has included provisions on aspects of environmental management and OSH implementation. Currently project is pending regarding mining license has not been issued yet, so there has been no payment of the project. Obstacles in the field are the provisions of the driver to absent the incoming and outgoing trucks, the contractor undertakes that although there is no provision in the agreement, but becomes a constraint if the driver not present, the replacement driver must be fingerprint registration. 	<p>There is no negative issue from the stakeholder. CH has shown compliance with criteria 6.10 and 6.11.</p>
<p>Cooperative Employee "Usaha Mega Bersama"</p> <ul style="list-style-type: none"> The latest cooperative deed: there is a new one in 2017. Deed from a notary with a change from the co-operative office if you have to use notarial deed. Management period: 2016-2019. Chairman : Rudi Hartono Vice Chairman : Sujaka Secretary : Roy Purwanto Supervisor : Baharudin (employee) and Factory Manager. Last annual member meeting of 2016 implemented in 2017. This activities are no later than the third month of the following year. Real activity : 0% interest rate savings with 10 months repayment period, maximum loan of 3 million, and for now this type of business increases for the sale of staple food (from March 2017). Number of members: 87 active members from mill workers. Currently the membership is still from the mill while for the estate are progress. There is coordination with cooperative agency one for 3 months. If there is a request from the unit then there will be coaching or invitation for agency. Membership fee : principal fee IDR 300 thousand, monthly fee Rp 50.000, - directly deducted salary. 	<p>There is no negative issue from the stakeholder. CH has shown compliance with criteria 6.5 and 6.11.</p>

Issue for Stakeholders	Auditor Verification
<ul style="list-style-type: none">• In annual member meetings carried out several agendas such as the distribution of the remaining results of operations, report of asset, financial must be sent and reported to the cooperative office.• Cooperative membership is voluntary.• Policies on establishing cooperatives: exist in the CLA.	

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Sign-off of Assessment Findings

Hereunder sign by management representative from inspected company and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.


Signed on behalf of:

PT. Ivomas Tunggal
Management Representative



Ismu Zulfikar
10 October 2017

Mutuagung Lestari
Lead Auditor



Ardiansyah
10 October 2017

APPENDICES

Appendix 1. List of Stakeholder Contacted in the RSP0 Certification Process

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Environmental Agency, of District Indragiri Hulu	Indragiri Hulu Regency	-	Interview	September 26, 2017	√	
2	Department of Agriculture and Fisheries Regency, Sector Plantation of District Indragiri Hulu	Indragiri Hulu Regency	-	Interview	September 26, 2017	√	
3	National Land Agency, of District Indragiri Hulu	Indragiri Hulu Regency	-	Interview	September 26, 2017	√	
4	Manpower and Transmigration Agency, of District Indragiri Hulu	Indragiri Hulu Regency	-	Interview	September 26, 2017	√	
5	Talang Sukamaju Village	Indragiri Hulu Regency	-	Interview	September 26, 2017	√	
6	Kuala Gading Village	Indragiri Hulu Regency	-	Interview	September 26, 2017	√	
7	Bandar Padang Village	Indragiri Hulu Regency	-	Interview	September 26, 2017	√	
8	CV. Aido (FFB Transport/ Local Contractor)	Indragiri Hulu Regency	-	Interview	September 26, 2017	√	
9	Labor Union of Indrasakti Estate PT. Meganusa Inti Sawit	Indragiri Hulu Regency	-	Interview	September 26, 2017	√	
10	Labor Union of Indrasakti Mill PT. Buana Wiralestari Mas	Indragiri Hulu Regency	-	Interview	September 26, 2017	√	
11	Gender Committee	Indragiri Hulu Regency	-	Interview	September 26, 2017	√	
12	Employee Cooperative "Usaha Mega Bersama"	Indragiri Hulu Regency	-	Interview	September 26, 2017	√	
13	Local contractor (CV Novela)	Indragiri Hulu Regency	-	Interview	September 26, 2017	√	
14	Jikalahari	Pekanbaru, Riau Province	jikalahari@indo.net.id ; secretariat@jikalahari.org	Questioner by email	September 19, 2017		√
15	WWF	Jakarta	www.wwf.or.id	Questioner by email	September 19, 2017		√
16	Indrasakti Mill: <ul style="list-style-type: none"> • 1 WTP operator • 1 WWTP operator • 2 warehouse officer • 1 workshop officer • 3 security • 1 weighbridge operator • 2 sorter • 1 sterilizer operator • 1 boilerman • 2 laboratorium workers • 2 incenerator workers 	Indragiri Hulu Regency	-	Interview	September 27, 2017	√	
17	Indrasakti Estate: <ul style="list-style-type: none"> • 3 fire fighter workers 	Indragiri Hulu Regency	-	Interview	September 27, 2017	√	

	<ul style="list-style-type: none"> • 2 harvester • 1 LA operator • 2 spray workers • 2 road maintenance workers • 3 transport workers • 1 staff research • 1 store keeper • 2 workshop workers • 2 hazardous waste operators • 2 paramedic • 1 generator operator 						
18	KUD Rahayu Makmur <ul style="list-style-type: none"> • 1 harvester • 2 land owners • 3 board cooperative 	Indragiri Hulu Regency	-	Interview	September 28, 2017	√	
19	KUD Harapan Maju <ul style="list-style-type: none"> • 5 harvester • 7 land owners • 3 board cooperative 	Indragiri Hulu Regency	-	Interview	September 28, 2017	√	
20	KUD Sumber Rezeki <ul style="list-style-type: none"> • 2 harvester • 3 board cooperative 	Indragiri Hulu Regency	-	Interview	September 29, 2017	√	
21	KUD Manunggal <ul style="list-style-type: none"> • 4 harvester • 4 board cooperative • 8 land owners 	Indragiri Hulu Regency	-	Interview	September 29, 2017	√	

Appendix 2. Assessment Program

DATE	25 to 30 September 2017	
PLANNED TIM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 25 September 2017		
06.00 – 08.00	Traveling from Jakarta to Riau.	ARD/ AFS/ DHT/ RPJ/ SSM
08.30 – 15.00	Travelling from Riau Airport to PT Meganusa Intisawit.	ARD/ AFS/ DHT/ RPJ/ SSM
15.30 – 16.30	Opening Meeting:	ARD/ AFS/ DHT/ RPJ/ SSM
	<ul style="list-style-type: none"> • Auditee Speech (Introduction of PIC, Profile of Mill and Estates Management Unit). • Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Determine of Field Visit Audit, Transparency and Confidentiality Clarification). 	
14.30 -17.00	<ul style="list-style-type: none"> • Review of Previous Visit Non-conformance (ASA 03), Partial & Time Bound Plan verification. • Document Verification: <ul style="list-style-type: none"> - Basic Information - Legal Demarcation Aspect (Inspection of Legal Boundary Stones, Community Buffer Area/Enclave) - SCCS - Agronomy (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) - Occupational Health & Safety Aspect (PPE Used in Harvest, Manure & Pesticide Application) and Worker Welfare. - Worker's Facilities Aspect (Housing, Daycare, Sports Facilities, Employees Meeting Hall, Sanitary Facilities) & Fire Control Facilities, Waste Management) - Environmental/Conservation Aspect (Inspection of HCV Identified Area, Riparian/Waterways Zone, Reservoir, Forest Area, Peat Area (Water management, etc), Chemical Storage, Fertilizer Storage, Hazardous Waste Storage. 	ARD/ AFS/ DHT/ RPJ/ SSM
Tuesday, 26 September 2017		
08.00 – 12.00	<ul style="list-style-type: none"> • Public consultation to Government Agency. • Public consultation to surrounding communities & local contractor (if any). • Public consultation to internal stakeholder (worker union, gender committee, cooperation) & contractor 	RPJ ARD/ AFS DHT/ SSM
12.00 – 14.00	Break	ARD/ AFS/ DHT/ RPJ/ SSM
14.00 – 17.00	Continue of public consultation and document review	ARD/ AFS/ DHT/ RPJ/ SSM
Wednesday, 27 September 2017		
08.00 - 12.00	Field Observation at Indra Sakti Estate:	ARD/ AFS/ DHT/ RPJ/ SSM
	<ul style="list-style-type: none"> • Activities of Harvesting & Transportation, Fertilize, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application • Landfill, Fire Control Facilities (simulation), Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, workshop • Housing, School, Worship Place, Clinic, generator room, Reservoir • Land Use, Legal Boundaries, HCV/ conservation area 	SSM/ AFS RPJ
12.00 -14.00	Break.	DHT ARD ARD/ AFS/ DHT/ RPJ/ SSM
14.00 -17.00	Field Observation to Indrasakti POM:	ARD/ AFS/ DHT/ RPJ/ SSM
	<ul style="list-style-type: none"> • Security post, WB, loading ramp, laboratorium • Processing station, engine room, boiler, workshop, Hydrant simulation • Housing, health clinic, clean water, etc • Drainage, solid waste, Hazardous storage, Hazardous Waste Storage, POME + Land Application. • SCCS 	SSM DHT RPJ ARD

DATE	25 to 30 September 2017	
PLANNED TIM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	Clarification of Field Observation & Completing of Check List.	
Thursday, 28 September 2017		
08.00-12.00	Field Observation to Indragiri Plasma (KUD Rahayu Makmur dan KUD Harapan Maju): <ul style="list-style-type: none"> • Implementation of Agronomy Aspect (Harvesting & Transportation, Fertilize, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) & Implementation of Occupational Health & Safety Aspect. • Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance). • Implementation of Environmental, Conservation and Waste Management Aspect (Domestic Waste Management, Fire Control Facilities). • Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV Area and Stakeholder Consultation to Community Surround. 	ARD/ AFS/ DHT/ RPJ/ SSM AFS/ SSM FLI RPJ ARD
12.00 -14.00	Break.	ARD/ AFS/ DHT/ RPJ/ SSM
14.00 -17.00	Clarification of Field Observation & Completing of Check List.	ARD/ AFS/ DHT/ RPJ/ SSM
Friday, 29 September 2017		
08.00 – 12.00	Field Observation to Indrasakti Plasma (KUD Sumber Rejeki dan KUD Manunggal): <ul style="list-style-type: none"> • Implementation of Agronomy Aspect (Harvesting & Transportation, Fertilize, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) & Implementation of Occupational Health & Safety Aspect. • Implementation of Social Aspect (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance). • Implementation of Environmental, Conservation and Waste Management Aspect (Domestic Waste Management, Fire Control Facilities). • Implementation of Legal Aspect (Land Ownership, Legal Boundaries), HCV Area and Stakeholder Consultation to Community Surround. 	ARD/ AFS/ DHT/ RPJ/ SSM SSM / DHT AFS RPJ ARD
12.00 -14.00	Break.	ARD/ AFS/ DHT/ RPJ/ SSM
14.00 -17.00	Clarification of Field Observation & Completing of Check List.	ARD/ AFS/ DHT/ RPJ/ SSM
Saturday, 29 July 2017		
08.00 – 10.00	Closing Meeting.	ARD/ AFS/ DHT/ RPJ/ SSM
10.00 – 14.00	Travel from PT Ivomas Tunggal to Riau Airport.	ARD/ AFS/ DHT/ RPJ/ SSM
19.00 – 20.45	Travel from Riau Airport to Jakarta.	ARD/ AFS/ DHT/ RPJ/ SSM