

**RSPO PRINCIPLE AND CRITERIA  
– 2<sup>nd</sup> ANNUAL SURVEILLANCE ASSESSMENT  
Public Summary Report**

<b>PT. Inti Indosawit Subur</b>
Client company Address: <b>Jl. M.H. Thamrin No.31 Jakarta 10230 Indonesia</b>
Certification Unit: Buatan II Palm Oil Mill  Location of Certification Unit: Siak Regency and Pelalawan Regency, Riau Province, Indonesia

<b>TABLE of CONTENTS</b>	<b>Page No</b>
Section 1: Scope of the Certification Assessment.....	3
1. Company Details.....	3
2. Certification Information .....	3
3. Location(s) of Mill & Supply Bases.....	3
4. Description of Supply Base.....	4
5. Plantings & Cycle .....	4
6. Certified Tonnage of FFB (Own Certified Scope) .....	5
7. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable .....	5
8. Certified Tonnage .....	5
Section 2: Assessment Process.....	6
1. Assessment Program.....	7
Section 3: Assessment Findings.....	9
3.1 Details of audit results are provided in the following Appendix: .....	9
3.2 Progress against Time Bound Plan .....	9
3.3 Details of findings .....	10
3.3.1 Status of Nonconformities Previously Identified and Observations .....	25
3.3.2 Summary of the Nonconformities and Status .....	42
Assessment Conclusion and Recommendation: .....	44
Acknowledgement of Assessment Findings .....	44
Appendix A: Summary of Findings <i>shall be replace with the appropriate checklist used for assessment</i> .....	45
Appendix B: Approved Time Bound Plan.....	174
Appendix C: Certification Unit RSPO Certificate Details.....	176
Appendix D: Assessment Plan .....	177
Appendix E: Stakeholders Contacted.....	181
Appendix F: CPO Mill Supply Chain Assessment Report (Module <i>insert which module - CPO Mills: insert module name</i> ) .....	182
Appendix G: Location Map of Certification Unit and Supply bases .....	187
Appendix H: Estate Field Map .....	189
Appendix I: List of Smallholder Sampled .....	190
Appendix J: List of Abbreviations Used.....	191

## Section 1: Scope of the Certification Assessment

1. Company Details			
<b>RSPO Membership Number</b>	1-0022-06-000-00	<b>Date</b>	6 February 2006
<b>Company Name</b>	PT. Inti Indosawit Subur – Buatan II Palm Oil Mill		
<b>Address</b>	Jl. M.H Thamrin No.31, Jakarta – 10230, Indonesia		
<b>Subsidiary of (if applicable)</b>	PT. Inti Indosawit Subur		
<b>Contact Name</b>	Mr. Putu Grhyate Yonata Aksa		
<b>Website</b>	<a href="http://www.asianagri.com">www.asianagri.com</a>	<b>E-mail</b>	<a href="mailto:Putu_Aksa@asianagri.com">Putu_Aksa@asianagri.com</a>
<b>Telephone</b>	+62 21 230 1119	<b>Facsimile</b>	+62 21 230 1120

2. Certification Information			
<b>Certificate Number</b>	RSPO 638947	<b>Date</b>	16/09/2010
<b>Scope of Certification</b>	Production of CPO and PK in Buatan II palm oil mill with one (1) company-owned plantation and nine (9) cooperatives of scheme smallholders.		
Other Certifications			
<b>Certificate Number</b>	Standard(s)	Certificate Issued by	Expiry Date
<b>ID05/65250</b>	ISO 14001:2004	SGS	10 June 2018
<b>EU-ISCC-Cert-DE100-20422017</b>	ISCC EU	SGS	1 February 2018

3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Buatan II Palm Oil Mill	Delik Village and Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau Province	101° 52' 08" E	0° 27' 24" S
Buatan Estate	Delik Village and Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau Province	101° 49' 06" E - 101° 53' 05" E	0° 25' 46" S - 0° 30' 37" S
KUD Mulus Rahayu	Delima Jaya Village, Kerinci Kanan District, Siak Regency, Riau Province	101° 49' 27.4" E	00° 30' 37.6" S
KUD Bhirawa Bhakti	Buana Bhakti Village, Kerinci Kanan District, Siak Regency, Riau Province	101° 47' 24.7" E	00° 31' 20.1" S
KUD Tani Rukun	Simpang Perak Jaya Village, Kerinci Kanan District, Siak Regency, Riau Province	101° 54' 03.2 E	00° 27' 03.2" S

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

KUD Kebun Sawit Harapan	Gabung Makmur Village, Kerinci Kanan District, Siak Regency, Riau Province	101° 54' 36.7" E	00° 29' 10.9" S
KUD Buatan Jaya	Jatimulya Village, Kerinci Kanan District, Siak Regency, Riau Province	101° 53' 53" E	00° 31' 06.8" S
KUD Mitra Usaha	Buatan Baru Village, Kerinci Kanan District, Siak Regency, Riau Province	101° 52' 56.1" E	00° 32' 02.1" S
KUD Makarti Sawit	Buana Makmur Village, Kerinci Kanan District, Siak Regency, Riau Province	101° 51' 56.6" E	00° 37' 13.7" S
KUD Bina Mulia	Suka Mulia Village, Kerinci Kanan District, Siak Regency, Riau Province	101° 55' 25.6" E	00° 35' 08.0" S
KUD Delima Sakti	Kerinci Kanan, Pangkalan Kerinci, Dayun District, Siak & Pelalawan Regency, Riau Province.	101° 57' 29.0" E	00° 27' 08.0" S

#### 4. Description of Supply Base

Estate	Mature (ha)	Immature (ha)	Total Planted (ha)	Infrastructure & Other (ha)	HCV (Ha)	Total Hectarage	% of Planted	
Buatan Estate*	2,396	1,110	3,506	134	35.40**)	3,640	96.32	
KUD Mulus Rahayu	392	310	702	0	0	702	100	
KUD Bhirawa Bhakti	984	0	984	0		984	100	
KUD Tani Rukun	962	0	962	0		962	100	
KUD Kebun Sawit Harapan	800	0	800	0		800	100	
KUD Buatan Jaya	860	0	860	0		860	100	
KUD Mitra Usaha	1,200	0	1,200	0		1,200	100	
KUD Makarti Sawit	800	0	800	0		800	100	
KUD Bina Mulia	872	0	872	0		872	100	
KUD Delima Sakti	1,490	0	1,490	0		1,490	100	
<b>TOTAL</b>	<b>10,756</b>	<b>1,420</b>	<b>12,176</b>	<b>134</b>		<b>35.40**)</b>	<b>12,310</b>	<b>98.91</b>

\*) Only Buatan Estate, Division IV, V, VI and 190 ha of Division III were supplied FFB to Buatan II Palm Oil Mill.

\*\*\*) HCV areas are include in planted area.

#### 5. Plantings & Cycle

Estate	Age (Years)					Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (Sept 2016 – Aug 2017)	Actual (Sept 2016 – Aug 2017)	Forecast (Sept 2017 – Aug 2018)
Buatan Estate*	1,110	0	0	516	1,880	58,498	72,742	47,346

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

KUD Mulus Rahayu	310	0	0	4	388	5,678	5,871	4,613
KUD Bhirawa Bhakti	0	0	0	176	808	17,035	18,568	13,839
KUD Tani Rukun	0	0	0	962	0	22,711	17,998	18,450
KUD Kebun Sawit Harapan	0	0	0	800	0	18,927	14,998	15,374
KUD Buatan Jaya	0	0	0	860	0	20,825	16,134	16,918
KUD Mitra Usaha	0	0	0	560	640	30,420	22,803	24,712
KUD Makarti Sawit	0	0	0	800	0	17,591	15,008	14,290
KUD Bina Mulia	0	0	0	872	0	19,441	16,335	15,793
KUD Delima Sakti (KKPA)	0	0	1,373	117	0	28,924	28,664	29,400
<b>TOTAL</b>	<b>1,420</b>	<b>0</b>	<b>1,373</b>	<b>5,667</b>	<b>3,716</b>	<b>240,050</b>	<b>229,121</b>	<b>200,735</b>

*\*) Only Buatan Estate, Division IV, V, VI and 190 ha of Division III were supplied FFB to Buatan II Palm Oil Mill.*

<b>6. Certified Tonnage of FFB (Own Certified Scope)</b>			
Estate	Tonnage / year		
	Estimated (Sept 2016 – Aug 2017)	Actual (Sept 2016 – Aug 2017)	Forecast (Sept 2017 – Aug 2018)
Buatan Estate	58,498	72,742	47,346
Buatan KKPA	28,924	28,664	29,400
Buatan Plasma	152,628	127,715	123,989
<b>Total</b>	<b>240,050</b>	<b>229,121</b>	<b>200,735</b>

<b>7. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable</b>			
Independent FFB Supplier	Tonnage / year		
	Estimated (Sept 2016 – Aug 2017)	Actual (Sept 2016 – Aug 2017)	Forecast (Sept 2017 – Aug 2018)
FFB Supplier A	<b>75,000</b>	<b>85,204</b>	<b>109,790</b>
FFB Supplier B			
FFB Supplier C			
FFB Supplier D			
FFB Supplier E			

<b>8. Certified Tonnage</b>									
Mill	Estimated (Sept 2016 – Aug 2017)			Actual (Sept 2016 – Aug 2017)			Forecast (Sept 2017 – Aug 2018)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK

Buatan II	240,050	47,515	12,597	229,121	44,436	12,041	200,735	39,733	10,534
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## Section 2: Assessment Process

### Certification Body:

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

### Assessment Methodology, Programme, Site Visits

The on-site annual surveillance assessment #2 was conducted from 4 to 9 September 2017. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The Major NC close out on-site assessment was conducted on 9 – 10 October 2017. The audit programmes are included as Appendix D.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO Principles & Criteria Indonesia National Interpretation 2016 and RSPO Supply Chain Certification Standard 2014 were used to guide the collection of information to assess compliance in Buatan Estate, Buatan Plasma (Scheme Smallholder) and Buatan II Palm Oil Mill.

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

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each

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

meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

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

The previous nonconformities are remains closed, except for Minor NCR #1357970N1 is escalated to Major NCR. The assessment findings for the 2<sup>nd</sup> annual assessment are detailed in Section 3.3.

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

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

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

<b>1. Assessment Program</b>					
<b>Name (Mill / Supply Base)</b>	<b>Year 1 (Certification)</b>	<b>Year 2 (ASA 1)</b>	<b>Year 3 (ASA 2)</b>	<b>Year 4 (ASA 4)</b>	<b>Year 5 (ASA 5)</b>
Buatan II POM	x	x	x	x	x
Buatan Estate	x	x	x	x	x
KUD Mulus Rahayu	x			x	
KUD Bhirawa Bhakti		x			
KUD Tani Rukun				x	x
KUD Kebun Sawit Harapan		x	x		
KUD Buatan Jaya			x		
KUD Mitra Usaha			x		x
KUD Makarti Jaya	x			x	
KUD Bina Mulia		x			x
KUD Delima Sakti (KKPA)	x	x	x	x	x

**Tentative Date of Next Visit: July 23, 2018 - July 28, 2018**

**Total No. of Mandays: 30**

**BSI Assessment Team:**

**Eko Purwanto – Lead Assessor**

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

He graduated as Bachelor of Forestry from Forest Conservation Department, Faculty of Forestry, Bogor Agricultural University (IPB) in 2001. He owned working experience at Oil Palm Plantation in East Kalimantan since 2003 to 2012, the last position was Estate Manager. He has implemented good agricultural practice including integrated pest management and limited pesticides uses. He has been trained for lead auditor of RSPO P&C (2013), ISO 9001:2008 (2012), ISO 14001:2004 (2013), ISPO (2012) and RSPO SCC (2012). He has also completed training course of ISO 14001 (2012), Minaut (Oil and Automotive) Indonesia (2011) and Introduction to HCV Toolkit HCV (2011). Since October 2012 he has been involved in quality (ISO 9001) management system audits for very broad industrial and involved in Indonesia Sustainable Palm Oil (ISPO) and RSPO P&C audit for several plantations and mills, also RSPO Supply Chain audit for several KCP, Bulking and Refinery.

**Aswan Hasibuan – Team Member**

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

**Edy Widodo – Team Member**

He graduated as bachelor of the Faculty of Agriculture, Department of Agricultural Technology, University of Padjadjaran, Bandung. Earlier he worked as an Assistant Estates Manager in PT SMART Tbk. (1999 to 2005). He joined SAI Global in 2013 as a Lead Auditor for ISO 9001: 2008. He has working experience in the industrial sector and audit Plantation, and also the processing industry and agricultural mechanization. He is also the ISPO auditor who has obtained a certificate from the ISPO Commission, Ministry of Agriculture of Indonesia, on February 2013. He had got a certificate of training on Understanding ISO 14001: 2004 & Auditing ISO 14001: 2004 in 2013. He also had joined internal RSPO P&C training (2013).

**Mujinius Jalaraya – Team Member**

Bachelor degree from Faculty of Forestry, Bogor Agricultural University (IPB) in 2008, Majoring in Forest Resources Conservation. He has a working experience in palm oil plantations as SHE Assistant at PT. Astra Agro Lestari Tbk in 2008 – 2012, as Supervisor Sustainability at Teladan Prima Group in 2012 – 2014 and as Auditor at SAI Global in April 2014 – August 2016. He joined at PT BSI Group Indonesia since September 2016 as Auditor ISO, ISPO and RSPO. Various training has followed, such as: OHS Expert/Ahli K3 Umum Training (2010), Training for Trainers (2013), HCV Assessor Training (2013), Lead Auditor ISO 9001: 2008 Training (2014), Lead Auditor ISPO Training (2014), Lead Auditor RSPO Training (2014), Lead Auditor RSPO SCCS Training (2015), Lead Auditor ISO 14001:2004 Training (2015), etc. He has much experience in implementation of quality management system, environmental and OHS management system, ISPO and RSPO in the company and much involved in audit of the system. During work at SAI Global and PT. BSI Group Indonesia he has had experience for audit ISO 9001: 2008 in various industries and services company, audit RSPO and ISPO in palm oil mill and plantation companies.

**Nanang Mualib – Team Member**

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



**Accompanying Persons: None**

### Section 3: Assessment Findings

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

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

#### 3.2 Progress against Time Bound Plan

Time Bound Plan		
Requirement	Remarks	Compliance
<b>Summary of the Time Bound Plan</b>		
Does the plan include all subsidiaries, estates and mills?	PT. Inti Indosawit Subur has explained the certification plan for all of its subsidiaries; indicating all palm oil mills, company-owned estates and scheme smallholder as the supply base.	Comply
Is the time bound plan challenging?  <ul style="list-style-type: none"> <li>• Age of plantations.</li> <li>• Location.</li> <li>• POM development</li> <li>• Infrastructure.</li> <li>• Compliance with applicable law.</li> </ul>	The time bound plan is challenging. PT. Inti Indosawit Subur demonstrate progress overtime.  The age of plantation was generally mature. All of plantation has been incorporated with palm oil mill to process the FFB produced.  The location of plantation was covering three provinces in Sumatera Utara Province, Riau Province and Jambi Province – Indonesia.	Comply
Have there been any changes since the last audit? Are they justified?	No changes.	Comply
If there have been changes, what circumstances have occurred?	No changes.	Comply
Have there been any stakeholder comments?	No, there have not.	Comply
Have there been any newly acquired subsidiaries?	There are no newly acquired subsidiaries.	Comply
Have there been any isolated lapses in implementation of the plan?	No isolated lapses. Company managed to demonstrate commitment to certify all of palm oil mill and supply base.	Comply
<b>Un-Certified Units or Holdings</b>		
Did the company conduct an internal audit? If so, has	Yes. PT. Inti Indosawit Subur – Buatan II POM	Comply

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

a positive assurance statement been produced?	conducted internal audit.	
No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	In area where BSI conducted audit, there are no replacement/conversion of primary forest after November 2005.	Comply
Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	There is no new planting after January 1 <sup>st</sup> , 2010.	Comply
Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	No more land compensation.	Comply
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	No labor dispute noted. This was based on stakeholder interview with worker union in each company. In addition, audit team found the same based on stakeholder interview with "Dinas Tenaga Kerja" on each regency audited.	Comply
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Yes. PT. Inti Indosawit Subur – Buatan II POM conducted internal audit.	Comply
Any Legal non- compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	PT. Inti Indosawit Subur – Buatan II POM having its supply base, KKPA Buatan, in process to obtain the land title.	Comply

### 3.3 Details of findings

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

During the 2<sup>nd</sup> Annual Surveillance Assessment there were seven (7) Major & two (2) Minor nonconformities raised. The PT Inti Indosawit Subur – Buatan II POM submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Major Nonconformity(ies) has been verified for its effectiveness and closed accordingly.

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1	<p><b>Requirements:</b>  <b>1514555-201708-M1</b>  <b>RSPO P&amp;C INA NI 2016 Indicator 2.1.1</b>                      Evidence of compliance with relevant legal requirements shall be available.</p>	Major
	<p><b>Evidence of Nonconformity:</b>                      Based on interview and verification on PHL employment documents in Buatan Estate, it was found that there are 5 PHL workers which exceed 21 working days in last 3 month, according to the Permenaker No.100/2004 article 4-5 they have to be promoted as permanent worker.</p>	
	<p><b>Statement of Nonconformity:</b>                      Based on interview and document verification in Buatan Estate, it was found non-compliance against Permenaker No.100/2004 article 4-5 regarding "Ketentuan Pelaksanaan Perjanjian Kerja Waktu Tertentu".</p>	
	<p><b>Corrections:</b>                      Establish a permanent employee appointment program at the site (Buatan Estate)</p>	
	<p><b>Root Cause Analysis:</b>                      The proposal of appointment for permanent employees have been submitted, however it has not been approved.</p>	
	<p><b>Corrective Actions:</b>                      The Company has made a program to propose/promote of PHL or temporary workers who employed by the company with working days more than 20 consecutive days for 3 months to become SKU or permanent workers . This is described in the Memorandum issued by Estate Manager Number: 806/EST-KBN/MEMO/09/17 dated 15 September 2017.                      The appointment program is adjusted by considering the quota that has been determined by the management.                      Currently there are 694 PHL workers working in PT Inti Indosawit Subur Buatan Estate, the company has made the promotion program to become SKU as follows:                      2018: 95 workers                      2019: 76 workers                      2020: 76 workers                      2021: 73 workers                      2022: 80 workers                      Total 400 PHL/temporary workers to be promoted as SKU/permanent workers.                      The company also makes monitoring of PHL's working days, for PHL workers to be prioritized for in-routine work on a daily basis such as plantation up keep:</p>	

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

	<p>fertilization, spraying, and gardener work in housing.          For the year 2017 Buatan Estate has been promoted 5 employees PHL to be appointed as SKU workers based on the Memorandum Estate manager No. 639/ES-KBN/MEMO/08/17 dated 7 August 2017.</p>	
	<p><b>Assessment Conclusion:</b>          The Major NCR is closed on 10 October 2017</p>	
<b>Non-Conformity</b>		
NCR #	Description	Category (Major / Minor)
2	<p><b>Requirements:</b>  <b>1514555-201708-M2</b>  <b>RSPO INA NI 2016 indicator 2.1.3</b>          A mechanism for ensuring compliance shall be implemented</p> <p><b>Evidence of Nonconformity:</b>          Company has not identified and evaluated a number of relevant regulations, which found in the previous non conformity:          - Undang-undang No.39 tahun 2014 tentang Perkebunan;          - Peraturan Pemerintah No.101 tahun 2014 tentang Pengelolaan Limbah B3;          In addition found some relevant legal requirement were not evaluated, such as:          - Permenaker No.609 year 2012, regarding Guidance of Completion Occupational Accident and Disease Case.          - Keputusan President No.7 year 2006 regarding Ratification of the UN Convention Against Corruption.          - Keputusan President No. 8 year 2010 regarding Prevention and Eradication of Money Laundry.          - Presidential Instruction No.1 year 2013 regarding Action for Corruption Prevention and Eradication</p> <p><b>Statement of Nonconformity:</b>          A number of laws and regulation have not been included and evaluated in the list of relevant regulations.          This finding has been identified as minor NC in previous annual surveillance assessment, so it is escalated to Major NC in this annual surveillance assessment.</p> <p><b>Corrections:</b>          PT Inti Indosawit Subur Pekanbaru Regional Office conducted coordination with related agencies and updates all regulations that relevant to oil palm plantations and palm oil mill to be complied with by each unit.</p> <p><b>Root Cause Analysis:</b>          The Regulations has never been socialized to the company by the relevant Agencies.</p> <p><b>Corrective Actions:</b>          The Company has made revisions and updates regarding the evaluation of the compliance of regulations on 1 October, 2017. In the evaluation documents</p>	<b>Major</b>

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

	<p>have been included related to the compliance of regulations:</p> <ul style="list-style-type: none"> <li>- Undang-undang No.39 tahun 2014 tentang Perkebunan;</li> <li>- Peraturan Pemerintah No.101 tahun 2014 tentang Pengelolaan Limbah B3;</li> </ul> <p>In addition found some relevant legal requirement were evaluated, such as:</p> <ul style="list-style-type: none"> <li>- Permenaker No.609 year 2012, regarding Guidance of Completion Occupational Accident and Disease Case.</li> <li>- Keputusan President No.7 year 2006 regarding Ratification of the UN Convention Against Corruption.</li> <li>- Keputusan President No. 8 year 2010 regarding Prevention and Eradication of Money Laundry.</li> <li>- Presidential Instruction No.1 year 2013 regarding Action for Corruption Prevention and Eradication</li> </ul> <p>In the evaluation of compliance documents can be shown that the company has complied with the provisions stipulated in the regulation. PT Inti Indosawit Subur will conduct review every time there is new regulation during unit management meeting and included in legal compliance evaluation.</p>	
<b>Assessment Conclusion:</b>		
The Major NCR is closed on 10 October 2017		
<b>Non-Conformity</b>		
<b>NCR #</b>	<b>Description</b>	<b>Category (Major / Minor)</b>
3	<p><b>Requirements:</b> <b>1514555-201708-M3</b> <b>RSPO INA NI 2016 indicator 4.1.1</b> Standard Operating Procedures (SOPs) for estates (land clearing to harvesting) and SOP for mills (reception of FFB to dispatch of CPO and PKO) shall be available; Evidence that SOPs are implemented and understood by workers</p> <p><b>Evidence of Nonconformity:</b> During field visit founded that :</p> <p>1. There were loose fruit (berondolan) not picked on palm tree circle. Harvest on 5/9/2017</p> <ul style="list-style-type: none"> <li>- Kavling 3154, hamparan 159, KUD Mitra Usaha; 9 plant</li> <li>- Kavling 3358, hamparan 159, KUD Mitra Usaha;</li> <li>- Kavling 3359, hamparan 159, KUD Mitra Usaha;</li> </ul> <p>Harvest on 5/9/2017</p> <ul style="list-style-type: none"> <li>- Kavling 3611, hamparan 146, KUD Buatan Jaya; 3 plant</li> <li>- Kavling 3610, hamparan 146, KUD Buatan Jaya; 4 plant</li> </ul> <p>Harvest on 4/9/2017</p> <ul style="list-style-type: none"> <li>- Kavling 2792, hamparan 82, KUD Mitra Usaha; 3 plant</li> </ul> <p>2. Midrib preparation is not use the letter "U" as required on best agriculture practices</p>	Major

<ul style="list-style-type: none"> <li>- Kavling 3610, hamparan 146, KUD Buatan Jaya</li> <li>- Kavling 3609, hamparan 146, KUD Buatan Jaya</li> <li>- Kavling 2799, hamparan 82, KUD Mitra Usaha</li> <li>- Kavling 2792, hamparan 82, KUD Mitra Usaha</li> <li>- Kavling 2783, hamparan 82, KUD Mitra Usaha</li> <li>- Kavling 2794, hamparan 82, KUD Mitra Usaha</li> <li>- Kavling 3148, hamparan 159, KUD Mitra Usaha</li> </ul>	
<p><b>Statement of Nonconformity:</b> There is inconsistency in the implementation and monitoring of operations procedure and best agriculture practices.</p>	
<p><b>Corrections:</b></p> <ol style="list-style-type: none"> <li>1. Loose fruit that was found in palm tree circle at:             <ul style="list-style-type: none"> <li>- Kavling 3154, hamparan 159, KUD Mitra Usaha;</li> <li>- Kavling 3358, hamparan 159, KUD Mitra Usaha;</li> <li>- Kavling 3359, hamparan 159, KUD Mitra Usaha;</li> <li>- Kavling 3611, hamparan 146, KUD Buatan Jaya;</li> <li>- Kavling 3610, hamparan 146, KUD Buatan Jaya;</li> <li>- Kavling 2792, hamparan 82, KUD Mitra Usaha;</li> </ul>             were have been picked           </li> <li>2. Midrib preparation at:             <ul style="list-style-type: none"> <li>- Kavling 3610, hamparan 146, KUD Buatan Jaya</li> <li>- Kavling 3609, hamparan 146, KUD Buatan Jaya</li> <li>- Kavling 2799, hamparan 82, KUD Mitra Usaha</li> <li>- Kavling 2792, hamparan 82, KUD Mitra Usaha</li> <li>- Kavling 2783, hamparan 82, KUD Mitra Usaha</li> <li>- Kavling 2794, hamparan 82, KUD Mitra Usaha</li> <li>- Kavling 3148, hamparan 159, KUD Mitra Usaha</li> </ul>             were have been corrected following the Memorandum of Group Manager PT Inti Indosawit Subur – Buatan Group no.09/EST-KBN/MEMO/09/2017 dated 20 September 2017, for flat area is between the palm tree line, whilst letter “U” is only for flatbed area (POME application).           </li> </ol>	
<p><b>Root Cause Analysis:</b></p> <ol style="list-style-type: none"> <li>1. The Farmers were not fully understood that unpicked loose fruit will lead to a reduction in production</li> <li>2. The SOP related to the preparation of midrib (AA-PLASMA-PP-KS-04 “Potong Buah” dated 1 September 2011) is out dated.</li> </ol> <p><b>Corrective Actions:</b></p> <ol style="list-style-type: none"> <li>1. Conducted dissemination to the farmers regarding the loss if they don’t pick up the loose fruit in harvesting module. Dissemination has been conducted on 18 September 2017 for KUD Buatan Jaya and 20 September 2017 for KUD Mitra Usaha.</li> <li>2. Conducted dissemination to the farmers on how to prepare midrib according to Best Agriculture Practices during training of harvesting and pruning. Dissemination is according to Memorandum of Group Manager PT Inti Indosawit Subur – Buatan Group no.09/EST-KBN/MEMO/09/2017 dated 20 September 2017, for flat area is between the palm tree line, whilst letter</li> </ol>	

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

	<p>“U” is only for flatbed area (POME application).</p> <p>3. PT Inti Indosawit Subur – Smallholder has conducted monitoring / checking related to kavling condition regularly, especially harvesting quality. The monitoring was documented in “Monitoring Pemeriksaan Kondisi Kapling” that contain: KUD name, date of checking, kavling number, farmer name, condition of circle, weed, pruning and midrib placement.</p> <p>4. PT Inti Indosawit Subur – Smallholder has documented “Monitoring Teguran Lisan” to record if there was kavling which not comply with the SOP of Agronomy or best agriculture practices. It was recorded that has been given oral warning to farmer of kavling 3748 (Jasiran) on 29 September 2017 and kavling 3799 (Pranesto) on 2 October 2017 because of the bad prooning.</p> <p>5. PT Inti Indosawit Subur – Smallholder has determined decree no.009/ DOK/SOP/PT.IIS-ICS KLB/2016 dated 2 January 2017 which defined that Group Manager will give oral warning if there was farmer which not comply with the SOP of Agronomy. If oral warning is still violated, then it will be given warning letter #1, #2, #3. If until 3rd warning letter is still violated, the manager have the right to remove the farmer from the certification group.</p>	
	<p><b>Assessment Conclusion:</b> The Major NCR is closed on 10 October 2017</p>	
<b>Non-Conformity</b>		
<b>NCR #</b>	<b>Description</b>	<b>Category (Major / Minor)</b>
4	<p><b>Requirements:</b> <b>1514555-201708-M4</b> <b>RSPO P&amp;C INA NI 2016 Indicator 4.7.1</b> Health and safety plan shall be documented and implemented, and its effectiveness monitored.</p> <p><b>Evidence of Nonconformity:</b> - No warning Sign related to noise level in ripple mill area (Kernel Station), furthermore supervisor in the working station does not fully understood noisy level of the area, Operator does not wearing required PPE (ear muff). - Emergency response equipment (Hydrant PBD-04) in threshing station is not completed with Nozzle) and its not easy to access (blocked by signboard and ditch).</p> <p><b>Statement of Nonconformity:</b> Documented health and safety plan not effectively implemented.</p> <p><b>Corrections:</b> - Install noise level notification board in kernel station on 6 September 2017, and operator start to uses respective PPE (ear muff) on 5 September 2017. - Buatan II Palm Oil Mill Conduct local purchasing of hydrant nozzle then installed it to Hydrant PBD-04 on 3 October 2017. Access to hydrant PBD-04 has been repaired by adding a culvert. Purchase receive was available dated 6 September 2017.</p>	<b>Major</b>

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

	<p><b>Root Cause Analysis:</b></p> <ul style="list-style-type: none"> <li>- So far warning only delivered in the form of briefing before starting work</li> <li>- Purchasing has been done, however the Hydrant Nozel has not arrived yet at Buatan II Mill.</li> </ul> <p><b>Corrective Actions:</b></p> <ul style="list-style-type: none"> <li>- Noise level notification board has been installed at kernel station and operators have uses ear muff at the kernel station area. Briefing on the importance of PPE at kernel station conducted during handover of ear muff on 9 Septemeber 2017.</li> <li>- PT Inti Indosawit Subur – Buatan II POM has purchased and installed nozzle to hydrant PBD-04 on 3 October 2017, and access to the area has been repaired by adding a culvert.</li> <li>- PT Inti Indosawit Subur – Buatan II POM has conducted monitoring related PPE completeness and nozzles of each hydrant. It was observed "Checklist Absensi Pemakaian APD" for period October 2017 to check completeness of PPE of operators that conducted daily. Also observed "Daftar Pemeriksaan Kondisi Hydrant PMKS Buatan Dua" as record of hydrant completeness checking that conducted monthly.</li> </ul> <p><b>Assessment Conclusion:</b>  The Major NCR is closed on 10 October 2017</p>	
<b>Non-Conformity</b>		
<b>NCR #</b>	<b>Description</b>	<b>Category (Major / Minor)</b>
5	<p><b>Requirements:</b>  <b>1514555-201708-M5</b>  <b>RSPO P&amp;C INA NI 2016 Indicator 5.3.2</b>  There shall be evidence that all chemicals and their empty containers are disposed of responsibly.</p> <p><b>Evidence of Nonconformity:</b></p> <ul style="list-style-type: none"> <li>- During field audit in workshop Buatan Estate found used oil in final oil trap effluent. It is potential to water contamination.</li> <li>- Based on interview with warehouse workers in Buatan II Mill found that ex contaminated fiber was burn into boiler, however in the procedure stated that ex contaminated fiber treat as hazardous waste. In addition there is no ex contaminated fiber store in the hazardous waste storage Buatan II Mill.</li> </ul> <p><b>Statement of Nonconformity:</b>  Hazardous waste management has not been implemented consistently according to procedure hazardous waste management No.AA-KL-06-EFP and regulation</p>	<b>Major</b>



	<p><b>Corrections:</b></p> <ul style="list-style-type: none"> <li>- Performed cleaning related oil that has not been clean</li> <li>- Conducted socialization regarding used fibers that must be sent to hazardous waste storage.</li> </ul> <p><b>Root Cause Analysis:</b></p> <ul style="list-style-type: none"> <li>- Oil that were found outside the oil trap of traction department was the residue of oil trap cleaning.</li> <li>- No used fibers being burned in the boiler after verification by the related assistant</li> </ul> <p><b>Corrective Actions:</b></p> <ul style="list-style-type: none"> <li>- PT Inti Indosawit Subur has conducted monitoring of used oil using oil collection checklists</li> <li>- PT Inti Indosawit Subur has conducted monitoring in waste balance regarding used fibers / waste that sent to hazardous waste storage.</li> <li>- The Company has made improvements by cleaning the last oil trap compartment from used oil and collecting contaminated fluid in the drum and storing it at Temporary hazardous waste storage "TPS LB3" and then sent to authorized hazardous waste collectors. Evidence of oil trap clearance can be shown in "Checklist Pengecekan Oil Trap PMKS Buatan II". Oil trap checking and cleaning is done every week. The final check was made in October 2017.</li> <li>- The Company has re-disseminated the procedures for handling hazardous waste to the warehouse workers in the Buatan II POM. Hazardous waste from contaminated fibers shall be managed as hazardous waste and stored in temporary hazardous waste storage "TPS LB3". Dissemination to the workers was conducted on 11 September 2017. Evidence of dissemination can be demonstrated. Interview with warehouse workers indicated that they understood regarding hazardous waste handling including contaminated fiber. The company also issued a warning letter to a warehouse worker who disposes of contaminated fiber to a boiler furnace. Warning letter number 001/ST/PBD/09/2017 dated 11 September 2017 to warehouse workers on behalf Medianto Silalahi. The Company has also established a monitoring form for hazardous waste producers, especially contaminated fiber and ensures that the waste produced is sent to temporary hazardous waste storage "TPS LB3". Monitoring is done monthly to monitor the amount of contaminated fiber produced.</li> </ul> <p><b>Assessment Conclusion:</b> The Major NCR is closed on 10 October 2017</p>	
<b>Non-Conformity</b>		
NCR #	Description	Category (Major / Minor)
6	<p><b>Requirements:</b> <b>1514555-201708-M6</b> <b>RSPO P&amp;C INA NI 2016 Indicator 6.9.1</b> A policy to prevent sexual and all other forms of harassment and violence, shall</p>	Major

<p>be documented, implemented and communicated to all levels of the workforce.</p>	
<p><b>Evidence of Nonconformity:</b></p> <ul style="list-style-type: none"> <li>- The leader of "Komite Gender" doesn't understand regarding the work program, term and reference and Procedure / mechanism related to procedure in case of sexual harassment, related to menstruation leave (H1) which has been described in PKB.</li> <li>- During the interview with the workers at the child care, it was found that the women did not understand on gender committee's role and grievance mechanism when reporting (any) case related to sexual harassment.</li> </ul>	
<p><b>Statement of Nonconformity:</b> The gender committee does not understand the term of reference/procedures set by the company.</p>	
<p><b>Corrections:</b></p> <ul style="list-style-type: none"> <li>- PT Inti Indosawit Subur has revised organization structure of gender committee on 7 October 2017. The new leader of gender committee (Mrs. Yusniati) has been given awareness regarding PKB.</li> <li>- Conduct periodic socialization to the leader of gender committee and related Medical Parties regarding menstrual leave and reporting mechanism on sexual harassment.</li> </ul>	
<p><b>Root Cause Analysis:</b></p> <ul style="list-style-type: none"> <li>- The leader of gender committee has been given understanding regarding PKB (joint worker agreement), however her understanding was limited because she was still BHL.</li> <li>- According to the child care worker admission and verification from unit management, the medical team is well informed about the reporting of domestic violence</li> </ul>	
<p><b>Corrective Actions:</b></p> <ul style="list-style-type: none"> <li>- The Company has restructured the Gender Committee organization "Struktur Organisasi Komite Gender PT Inti Indosawit Subur – kebun Buatan Periode 2017 - 2018. Training and awareness related to the programs and procedures of the gender committee have been conducted by the company to the gender committee organization on 7 October 2017.</li> <li>- During audit and interview with the new leader of Gender Committee can be shown that the leader has understood the sexual harassment program and complaints procedure SOP AA-HR-309.01-RO SOP.</li> <li>- The gender committee has also established programs related to employee education regarding women's reproductive rights, prevention of sexual harassment and reporting mechanisms in case of sexual harassment.</li> <li>- PT Inti Indosawit Subur has developed RSPO internal audit program, one of the program is interview the gender committee leader on her understanding regarding menstrual leave and reporting of sexual harassment.</li> </ul>	

	<b>Assessment Conclusion:</b> The Major NCR is closed on 10 October 2017	
<b>Non-Conformity</b>		
NCR #	Description	Category (Major / Minor)
7	<p><b>Requirements:</b> <b>1514555-201708-M7</b> <b>RSPO P&amp;C INA NI 2016 Indicator 6.9.2</b> A policy to protect the reproductive rights, shall be documented, implemented and communicated to all levels of the workforce.</p> <p><b>Evidence of Nonconformity:</b> Based on interviews with medical staff at Asian Agri Sehat and Gender Committee officials stated that every female worker who submits a menstrual leave gets a recommendation from a paramedic / doctor and should rest in the clinic until the end of working hours.</p> <p><b>Statement of Nonconformity:</b> It was found a company policy requiring women workers who apply for menstruation leave have to rest in the clinic until the end of the working hour, causing female workers afraid to apply for menstruation leave.</p> <p><b>Corrections:</b> Established memorandum regarding doctor's policy on menstruation leave.</p> <p><b>Root Cause Analysis:</b> So far rest time has been recommended by doctors or medical officers, however memorandum of doctor's policy regarding recommendations of menstruation leave was not yet available.</p> <p><b>Corrective Actions:</b></p> <ul style="list-style-type: none"> <li>- Company doctor of PT Inti Indosawit Subur has issued Memorandum no.807/ EST-KBN/MEMO/09/17 dated 21 September 2017 regarding Policy of Doctor Recommendation on menstruation leave. The memorandum clearly stated that based on Republic of Indonesia Act 13 year 2003 article 81 verse 1, if there is worker who reports a menstruation sick will be allowed to take leave with one condition she has to conduct checking to the company's paramedic. There no statement in the memorandum mentioning that the worker shall take rest at the clinic during working hour. The memorandum has been disseminated to all female workers on 7 October 2017.</li> <li>- PT Inti Indosawit Subur – Buatan Estate conduct monitoring related to female workers who take menstruation leave.</li> </ul>	<b>Major</b>
	<b>Assessment Conclusion:</b> The Major NCR is closed on 10 October 2017	
<b>Non-Conformity</b>		
NCR	Description	Category

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

#		<b>(Major / Minor)</b>
8	<p><b>Requirements:</b> <b>1514555-201708-N1</b> <b>RSPO P&amp;C INA NI 2016 Indicator 4.7.5</b> A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas; first aid equipment available at worksites</p> <p><b>Evidence of Nonconformity:</b> First aid kit was only brought by Mandor, whilst Mandor coverage area is around 900 – 1,000 Ha.</p> <p><b>Statement of Nonconformity:</b> First aid equipment was not available at worksites.</p> <p><b>Corrections:</b> Conducting simulation (time period study) related to the use of first aid kit</p> <p><b>Root Cause Analysis:</b> Cover area of first aid box was still too wide.</p> <p><b>Corrective Actions:</b> Conducted monitoring on the use of first aid kit.</p> <p><b>Assessment Conclusion:</b> PT. Inti Indosawit Subur – Buatan II POM has submitted corrective action plan, and accepted by audit team. Audit team will review the effectiveness during subsequent assessment visit. <b>Status:</b> Minor NC is open</p>	<b>Minor</b>
<b>Non-Conformity</b>		
<b>NCR #</b>	<b>Description</b>	<b>Category (Major / Minor)</b>
9	<p><b>Requirements:</b> <b>1514555-201708-N2</b> <b>RSPO P&amp;C INA NI 2016 Indicator 6.1.4</b> The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.</p> <p><b>Evidence of Nonconformity:</b> Company has conducted the SIA review in 2016 however the result is not covered the main issue according to Mitigation and management plan of SIA, the reviews only covered the economic condition monitoring of the surrounding community.</p> <p><b>Statement of Nonconformity:</b> Company has conducted SIA on 2009, however there is no proper review has been done according to SIA document in particular Mitigation and management plan review.</p>	<b>Minor</b>

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

	<p><b>Corrections:</b> Make a review and attaching evidence of implementation related to recommendations and suggestions in the SIA report.</p>	
	<p><b>Root Cause Analysis:</b> Mitigation and management plan was not included yet in the SIA review, because the concern is only to the surrounding society.</p>	
	<p><b>Corrective Actions:</b> Cnducted monitoring and review of Social Impact Assessment every 2 years</p>	
	<p><b>Assessment Conclusion:</b> PT. Inti Indosawit Subur – Buatan II POM has submitted corrective action plan, and accepted by audit team. Audit team will review the effectiveness during subsequent assessment visit. <b>Status:</b> Minor NC is open</p>	

Observation	
OBS #	Description
	None

Positive Findings	
PF #	Description
	PT. Inti Indosawit Subur – Buatan II Mill and supply bases demonstrated commitment to prevent and (if necessary) tackle incident related to land and forest fire. Company equipped the fire fighting team with system and fire fighting equipment for land and forest fire.

Issues raised by Stakeholders	
<p>Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss PT Inti Indosawit Subur – Buatan II POM Certification Unit’s environmental and social performance, legal and any known dispute issues.</p>	
<p>Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. These have been incorporated into the assessment findings.</p>	
<p>Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E.</p>	

IS #	Description
<p><b>1</b></p>	<p><b>Issues</b>  <b>Gender Committee PT. Inti Indosawit Subur – Buatan Group</b></p> <ul style="list-style-type: none"> <li>- The leader of "Komite Gender" doesn't understand regarding the work program, term and reference and Procedure / mechanism related to procedure in case of sexual harassment, related to menstruation leave (H1) which has been described in PKB.</li> <li>- All female worker in sprayer team and fertilizer team shall join pregnancy test in company clinic, once a month.</li> <li>- The gender committee has established programs related to employee education regarding women's reproductive rights, prevention of sexual harassment and reporting mechanisms in case of sexual harassment.</li> <li>- There has been no report logged in to committee related to sexual harassment and/or violence.</li> <li>- There is no indication that company practising sexual harassment, no indication of gender discrimination, no indication of human right violation, and forced labour.</li> <li>- Company has implemented the policy related to protection reproductive right; such as not hiring female for work activity with high risk; monthly pregnancy test for sprayer and fertilizer applicator; 6-monthly check up for sprayer and fertilizer applicator.</li> <li>- The status of all female sprayer and fertilizer applicator are permanent worker.</li> <li>- The status for some of manual maintenance worker (majority female) is temporary worker.</li> </ul> <p><b>Management Responses</b></p> <ul style="list-style-type: none"> <li>- Management has restructured the Gender Committee organization "Struktur Organisasi Komite Gender PT Inti Indosawit Subur – kebun Buatan Periode 2017 - 2018. Training and awareness related to the programs and procedures of the gender committee have been conducted by the company to the gender committee organization on 7 October 2017.</li> <li>- Management will strive to continue and improve the positive practices in implementing company commitment towards health and safety, and upholding the human rights.</li> <li>- Management acknowledged the status of temporary worker, and does not implicate in violation of the law. There has been proposal to upgrade the status into permanent worker. Company already conducted assessment and performance evaluation onto temporary workers so that they can be permanent worker. This was done in accordance to company regulation.</li> </ul> <p><b>Audit Team Findings</b></p> <p>Audit team has rose Major NCR regarding gender committee does not understand the term of reference/procedures set by the company. However the company has followed by submitting correction and corrective action. All evidence of correction and corrective action has been reviewed during NCR close out visit. This Major NCR has been closed out in 10 October 2017.</p>
<p><b>2</b></p>	<p><b>Issues</b>  <b>Serikat Pekerja PT. Inti Indosawit Subur – Buatan Group (Worker Union)</b></p> <ul style="list-style-type: none"> <li>- Worker salary has followed minimum wage as lined out by Riau Province government for year 2017.</li> <li>- There is a collective working agreement (PKB) between company and employee.</li> <li>- Meeting with the company is done if there are problems that need to be discussed together</li> <li>- Company has provided all normative rights for employee, such as salary as lined out in minimum wage for province level, leave entitlement, employees registered with social insurance for worker (BPJS), benefit for religious festival, provision of facilities (housing, electricity, clean water, medical clinic, school/school bus, worship house, personal protective equipment, working tools, etc.).</li> <li>- Company has provided regular medical check up for workers in high risk such as sprayer team, fertilizer applicator, workshop worker and mill operators.</li> <li>- Company and employee has agreed to established bi-partite organization to resolve issued related to industrial relationship; the organization has been registered to "Dinas Tenaga Kerja Kabupaten Pelalawan". Meeting between company and employee conducted whenever issues occurred and requires discussion.</li> </ul>

	<ul style="list-style-type: none"> <li>- All operators whose working in specific station has been trained and provided with operator license, such as welding operator, generator set operator, boiler operator, heavy machinery operator, etc.</li> <li>- Company has provided health and safety training and provided first aid kit to field supervisor/mandor.</li> <li>- Company has a policy to prohibit the recruitment of employee under 18 years old, including family worker in all operation.</li> <li>- Company has a policy to protect human rights and prohibit all kind of discrimination of gender. So far there is no report from employee related to discrimination or human right violation.</li> <li>- Company has a policy to protect flora and fauna.</li> <li>- Company does not use migrant worker and prohibit force labour.</li> <li>- Company using worker with temporary status for manual upkeep and nursery.</li> </ul> <p><b>Management Responses</b></p> <ul style="list-style-type: none"> <li>- Management will strive to continue and improve the positive practices in implementing company commitment towards health and safety, and upholding the human rights.</li> <li>- Management acknowledged the status of temporary worker for manual upkeep, beneficial plant maintenance, and Buatan Estate’s nursery. This practice does not implicate in violation of the law as the nature of the work is periodic need. This hiring practice was done in accordance to company and government regulation.</li> </ul> <p><b>Audit Team Findings</b></p> <p>Audit team appreciates the positive feedback from worker union/representative and samples of worker and will continuously review company performance and commitment with regards to health and safety, best management practices, human rights and industrial relationship.</p>
<p><b>3</b></p>	<p><b>Issues</b></p> <p><b>Local contractors</b></p> <ul style="list-style-type: none"> <li>- All local contractors have a working agreement (SPK).</li> <li>- There is no bribery in contractor activities.</li> <li>- The payment upon work made by PT Inti Indosawit Subur is in accordance with working agreement.</li> <li>- Local contractor has understood the content of the contract, which regulates right and obligation for each party. A number of detail has also followed: age of worker, social insurance for contractor worker (BPJS), tax payment, and health and safety requirement.</li> <li>- Contractor said there has never been a meeting between local contractor and company in order to increase/capacity building for contractors.</li> </ul> <p><b>Management Responses</b></p> <ul style="list-style-type: none"> <li>- Company will consider the input and continue to achieve positive output, in cooperation with local contractors.</li> <li>- Company appreciate the contractor feedback with regards to code of conduct in business practices.</li> </ul> <p><b>Audit Team Findings</b></p> <p>Audit team appreciates the positive feedback from local contractors. Audit team will continuously review company performance and commitment with regards to local and community development.</p>
<p><b>4</b></p>	<p><b>Issues</b></p> <p><b>NGO Laskar Anti Korupsi Indonesia (local)</b></p> <ul style="list-style-type: none"> <li>- Company has fairly good communication with stakeholders.</li> <li>- There has been no report/complaint logged in related to negative impact from company operation: pollution, human right violation, including negative impact from replanting activity.</li> <li>- In the past there have been issues related to corporate building licenses (IMB), however the company has shown evidence that all buildings owned have IMB certificate.</li> <li>- No issues related to land disputes</li> </ul> <p><b>Management Responses</b></p> <p>Company acknowledge the comment and always receive input from related stakeholders.</p> <p><b>Audit Team Findings</b></p> <p>Audit team acknowledge the feedback from NGO.</p>



<p><b>5</b></p>	<p><b>Issues</b>  <b>Dinas Perkebunan Kabupaten Pelalawan – Plantation Agency Pelalawan District</b></p> <ul style="list-style-type: none"> <li>- There was issue related to request from community for company to release cemetery land and request for company to release land for marketplace development.</li> <li>- In general the way company communicating with plantation agency is fairly good – need to improve.</li> </ul> <p><b>Management Responses</b></p> <ul style="list-style-type: none"> <li>- Company has never received any information with regards to cemetery land. Company will follow up.</li> <li>- Most of deceased family member was brought back to their home town.</li> </ul> <p><b>Audit Team Findings</b></p> <ul style="list-style-type: none"> <li>- Audit team will continuously review company performance and commitment with regards to fulfillment of report obligation.</li> <li>- Audit team cross-checking with local communities and no information on the matter. Audit team will follow up information related to cemetery during subsequent assessment.</li> </ul>
<p><b>6</b></p>	<p><b>Issues</b>  <b>Dinas Tenaga Kerja Kabupaten Pelalawan – Manpower Agency Pelalawan District</b></p> <ul style="list-style-type: none"> <li>- Company has provided all normative rights for employee, such as salary as lined out in minimum wage for province level, leave entitlement, employees registered with social insurance for worker (BPJS), benefit for religious festival, provision of facilities (housing, electricity, clean water, medical clinic, school/school bus, worship house, personal protective equipment, working tools, etc.).</li> <li>- There was no report/complaint logged in related to discriminative action by company. There was no report/complaint logged in related to the use of child worker/under age worker.</li> <li>- Company has submitted health and safety performance report regularly to the manpower agency.</li> <li>- Company has conducted machinery test in regular basis as per relevant regulation.</li> <li>- Machinery operators have been trained and issued with operator license (SURat Izin Operator/SIO), however, never reporting "Buku Kerja Operator" to manpower agency.</li> <li>- Complaint received from worker union related to medical service provided by "BPJS Kesehatan", in particular medical treatment service from hospital/clinic where no cooperation with BPJS.</li> <li>- There was still an issue related to the use of informal worker (without direct work agreement) for loose fruit collector.</li> <li>- There was once industrial dispute related to employee mutation, which considered as intimidation from company to employee.</li> </ul> <p><b>Management Responses</b></p> <ul style="list-style-type: none"> <li>- Company has cooperation with a number of clinic and hospital, using the platform of BPJS such as Efarina Hospital.</li> <li>- Company acknowledged there was family member requested by the husband (worker) to help in collecting loose fruit. However, company has communicating the policy to the workers that this practices was not recommended.</li> <li>- Mutation of workers has been regulated in Collective work agreement, based on manpower requirement and operational requirement.</li> </ul> <p><b>Audit Team Findings</b></p> <ul style="list-style-type: none"> <li>- Audit team will continuously review company performance and commitment with regards to fulfillment of social insurance obligation.</li> <li>- Audit team has reviewed the case and the collective work agreement. Audit team will continuously review company's performance in industrial relationship and hiring practice.</li> </ul>
<p><b>7</b></p>	<p><b>Issues</b>  <b>Dinas Koperasi Kabupaten Pelalawan – Cooperative Agency Pelalawan District</b></p> <ul style="list-style-type: none"> <li>- Dinas Koperasi is responsible to the organizational and administrative status of cooperatives under its territory.</li> </ul>



	<ul style="list-style-type: none"> <li>- KUDs does have a good organizational structure and administration, as per “Undang-undang No.25 tahun 1992.”</li> <li>- The authority related to KKPA is lies within Dinas Perkebunan (Izin Prinsip, Izin Lokasi, Daftar Calon petani dan Calon Lahan).</li> </ul>
	<p><b>Management Responses</b> Company acknowledge the comment from Cooperative Agency.</p>
	<p><b>Audit Team Findings</b> Audit team acknowledge the feedback from Cooperative Agency and continue to monitor cooperative/smallholder performance.</p>
<b>8</b>	<p><b>Issues</b> <b>Badan Lingkungan Hidup Kabupaten Pelalawan – Environmental Body Pelalawan District</b></p> <ul style="list-style-type: none"> <li>- Company has revised the AMDAL document.</li> <li>- Company has an environmental document related to development of biogas plant and kernel crushing plant.</li> <li>- Replanting activity has been covered in environmental management and monitoring plan.</li> <li>- Company has consistently reporting the environmental management: Laporan RKL-RPL, Laporan Pengelolaan Limbah B3, Laporan Pemanfaatan Limbah Cair.</li> <li>- Inner plastic bag of fertilizer categorised as hazardous waste, because issued with MSDS.</li> </ul>
	<p><b>Management Responses</b> Company acknowledge the comment and always monitoring in environment</p>
	<p><b>Audit Team Findings</b> Audit team acknowledge the comments and will monitor company performance, with regards to handling of inner plastic bag of fertilizer.</p>

### 3.3.1 Status of Nonconformities Previously Identified and Observations

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1	<p><b>Requirements</b> 1357970M1 <b>RSPO P&amp;C Generic 2013 indicator 4.6.5</b> Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p><b>Evidence of Nonconformity</b> According to action plan of Smallholder Office, chemical spraying for all scheme smallholder under Buatan II POM will be handled by PT. Inti Indosawit Subur through company's spraying team. However, observed in field visit at KUD Bhirawa Bhakti, KT 19, the smallholder farmer who conducted spraying by themselves. There was no evidence of consideration regarding safety aspect, appropriate dosage for spraying activities, as well as appropriate control on ex-chemical container.</p>	Major

<p>The worker admitted he only used masker to cover the nose as protective equipment - and nothing else.</p>	
<p><b>Statement of Nonconformity</b> During this annual surveillance assessment, audit team found some of the smallholder performed weed control/spraying themselves. Based on interview with the smallholder farmer, they cannot demonstrate sufficient evidence being provided with adequate training, using appropriate safety and application equipment when performing spraying with gramoxone (active ingredient: paraquat).</p>	
<p><b>Corrective Action</b> Smallholder Manager was able to demonstrate:</p> <ul style="list-style-type: none"> <li>- Buatan II POM and the scheme smallholder management has identified smallholder member that performing spraying themselves in each "Kelompok Tani"/smallholder group;</li> <li>- Buatan II POM and the scheme smallholder management has conducting socialization to smallholder member, including those who had performing spraying themselves; with regards to pest and disease in oil palm plantation, integrated pest management, risk and hazard in application of agrochemical, the use of herbicide for weed control, health and safety concerns during application of herbicide, environmental concerns during application of herbicide, etc.</li> <li>- Buatan II POM and the scheme smallholder management has asked and persuaded the smallholder performing spraying themselves to join PT. Inti Indosawit Subur's plan to use spraying team for the purpose of control on dosage of chemical used, control of equipment used, control of affected target species and weed management program, control the health, safety and environmental aspect during herbicide application. The smallholder management was also explaining the benefit from using company's service such as: proper dosage, concern on health and safety, consideration to environment, safe handling of empty herbicide container.</li> <li>- Buatan II POM and the scheme smallholder management has prepared schedule for "Tim Unit Semprot"/spraying team with weed management program for all smallholder member;</li> <li>- Buatan II POM and the scheme smallholder management has prepared a monitoring plan to control the spraying activities in each "kelompok tani"/smallholder group;</li> </ul> <p>NCR Close Out Visit on September 6, 2016 Based on the filed visit in KUD Bhirawa Bhakti (KT 25), KUD Bina Mulia (KT 223) and KUD Kebun Sawit Harapan (KT 132):</p> <ul style="list-style-type: none"> <li>- Interviews with land owners in KUD Bhirawa Bhakti (KT 25, namely Mr S), KUD Bina Mulia (KT 223, namely MrR M) and KUD Kebun Sawit Harapan (KT 132, namely Mr W), there did not conduct spraying themselves. Last spray application in May 2016</li> <li>- Foremans KUD Bhirawa Bhakti (namely Mr TM), KUD Bina Mulia (namely Mr K) and KUD Kebun Sawit Harapan (namely Mr S) has carried out inspections and daily supervision to ensure the land is not done spraying</li> </ul>	

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

	<p>themselves. If the condition is found land spraying themselves will be recorded on the "Report of Spray Program &amp; Realization". Based on the verification of the monitoring report, there were no reports of farmers who have land do spraying themselves.</p> <p>- Sample Evidence has been collected:          "Berita Acara Kesepakatan Bersama Pemakaian TUS dan Pupuk Rekomendasi"          "Laporan Program &amp; Realisasi Semprot Gawangan"          "Laporan Program &amp; Realisasi Semprot Piringan"          "Notulen Penyuluhan Semprot (TUS) Dan Pemupukan Tahap II"</p> <p><b>Assessment Conclusion:</b>          During this ASA2 audit, it was noted that pesticide application at smallholders area was conducted by Buatan Estate workers spraying team called Tim Unit Semprot (TUS) who has got training related to pesticide application and handling. There was no pesticides application performed by smallholder member.</p> <p>Major NC remain closed.</p>	
<b>Non-Conformity</b>		
<b>NCR #</b>	<b>Description</b>	<b>Category (Major / Minor)</b>
2	<p><b>Requirements</b>          1357970M2  <b>RSPO P&amp;C Generic 2013 indicator 4.7.1</b>          A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p><b>Evidence of Nonconformity</b>          Program, Objective and Target for Health and Safety for Buatan Estate was made available. However:          - Company's health and safety program for plantation did not consider risk assessment result to improve condition on high risk level activity such as: Fresh Fruit Bunches loading and fertilizer application.          - Health and safety program was not reflecting compliance evaluation against the health and safety regulations as lined out in the health and safety policy. Company policy point 3 stated "Committed to implement and maintain occupational health and safety management system in compliance with national and international applicable regulation". Health and safety program was not included relevant health and safety regulation update and review.</p> <p><b>Statement of Nonconformity</b>          Buatan Estate was not able to demonstrate sufficient evidence implementation of appropriate health and safety program.</p>	Major

	<p><b>Corrective Action</b></p> <ul style="list-style-type: none"> <li>- Buatan Estate has reviewed and revise the risk assessment;</li> <li>- Buatan Estate has reviewed and revise the health and safety program, as in the "Program P2K3 Buatan Estate";</li> <li>- Buatan Estate has reviewed the list of health and safety regulation;</li> <li>- As a corrective action plan, Buatan Estate will perform monitoring through regular health and safety meeting.</li> </ul> <p>NCR Close Out Visit on September 6, 2016 P2K3 has prepared a program for the identification and evaluation of regulatory compliance related to HSE, are recorded in "Evaluasi Kepatuhan Hukum IIS KBN, Up dated August 2016. Such as in meeting of P2K3 on August 15, 2016 as held discussions related "Permenaker Nomor 9 Tahun 2016 Tentang Keselamatan dan Kesehatan Kerja dalam Pekerjaan pada Ketinggian". Evaluation: has done.</p> <p>Sample evidence has been collected: "Analisa Resiko Buatan Rev 1 - to date 31 Des 2016" "Evaluasi Kepatuhan Hukum IIS KBN 2016" "Notulen Rapat P2K3, 15 Agustus 2016" "Program Management K3- Kebun Buatan 2016"</p>	
	<p><b>Assessment Conclusion:</b></p> <p>During ASA2 audit, another evidence of nonconformity found in different location, as follow:</p> <ul style="list-style-type: none"> <li>- No warning Sign related to noise level in ripple mill area (Kernel Station), furthermore supervisor in the working station does not fully understood noisy level of the area, Operator does not wearing required PPE (ear muff).</li> <li>- Emergency response equipment (Hydrant PBD-04) in threshing station is not completed with Nozzle) and its not easy to access (blocked by signboard and ditch).</li> </ul> <p>During NCR close out visit on 10 October 2017, the company has done corrective action, as follows:</p> <ul style="list-style-type: none"> <li>- Noise level notification board has been installed at kernel station and operators have uses ear muff at the kernel station area. Briefing on the importance of PPE at kernel station conducted during handover of ear muff on 9 Septemeber 2017.</li> <li>- PT Inti Indosawit Subur – Buatan II POM has purchased and installed nozzle to hydrant PBD-04 on 3 October 2017, and access to the area has been repaired by adding a culvert.</li> <li>- PT Inti Indosawit Subur – Buatan II POM has conducted monitoring related PPE completeness and nozzles of each hydrant. It was observed "Checklist Absensi Pemakaian APD" for period October 2017 to check completeness of PPE of operators that conducted daily. Also observed</li> </ul>	

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

	<p>"Daftar Pemeriksaan Kondisi Hydrant PMKS Buatan Dua" as record of hydrant completeness checking that conducted monthly.</p> <p>Major NC is closed on 10 October 2017</p>	
<b>Non-Conformity</b>		
<b>NCR #</b>	<b>Description</b>	<b>Category (Major / Minor)</b>
3	<p><b>Requirements</b> 1224659N3 <b>RSPO P&amp;C Generic 2013 indicator 5.1.2</b> Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons.</p> <p><b>Evidence of Nonconformity</b> Review of "Laporan UKL-UPL" for KKPA scheme smallholder area found some parameter identified in the plan have not been implemented and reported, i.e.:  <ul style="list-style-type: none"> <li>- Medical check for local community from the impact of KKPA scheme development.</li> <li>- Dust sampler test every 6 month from impact of FFB transport within KKPA scheme area</li> <li>- Water quality test every 6 month from surface water near store area</li> </ul>  Based on review of RKL RPL report period July – December 2015, it was found that there is no progress to monitored the environmental and social impact and reported in RKL – RPL, i.e.:  <ul style="list-style-type: none"> <li>- Medical check for local community from the impact of KKPA scheme development.</li> <li>- Dust sampler test every 6 month from impact of FFB transport within KKPA scheme area</li> <li>- Water quality test every 6 month from surface water near store area</li> </ul>  The company has explained that medical check up for local community and dust sampler is not monitored with reason that there is improvement of road condition (Dirt road/jalan tanah become pavement/jalan aspal), so that dust become 'Not significant' impact, however there is no progress to implement monitoring of those impacts as evidence that 'dust' become "not significant impact". Upgraded Minor NC from previous assessment into Major NC during this surveillance assessment.</p> <p><b>Statement of Nonconformity</b> Some environmental plan of management and monitoring in KKPA scheme smallholder area were not implemented and reported.</p>	Major

	<p><b>Corrective Action</b></p> <p>Buatan II POM management has demonstrated effort, contacting inspection laboratory to conduct dust sampling test and water quality analysis. However, Buatan II POM management has not completed:</p> <ul style="list-style-type: none"> <li>- The monitoring of public health status through medical check for local community, from the impact of KKPA scheme development;</li> <li>- The dust sampling test to monitor the impact of FFB transport within KKPA area;</li> <li>- The water quality check from surface water near store area;</li> </ul> <p>NCR close out visit on September 6, 2016</p> <ul style="list-style-type: none"> <li>- The company has conducted the monitoring of public health status through medical check for local community, performed by a doctor (dr. MZU) of the Foundation for Artificial Healthy Asian Agri, conducted on August 20, 2016. Examples of health checks for Mr M (Cempedak street address, Kerinci Kanan), conclusion: Healthy. Health checks Mr AS (address SP7), conclusion: Healthy.</li> <li>- The company has conducted dust sampling test to monitor the impact of FFB transport within KKPA area. These measurements have been conducted by PT Sucofindo dated August 22, 2016. There are still awaiting the results of measurements.</li> <li>- The Company has conducted water quality check from surface water near the store area. These measurements have been conducted by F-MIPA of RIAU University dated August 22, 2016. There are still awaiting the results of measurements.</li> <li>- Sample Evidence has been collected:            "Bukti berita acara pengujian Debu di KKPA Buatan"            "Bukti Tanda Terima pengujian air di KKPA Buatan ke Lab UNRI"            "Jadwal pemantauan lingkungan di KKPA Buatan"            "Result of Medical Check up for local community in KKPA area"            "Quisioner ke masyarakat di sekitar KKPA"</li> </ul> <p><b>Assessment Conclusion:</b></p> <p>During this ASA2 audit, the organization has continually shown efforts of environment management and monitoring, e.g.:</p> <ul style="list-style-type: none"> <li>- Monitoring of public health status through medical check for local community.</li> <li>- Dust sampling test to monitor the impact of FFB transport within KKPA area, conducted by PT Sucofindo.</li> <li>- Water quality check from surface water near the store area, conducted by Faculty of Science - RIAU University.</li> </ul> <p>Major NC remain closed</p>	
<b>Non-Conformity</b>		
NCR #	Description	Category (Major / Minor)

4	<p><b>Requirements</b> 1357970M3 <b>RSPO P&amp;C Generic 2013 indicator 6.5.3</b> Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p><b>Evidence of Nonconformity</b> Sighted in work contract of temporary workers in Buatan II POM compared to payment database system of Buatan II POM that calculation formula for overtime payment: daily salary divided by working hour (Rp.13.286/hour). According to applicable law, the calculation of overtime shall follow the formula: daily wage x 25 / 173 for 6 working days (resulted in Rp.13.439/hour).</p> <p><b>Statement of Nonconformity</b> Calculation of overtime for non-permanent worker at Buatan II POM does not meet applicable regulation, "Keputusan Menteri Tenaga Kerja No.102 tahun 2004".</p> <p><b>Corrective Action</b> - Management of PT. Inti Indosawit Subur has reviewed the calculation of overtime payment, to conform with "Keputusan Menteri Tenaga Kerja No.102 tahun 2004". - Management of PT. Inti Indosawit Subur has changed the calculation of overtime in the payment software into the formula of daily wage x 25 / 173 for 6 working days. - Buatan II POM has been able to demonstrate the latest overtime calculation, based on new formula. Sample seen for 5 non-permanent workers: Mr. Swl, Mr. Adr, Mr. Agt, Mr. Hrm, Mr. LS for overtime payment period 01/08/2016 - 12/08/2016.</p> <p><b>Assessment Conclusion:</b> During this ASA2 audit, the company has continually shown evidence of compliance to applicable regulation related overtime, "Keputusan Menteri Tenaga Kerja No.102 tahun 2004". Sample seen for non-permanent workers: Mr. J (cleaning) and Mr. A (grading) for overtime payment period August 1<sup>st</sup> to 15<sup>th</sup>, 2017.</p> <p>Major NC remain closed</p>	Major
<b>Non-Conformity</b>		
<b>NCR #</b>	<b>Description</b>	<b>Category (Major / Minor)</b>
5	<p><b>Requirements</b> 1357970M4 <b>RSPO Supply Chain Standard for Palm Oil - Module E: Mass Balance E.4.1</b></p>	Major



	<p>The site shall verify and document the volumes of certified and non-certified FFBs received.</p> <p><b>Evidence of Nonconformity</b> Based on document review and electronic system checking at weighbridge ticket, audit team found irregularities:</p> <ul style="list-style-type: none"> <li>- "Surat Pengantar Buah" from KUD Mitra Usaha; from KT 160, planting year 1991/1992; for 425 bunches; date of harvest 24/07/2016; date of received 25/07/2016. The delivery note of FFB stated the certificate number CU 820494. The certificate code was invalid.</li> <li>- Weighbridge ticket No.PBDA216105310; commodity FFB certified plasma; 425 bunches; nett weigh 9,212 kg; RSPO certificate number CU 820494. The certificate code was invalid.</li> </ul> <p>Buatan II POM was not able to demonstrate verification of certified FFB information. The certificate code used in the FFB delivery note and subsequently recorded in weighbridge ticket was found invalid.</p> <p><b>Statement of Nonconformity</b> Buatan II POM was failed to perform verification of certified FFB identity, on certified and non-certified FFB received.</p> <p><b>Corrective Action</b> Buatan II POM and scheme smallholder management has reviewed the incorrect RSPO certificate code in FFB delivery docket from cooperatives.</p> <ul style="list-style-type: none"> <li>- Smallholder management has circulated a new stamp, indicating certificate number "RSPO 638947" to all cooperatives. Hand over minutes for each cooperatives sighted as in "Berita Acara Penggantian stempel pada Surat Timbangan Buah";</li> <li>- Buatan II POM has changed the RSPO certificate code in the weighbridge system into certificate number "RSPO 638947". This is supported with minutes of changes, by IT department, acknowledge by Buatan II POM as in "Berita Acara Revisi RSPO Certificate Tiket Timbangan" dated 26/07/2016;</li> <li>- Audit team sighted the revision on weighbridge ticket. Latest weighbridge ticket indicated RSPO 638947.</li> <li>- PT. Inti Indosawit Subur - Buatan group has conducted a Mass Balance training for all staff, relevant to supply chain system implementation in Buatan II POM, dated 12/08/2016 and attended by 7 staffs.</li> <li>- Buatan II POM conducted internal audit to monitor the consistency of verification of certified FFB information on 26/08/2016. The internal audit result indicated verification of certified FFB information was consistent since 26/07/2016 up to 26/08/2016.</li> </ul> <p><b>Assessment Conclusion:</b> During this ASA2 audit, all sample of "Surat Pengantar Buah" (FFB delivery note) and weighbridge ticket from Buatan Estate, KKPA and Buatan Plasma have shown the correct certificate number, RSPO 638947. Weighbridge clerk has demonstrated good knowledge related to RSPO Supply Chain and traceability.</p> <p>Major NC remain closed</p>	
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Non-Conformity		
NCR #	Description	Category (Major / Minor)
6	<p><b>Requirements</b> 1357970M5 <b>RSPO Supply Chain Standard for Palm Oil - Module E: Mass Balance E.5.1 a</b> The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p> <p><b>Evidence of Nonconformity</b> Buatan II POM was not able to demonstrate a balanced certified CPO that has been claimed by the end of three month period. The three-monthly book keeping record for period January – March 2016 stated RSPO certified CPO delivery 881,17 tons – while etrace transaction record for same period shows delivery of 2,834.97 tons RSPO certified CPO. Buatan II POM was not able to demonstrate balanced the discrepancy of 1,953.8 tons of CPO by the end of three-monthly period (January – March 2016). Furthermore, for period April – June 2016, Buatan II POM book keeping stated RSPO certified CPO delivered 3,959 tons – while etrace transaction record for same period shows delivery of 5,012.89 tons RSPO certified CPO. Buatan II POM was not able to demonstrate balanced the discrepancy of 1,053.8 tons of CPO by the end of three-monthly period (April – June 2016).</p> <p><b>Statement of Nonconformity</b> Buatan II POM failed to balance all deliveries of RSPO certified CPO on a three-monthly basis.</p> <p><b>Corrective Action</b> - PT. Inti Indosawit Subur conducted a meeting between sustainability, marketing and palm oil mills dated 04/08/2016, with agenda: tracking and investigation of “Laporan Hasil Produksi” against RSPO etrace; investigation on production and delivery deficit against input in RSPO etrace. The result of the meeting was to established a team consist of logistic and sustainability to monitor mass balance in palm oil mill; the team responsible to prepare additional paper trail – connecting Delivery Order, Contract, RSPO CPO dispatch ticket (and other documentation) with etrace input; team responsible to monitor the actual balance against RSPO etrace; team provide warning for palm oil mill plan in case of oversold RSPO CPO identified; to cease the production of non-certified CPO, in order to fulfil the deficit RSPO CPO. - PT. Inti Indosawit Subur took action by conducting refreshment training to Marketing Department. The training titled “Training RSPO eTrace and Mass Balance” dated 30/07/2016, led by Sustainable officer and attended by 7 marketing staff in Marketing Department. - Buatan II POM has conducted investigation on mass balance report compared against trading document. The process was taking into consideration etrace document, etrace invoice, Bill of Lading document, Buatan II Palm Oil Mill Delivery Order, weighbridge</p>	Major

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

	<p>ticket for RSPO CPO dispatch, daily production report (initial stock, material received, production of CPO, dispatch and balanced stock) and Mass Balance – book keeping report.</p> <ul style="list-style-type: none"> <li>- Buatan II POM was able to demonstrate all relevant supporting evidence: Bill of Lading, detailed Delivery order, summary of CPO dispatch weighbridge ticket relevant to each delivery order, and Mass Balance – Book Keeping report. It was known that no difference in physical delivery of CPO and claim in etrace.</li> <li>- Buatan II POM conducted internal audit to monitor the consistency of certified FFB information on 26/08/2016. The internal audit result indicated trading of certified FFB information was consistent.</li> </ul> <p><b>Assessment Conclusion:</b>          During this ASA2 audit, PT Inti Indosawit Subur – Buatan II POM shown records and made balance of all receipts of RSPO certified FFB on a three-monthly basis. The site has also recorded and made balancing of all produced and delivered RSPO certified CPO and PK on a three-monthly basis.</p> <p>Major NC remain closed</p>	
<b>Non-Conformity</b>		
<b>NCR #</b>	<b>Description</b>	<b>Category (Major / Minor)</b>
1	<p><b>Requirements</b>          1357970N1  <b>RSPO P&amp;C Generic 2013 indicator 2.1.3</b>          A mechanism for ensuring compliance shall be implemented.</p> <p><b>Evidence of Nonconformity</b>          Company has not identified and evaluated a number of relevant regulations, among others:          - Undang-undang No.39 tahun 2014 tentang Perkebunan;          - Peraturan Pemerintah No.101 tahun 2014 tentang Pengelolaan Limbah B3;</p> <p><b>Statement of Nonconformity</b>          A number of laws and regulation have not been included and evaluated in the list of relevant regulations.</p> <p><b>Correction/containment:</b>          PT Inti Indosawit Subur Pekanbaru Regional Office conducted coordination with related agencies and updates all regulations that relevant to oil palm plantations and palm oil mill to be complied with by each unit.</p> <p><b>Root Cause Analysis:</b>          The Regulations has never been socialized to the company by the relevant Agencies.</p> <p><b>Corrective action:</b>          The Company has made revisions and updates regarding the evaluation of the compliance of regulations on 1 October, 2017. In the evaluation</p>	Minor

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

	<p>documents have been included related to the compliance of regulations:</p> <ul style="list-style-type: none"> <li>- Undang-undang No.39 tahun 2014 tentang Perkebunan;</li> <li>- Peraturan Pemerintah No.101 tahun 2014 tentang Pengelolaan Limbah B3;</li> </ul> <p>In addition found some relevant legal requirement were evaluated, such as:</p> <ul style="list-style-type: none"> <li>- Permenaker No.609 year 2012, regarding Guidance of Completion Occupational Accident and Disease Case.</li> <li>- Keputusan President No.7 year 2006 regarding Ratification of the UN Convention Against Corruption.</li> <li>- Keputusan President No. 8 year 2010 regarding Prevention and Eradication of Money Laundry.</li> <li>- Presidential Instruction No.1 year 2013 regarding Action for Corruption Prevention and Eradication</li> </ul> <p>In the evaluation of compliance documents can be shown that the company has complied with the provisions stipulated in the regulation. PT Inti Indosawit Subur will conduct review every time there is new regulation during unit management meeting and included in legal compliance evaluation.</p> <p><b>Assessment Conclusion:</b> During NCR close out visit, the company has shown evidence of effectiveness to address the nonconformity.</p> <p>The Major NCR is closed on 10 October 2017</p>	
<b>Non-Conformity</b>		
<b>NCR #</b>	<b>Description</b>	<b>Category (Major / Minor)</b>
2	<p><b>Requirements</b> 1357970N2 <b>RSPO P&amp;C Generic 2013 indicator 4.6.4</b> Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p><b>Evidence of Nonconformity</b> From data shown that paraquat use was increase over time. The data of applied paraquat shows 2015: 383 liters; (June) 2016: 515 liters. Explanation from management, related to increase of immature area. There was no plan to minimize or eliminating paraquat use as the budget for the use of paraquat for the whole Buatan Estate also indicating exponential increase from 2015 to 2016; data shows 2014: 456 liters, 2015: 215 liters, 2016: 1,500 liters.</p> <p><b>Statement of Nonconformity</b> From estate data shown, the use of paraquat was increase over time in Buatan Estate (Division IV, V and VI, etc.).</p>	Minor

	<p><b>Corrective Action</b> The company has demonstrated evidence that the use of paraquat diklorida is allowed by regulation of Indonesia Ministry of Agriculture especially for immature area, which need selective spraying to avoid elimination of legume cover crop. The company has evaluate and comply with Act No.12/1992 regarding plant cultivation system, article 60 (g) jo. Article 38, and Ministry of Agriculture regulation No.107/Permentan/SR.140/9/2014 regarding pesticides supervisor. National regulation mentioned that paraquat dichloride is a restricted active ingredient so that its user must hold a certificate use of limited pesticides and the manufacturer must train first for the user of the pesticide.</p> <p><b>Assessment Conclusion:</b> During the ASA2 visit, the company has shown evidence of effectiveness to address the nonconformity.</p> <p>This NC was closed on 8 September 2017.</p>	
<b>Non-Conformity</b>		
NCR #	Description	Category (Major / Minor)
3	<p><b>Requirements</b> 1357970N3 <b>RSPO P&amp;C Generic 2013 indicator 4.6.9</b> Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated; including provision of appropriate information materials (see Criterion 4.8).</p> <p><b>Evidence of Nonconformity</b> KKPA Estate conducted weed control through paraquat spraying. Company was not able to demonstrates all herbicide sprayers for KKPA Estate, provided with limited pesticide use training, "Pelatihan Pestisida Terbatas". Spraying team in KKPA Estate comprise of thirteen (13) workers; only four (4) sprayer team has been provided with limited pesticide training "Pelatihan Pestisida Terbatas".</p> <p><b>Statement of Nonconformity</b> Company was not able to demonstrates all herbicide sprayers for KKPA Estate provided with limited pesticide use training "Pelatihan Pestisida Terbatas".</p> <p><b>Corrective Action</b></p> <ul style="list-style-type: none"> <li>- The company has demonstrated that safety committee meeting has evaluated spraying operator competency.</li> <li>- The company has 12 spraying operator, all of them has been completely received training regarding limited pesticide uses.</li> <li>- Pesticide application in scheme smallholder conducted by TUS Team, following SOP "Pestisida dan Pengelolaannya" (AA-APM-OP-1100.11-R1) chapter III point 3.2. "Penggunaan Pestisida". TUS team have sufficient</li> </ul>	Minor

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

	<p>training for application before assigned to apply, and regularly refreshed. The last refresh for spraying operator conducted on 23 March 2017 attended by 32 participants.</p> <p><b>Assessment Conclusion:</b>          During the ASA2 visit, the company has shown evidence of effectiveness to address the nonconformity.</p> <p>This NC was closed on 8 September 2017.</p>	
<b>Non-Conformity</b>		
NCR #	Description	Category (Major / Minor)
4	<p><b>Requirements</b>          1357970N4  <b>RSPO P&amp;C Generic 2013 indicator 4.6.10</b>          Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).</p> <p><b>Evidence of Nonconformity</b>          According to interview with representatives of cooperatives in Buatan Plasma and management of PT. Inti Indosawit Subur, chemical spraying for all scheme smallholders in Buatan II POM will be handled by PT. Inti Indosawit Subur through "the TUS team".</p> <p>However, field visit at KT 46 of KUD Bhirawa Bhakti and interview with the farmer group members found that some smallholder farmer who conducted spraying by themselves. There was no evidence of clarity on appropriate control on ex-chemical container, as well as safety aspect of spraying activities.</p> <p><b>Statement of Nonconformity</b>          Lack of demonstrated evidence that implementation of chemical container disposal in scheme smallholder oil palm block have meet applicable requirement to avoid or reduce pollution.</p> <p><b>Corrective Action</b></p> <ol style="list-style-type: none"> <li>1. The company has conducted re-identification and recording farmer that conduct spraying activity by them self not by TUS.</li> <li>2. The company has conducted dissemination and refreshment to KUD, KT and farmer regarding integrated pest management by TUS, fertilizer recommendation, evident by Notulen Sosialisasi Pupuk dan Pengendalian Gulma dated 11 - 30 March 2017. during interview with smallholder member indicated that they have follow TUS for weeds control in their Kavling.</li> <li>3. The company has demonstrated that farmer has been invited to joint TUS during pesticides application for weed control in Buatan Smallholder location.</li> <li>4. PT. Inti Indosawit Subur – Buatan II POM has made "Berita Acara</li> </ol>	Minor

	<p>Kesepakatan Bersama Pemakaian TUS dan Pupuk Rekomendasi PT Inti Indosawit Subur – Buatan” withal KUD, KT and individual farmers. For example BA dated 10 August with KUD Bhirawa Bhakti , sign by head of KUD, Head of KT and individual member. In BA stated that all member of smallholder shall be follow the SOP best management practice particularly for weeds control shall be conducted by TUS team provided by PT IIS Buatan and shall be follow fertilizer application according to recommendation from R&amp;D department PT IIS Buatan.</p> <p>5. During audit it was confirmed that weeds control in smallholder plantation has been carried out by TUS team with rotation 2 times a year. Evidence of weeds control management plan dan realization was available in “Laporan Rencana dan Realisasi Semprot Piringan, Pasar Pikul, TPH dan Gawangan tahun 2017”.</p> <p><b>Assessment Conclusion:</b> During the ASA2 visit, the company has shown evidence of effectiveness to address the nonconformity.</p> <p>This NC was closed on 8 September 2017.</p>	
<b>Non-Conformity</b>		
<b>NCR #</b>	<b>Description</b>	<b>Category (Major / Minor)</b>
5	<p><b>Requirements</b> 1357970N5 <b>RSPO P&amp;C Generic 2013 indicator 5.1.3</b> This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p><b>Evidence of Nonconformity</b> PT. Inti Indosawit Subur - Buatan has reporting the implementation of environmental management and monitoring plan (Laporan Pelaksanaan Rencana Pengelolaan Lingkungan-Rencana Pemantauan Lingkungan/RKL/RPL) to relevant authorities. Based on document review upon report of the implementation of environmental management and monitoring plan (Laporan Pelaksanaan Rencana Pengelolaan Lingkungan-Rencana Pemantauan Lingkungan/RKL/RPL) period of second half 2015. There was not sufficient evidence the implementation report have collected information, reviewed and reported the following impact:  <ul style="list-style-type: none"> <li>- Social aspects (perception, jealousy, etc) that should be monitored through participatory ways;</li> <li>- Community’s health in village surrounding the estate;</li> </ul>                     Appropriate evidence of management plan for aquatic biota;</p>	Minor

	<p><b>Statement of Nonconformity</b> There was not sufficient evidence the implementation of environmental management and monitoring report (Laporan Pelaksanaan Rencana Pengelolaan Lingkungan-Rencana Pemantauan Lingkungan/RKL/RPL) has collected information, reviewed and reported the social and environmental impact as required in the environmental management and monitoring matrix plan.</p>	
	<p><b>Corrective Action</b> PT. Inti Indosawit Subur – Buatan II POM has made corrective action:</p> <ul style="list-style-type: none"> <li>- Company has performed monitoring of social aspect including perception, jealousy through participatory ways. Evidence of monitoring can be demonstrated by questioners filled by respondents. During monitoring period indicated that there is no grievance, complaint and social issue occurred in around PT Inti Indosawit Subur. People perception was positive to company existence.</li> <li>- Community's health in village surrounding estate has been monitored by company. Top ten type of diseases has been monitored through data and information verification in Puskesmas Lalang Kabung and pangkalan Kerinci. From data verification indicated that there is no diseases occurred caused by company activity.</li> <li>- Management plan for aquatic biota has been develop by company. Company water source management and Policy to prohibit chemical application in riparian zone. Policy to prohibit fish poisoning and prohibit wood cutting in area of company plantation. Estate has had program restoration and recorded on "Riparian Restoration Program Tahun 2017", such as planting of bamboo, waru, Angsana, Ketapang and vetiver grass on riparian area of Kerinci and Laniago River with total planted as much 50 trees. No chemical-related operation on riparian area. Riparian area was marked with radius 20 meters from both side of the river. To monitor water quality comply with regulation threshold, company conducted surface water quality monitored each month by accredited laboratory UPT Pengujian Material Dinas PU dan Penataan Ruang Provinsi Riau. Latest analysis performed in 3 – 24 March 2017. Report of analysis was available and Analysis result indicated that all parameter measured comply to PP No. 82 year 2001.</li> </ul>	
	<p><b>Assessment Conclusion:</b> During the ASA2 visit, the company has shown evidence of effectiveness to address the nonconformity.</p> <p>This NC was closed on 8 September 2017.</p>	
<b>Non-Conformity</b>		
NCR #	Description	Category (Major / Minor)
6	<p><b>Requirements</b> 1357970N6</p>	Minor



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

	<p><b>RSPO P&amp;C Generic 2013 indicator 5.6.3</b> A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.</p> <p><b>Evidence of Nonconformity</b> The company cannot demonstrate monitoring of GHG based on reporting using appropriate tools (Palm GHG).</p> <p><b>Statement of Nonconformity</b> The company cannot demonstrate monitoring of GHG based on reporting using appropriate tools (Palm GHG).</p> <p><b>Corrective Action</b> PT. Inti Indosawit Subur – Buatan II POM has monitor the GHG emission using Palm GHG version 3.0. Summary emission (mill emission and estate emission including smallholder) can be demonstrated. Total emission CO2e/ton product:</p> <ul style="list-style-type: none"> <li>- CPO : 1.08 tCO2e</li> <li>- PK : 1.08 tCO2e</li> </ul> <p>Total mill emission:44,864.33 tCO2e or 0.17 tCO2/tFFB Total field emission : 10,626.64 tCO2e or 0.08 tCO2/tFFB</p> <p><b>Assessment Conclusion:</b> During the ASA2 visit, the company has shown evidence of effectiveness to address the nonconformity.</p> <p>This NC was closed on 8 September 2017.</p>	
<b>Non-Conformity</b>		
<b>NCR #</b>	<b>Description</b>	<b>Category (Major / Minor)</b>
7	<p><b>Requirements</b> 1357970N7 <b>RSPO P&amp;C Generic 2013 indicator 6.10.3</b> Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> <p><b>Evidence of Nonconformity</b> According to SOP for Fresh Fruit Bunches purchasing from FFB contractors (buah luar) number xxxx, FFB supplier should prepare Request for FFB supply attached by Statement and Guarantee from supplier to comply with all applicable regulation. However, sighted in sample of Request for FFB Supply and Statement and Guarantee from CV. PKS dated 18/01/2016 that the written agreement does not contains clear arrangement on fair trading such as: payment time, dispute settlement, price determination and obligation of buyer.</p>	Minor



	<p><b>Statement of Nonconformity</b> Supply agreement for outgrower (buah luar) has not contains clear arrangement on fair and transparent trading such as: clarity on payment timeframe, dispute settlement, price determination and obligation of buyer.</p>	
	<p><b>Corrective Action</b> Creating written agreement with independent FFB supplier. The company has demonstrated agreement with independent FFB supplier that contains clear arrangement on fair trading such as: payment time, dispute settlement, price determination and obligation of buyer.</p>	
	<p><b>Assessment Conclusion:</b> During the ASA2 visit, the company has shown evidence of effectiveness to address the nonconformity.</p>	
	<p>This NC was closed on 8 September 2017.</p>	

<b>Observation</b>	
<b>OBS #</b>	<b>Description</b>
<b>1</b>	<p><b>RSPO P&amp;C Generic 2013 indicator 4.3.4</b> KKPA Estate has a peat area with type Haplosaprist. The Estate has measured and monitor the subsidence. Soil subsidence: 2015  <ul style="list-style-type: none"> <li>- 06/2015 in block H03e: 5 cm; in block H03m: 3 cm</li> <li>- 12/2015 in block G00a: 0,3 cm; in block G01h: 0.3 cm; in block G03d: 1.5 cm; in block H03e: 9 cm; H03m: 4 cm and in block H03j: 0.2 cm</li> </ul> 2016  <ul style="list-style-type: none"> <li>- 06/2016 in block G00a: 3 cm; in block G01h: 3 cm; in block G03d: 4 cm; in block H03e: 4 cm; and in block H03m: 3 cm.</li> </ul> Observation:  <ul style="list-style-type: none"> <li>- Consideration to obtain data from all subsidence measuring point/ made conclusions annually.</li> <li>- Need to document action plan prepared to difference water level scenario (above and below standard).</li> </ul> <b>Action taken:</b> <ul style="list-style-type: none"> <li>- PT Inti Indosawit Subur – KKPA Estate has collected data from all subsidence measuring point and then made conclusions annually.</li> <li>- PT Inti Indosawit Subur – KKPA Estate has documented action plan to different water level scenario (above and below standard).</li> </ul> </p>
<b>2</b>	<p><b>RSPO P&amp;C Generic 2013 indicator 4.7.2</b> Risk assessment for plantation operation in Buatan Estate have been reviewed and updated. The latest review and revision on HIRADC dated 31/12/2015. Risk assessment has identified hazard and risk from office activities, infrastructure construction activities, warehouse and workshop related activities, harvesting and FFB loading activities, fertilizer and spraying activities.  <ul style="list-style-type: none"> <li>- Subsequent risk assessment review for Buatan Estate includes hazard and risk from activity such as replanting activities, boundary poles monitoring, HCV monitoring and land application maintenance;</li> <li>- To improve the accuracy of risk level calculation for KKPA Estate;</li> </ul> </p>

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

	<p><b>Action taken:</b> PT Inti Indosawit Subur – KKPA Estate has improved accuracy of risk level calculation including in office activities, infrastructure construction activities, warehouse and workshop related activities, harvesting and FFB loading activities, fertilizer and spraying activities, boundary poles monitoring, HCV monitoring and land application maintenance.</p>
<b>3</b>	<p><b>RSPO P&amp;C Generic 2013 indicator 4.7.5</b> Based on field visit in worker housing, EKO I Buatan II POM housing compound, it would be nice to consider:</p> <ul style="list-style-type: none"> <li>- maintenance as per inspection checklist for fire extinguisher near diesel oil tank;</li> <li>- conducting emergency drill in worker housing EKO I Buatan II POM housing compound.</li> </ul> <p><b>Action taken:</b> PT Inti Indosawit Subur – Buatan II POM has performed routine maintenance of fire extinguisher near diesel oil tank using inspection checklist. EKO I Buatan II POM housing compound has conducted emergency drill regularly.</p>
<b>4</b>	<p><b>RSPO P&amp;C Generic 2013 indicator 5.3.3</b> It would be nice to consider a calculation of landfill capacity to accommodate domestic waste volume from EKO I, KKPA Estate Division VII. It would be nice to consider one month period for placement of medical waste in clinic.</p> <p><b>Action taken:</b> PT Inti Indosawit Subur – Buatan II POM and KKPA Estate has calculate estimation of domestic waste and compared it to landfill capacity. Landfill is resized to accommodate domestic waste from EKO I housing and KKPA Division VII housing. Placement of medical waste in clinic has been done regularly in monthly basis.</p>

**3.3.2 Summary of the Nonconformities and Status**

CAR Ref.	CLASS	ISSUED	STATUS
1224659M1	Major	07/08/2015	Closed 01/12/2015
1224659M2	Major	07/08/2015	Closed 01/09/2015
1224659N1	Minor	07/08/2015	Closed 30/07/2016
1224659N2	Minor	07/08/2015	Closed 30/07/2016
1224659N3	Minor/Major	07/08/2015	Escalated into Major NC. Closed
1357970M1	Major	30/07/2016	Closed
1357970M2	Major	30/07/2016	Closed
1357970M3	Major	30/07/2016	Closed
1357970M4	Major	30/07/2016	Closed 20/08/2016
1357970M5	Major	30/07/2016	Closed 29/08/2016
1357970M6	Major	30/07/2016	Closed 29/08/2016
1357970N1	Minor	30/07/2016	Escalated into Major NC
1357970N2	Minor	30/07/2016	Closed 08/09/2017
1357970N3	Minor	30/07/2016	Closed 08/09/2017
1357970N4	Minor	30/07/2016	Closed 08/09/2017
1357970N5	Minor	30/07/2016	Closed 08/09/2017
1357970N6	Minor	30/07/2016	Closed 08/09/2017
1357970N7	Minor	30/07/2016	Closed 08/09/2017
1514555-201708-M1	Major	08/09/2017	Closed 10/10/2017
1514555-201708-M2	Major	08/09/2017	Closed 10/10/2017
1514555-201708-M3	Major	08/09/2017	Closed 10/10/2017
1514555-201708-M4	Major	08/09/2017	Closed 10/10/2017

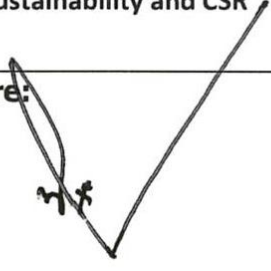

**RSPO Public Summary Report  
Revision 4 (November /2016)**

1514555-201708-M5	Major	08/09/2017	Closed 10/10/2017
1514555-201708-M6	Major	08/09/2017	Closed 10/10/2017
1514555-201708-M7	Major	08/09/2017	Closed 10/10/2017
1514555-201708-N1	Minor	08/09/2017	Open
1514555-201708-N2	Minor	08/09/2017	Open

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

**Assessment Conclusion and Recommendation:**

Based on the findings during the assessment PT Inti Indosawit Subur – Buatan II POM Certification Unit and supply base complies with the RSPO P&C INA NI 2016, and the RSPO Supply Chain Certification Standard (Nov 2014) for CPO Mill. It is recommended that the certification of PT Inti Indosawit Subur – Buatan II POM Certification Unit is approved and continued.

Acknowledgement of Assessment Findings	Report Prepared by
<b>Name:</b> Welly Pardede	<b>Name:</b> Eko Purwanto
<b>Company name:</b> PT Inti Indosawit Subur	<b>Company name:</b> On behalf BSI Services Malaysia Sdn Bhd
<b>Title:</b> Head of Sustainability and CSR	<b>Title:</b> Lead Assessor
<b>Signature:</b>  <b>Date: 11 January 2018</b>	<b>Signature:</b>  <b>Date: 28 December 2017</b>

**Appendix A: Summary of Findings**

` Criterion / Indicator	Assessment Findings	Compliance	
<b>Principle 1: Commitment to Transparency</b>			
<b>Criterion 1.1:</b> Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	List of information related to criterion 1.2 that can be accessed by relevant stakeholders shall be available.  - Minor compliance -	The Company already has a Stakeholder List which is consistently updated annually, for example the 2017 Stakeholders List update consists of; <ul style="list-style-type: none"> <li>a. List of contractors (3<sup>rd</sup> Party) in cooperation with PT IIS – Buatan II as many as 38 stakeholders e.g. Sudirga Wahyudi as a contractor transport of Housing Waste, Mr. Sunarto as a FFB supplier, Mr. Nariman as a Supplier of TBS etc.</li> <li>b. List of NGOs that become stakeholders of PT IIS – Buatan consists of 4 parties namely WWF, Scale Up, LCKI.</li> <li>c. List of community / community leaders around the village consists of 15 stakeholders such as Mr. Sunarto Chairman of KUD Bhirawa Bhakti Desa Buana Bhakti (SP2), Br. Sudirman member of Plasma SP 9 Jatimulya Village, Walim Waluyan Chairman PUK SPSI PT IIS, etc.</li> <li>d. List of stakeholders from the government as much as 32 parties such as the surrounding Village Head, Head of School, BPN Pelalawan Regency, Department of Labor Pelalawan Regency etc.</li> <li>e. List of KUD Kebun KKPA and KKPA 13 parties such as Chairman KUD Delima Sakti (Delik Village), Chairman of KUD Kebun Sawit Harapan (Gabung Makmur Village), Chairman of KUD Buatan Jaya (Jati Mulya Village).</li> </ul>	Comply

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

`Criterion / Indicator	Assessment Findings	Compliance
	<p>Buatan II Palm Oil Mill has compiled the type of information accessible to the Public signed by Bagian Humas on December 21<sup>st</sup>, 2014 consisting of 32 types of documents covering; EIA documents, RKL-RPL Implementation Reports, SIA Documents, IMB Documents, Water Usage Reports, document conservation management plans, CSR Documents, hazardous Waste Reports etc.</p> <p>PT Inti Indosawit Subur - Buatan Group has a procedure for handling information request and providing response, under "SOP Handling of Stakeholder Information Request" No.AA-GL-5008.1-R1, dated 22/08/2011. In general, the SOP explains company's step upon receiving information and responding such information request. Information request received in the form of verbal communication, through letter or through representative appointed by community. Incoming information will be received by public relation officer and recorded in logbook. If information comes through verbal communication, public relations officer then creates minutes and sign by both parties.</p> <p>The information received then channeled to the relevant party: mill manager / estate manager / group manager or regional office. Each has their authority in decision making. Public relation officer updating the logbook status, in order to provide update information to interested party. At maximum 14 days after information request received, response shall be given. Records of information request kept for minimum three (3) years.</p> <p><b>Buatan Scheme Smallholder (Plasma):</b></p> <p>Buatan Scheme Smallholder Management has a List of Stakeholders in 2017 consisting of 30 parties directly related to Scheme Smallholder Management consisting of Siak Regency, Pangkalan Kerinci, Delima Jaya Village, Kerinci Kanan, BRI PKL Kerinci, Bank Mandiri Pangkalan Kerinci Branch, Dinas Perkebunan Kabupaten Siak, Dinas Koperasi Kabupaten Siak, Dinas Perkebunan of Pelalawan Regency, etc. The list of Stakeholders is updated annually.</p>	

`Criterion / Indicator		Assessment Findings	Compliance
		<p>The Plasma Management has published policies related to Document Type that are publicly accessible consisting of 7 types of documents:</p> <ul style="list-style-type: none"> <li>a. Legality documents such as Cooperative Establishment Certificate, Copy of SHM, NPWP KUD, SIUP KUD, SITU KUD.</li> <li>b. Production Data</li> <li>c. HCV Identification Documents and HCV Management / Monitoring Data</li> <li>d. Grievance Mechanism, Consultation and Communication with stakeholders</li> <li>e. Environmental Documents and Periodic Environmental Management Reports</li> <li>f. Social Activity Documents</li> <li>g. Document Fee Price</li> </ul> <p>The Plasma Management already has a Plasma Consultation, Communication and Complaints Mechanism Mechanism in the form of a Flow Chart signed by the Plasma Manager on January 1<sup>st</sup>, 2017.</p>	
1.1.2	<p>Records of requests for information and responses to the information requested shall be available.</p> <p>- Major compliance -</p>	<p>PT Inti Indosawit Subur - Buatan Group has a procedure for handling information request and providing response, under "SOP Handling of Stakeholder Information Request" No.AA-GL-5008.1-R1, dated 22/08/2011. In general, the SOP explains company's step upon receiving information and responding such information request. Information request received in the form of verbal communication, through letter or through representative appointed by community. Incoming information will be received by public relation officer and recorded in logbook. If information comes through verbal communication, public relations officer then creates minutes and sign by both parties.</p> <p>The information received then channeled to the relevant party, e.g. mill manager / estate manager / group manager or regional office. Each has their authority in decision making. Public relation officer updating the logbook status, in order to provide update information to interested party. At maximum 14 days after</p>	Comply



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

`Criterion / Indicator	Assessment Findings	Compliance
	<p>information request received, response shall be given. Records of information request kept for minimum three (3) years.</p> <p>Records of information requests are documented in Outbound Log Book where in 2017 (up to August 2017) Administration Section documented 101 types of Outgoing Letter including the provision of routine information to the government, for example;</p> <ul style="list-style-type: none"> <li>a. Letter No 011 issued on January 11, 2017 on Report of Quarter IV of hazardous Waste in 2016.</li> <li>b. Letter No 017 issued on 27 January 2017 on the Land Application Report of December 2016.</li> <li>c. Letter No. 067 issued on 08 June 2017 on PT IIS-PBD 2017 Land Quality Report.</li> <li>d. Letter No. 096 issued on 03 August 2017 on the Application for Ratification of Organizational Structure of P2K3.</li> </ul> <p>The Public Relation department also documents the Social Information-related request where in 2017 identified 9 types of incoming letters e.g. (1) Letter submitted by Riau Islamic University on March 20<sup>th</sup>, 2017 regarding Application Permit for Research by letter no.2587/E-UIR/27/FE/2017 and has been responded by management letter no.096.b/GM-IIS/Ext/04/2017 dated May 13<sup>th</sup>, 2017. (2) Letter sent by the Delik Village through letter no.100/PEM-DLK/V/2017/01 dated May 05<sup>th</sup>, 2017 and has been responded by management by granting Permission and timing for grass-seeking residents.</p> <p>Technically all documents requested for information were well documented by both the Administration and Public Reation sections and available in each Unit. Based on document verification as well as interviews with stakeholders (Government, worker unions, local communities) shows that the company has responded to information requests quickly and in accordance with the mechanisms.</p> <p>The Scheme Smallholder Management already has a Smallholder Consultation, Communication and Complaints Mechanism in the form of Flow Chart signed by</p>	

`Criterion / Indicator	Assessment Findings	Compliance
	<p>Scheme Smallholder Manager on January 10<sup>th</sup>, 2017 and has indicated responsible officer for communication i.e. Mr. Puji Astuti W (Administration Clerk), Harianto (Plant Administration Clerk), Krisnowati (Personnel Clerk) and David Sianipar (Warehouse and Document Section) as Public Relations and Data Collection who have the duty and responsibility to receive requests for information and complaints from stakeholders.</p> <p>Records of communication documented in the "Log Book" of Buatan Scheme Smallholder Estate, based on verification documents indicate that in 2017 there are 38 types of incoming information requests, for example:</p> <ul style="list-style-type: none"> <li>a. Letter submitted by KUD SP V on July 21<sup>st</sup>, 2017 through letter no.50/KUD/SR/VII/17 related to the FFB transporter replacement of Smallholder SP V, it has been responded by Scheme Smallholder Management by forwarding the letter to POM through letter No.589/ES-KIB/Memo/07/17 on July 25<sup>th</sup>, 2017.</li> <li>b. Letter submitted by Penghulu Kampung SP IX on May 20<sup>th</sup>, 2017 through letter no.500/Pemkam/JTN/S5/33 relating to the application for grass-seeking permit in the Buatan Nucleus Estate and SP IX Smallholder Estate, it has been responded by Smallholder Management by forwarding the letter to Public Relation of Buatan Estate by letter no.469/ES-KIB/Memo/05/2017 on May 26<sup>th</sup>, 2017.</li> <li>c. Letter submitted by Penghulu Kampung SP IV on April 10<sup>th</sup>, 2017 through letter no.31/Kam-KU/IV/2017 related to the sales of Smallholders FFB to outsiders, it has been responded by Smallholder Management by replied to Penghulu Kampung SP IV with letter no.251/ES/KIB/Ext/04/10 dated April 18<sup>th</sup>, 2017.</li> </ul>	

**Criterion 1.2:**

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

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

`Criterion / Indicator	Assessment Findings	Compliance	
social outcomes.			
1.2.1	<p>Publicly available documents shall include, but are not necessarily limited to:</p> <ul style="list-style-type: none"> <li>a) Land titles/user rights (Criterion 2.2)</li> <li>b) Occupational health and safety plans (Criterion 4.7)</li> <li>c) Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8)</li> <li>d) HCV documentation (Criteria 5.2 and 7.3)</li> <li>e) Pollution prevention and reduction plans (Criterion 5.6)</li> <li>f) Details of complaints and grievances (Criterion 6.3)</li> <li>g) Negotiation procedures (Criterion 6.4)</li> <li>h) Continual improvement plans (Criterion 8.1)</li> <li>i) Public summary of certification assessment report</li> <li>j) Human Rights Policy (Criterion 6.13).</li> </ul>	<p>As described in indicator 1.1.2, Buatan II Palm Oil Mill and its supply bases has compiled a type of information that accessible for Public, signed by the Public Relation Division on December 21<sup>st</sup>, 2014 consisting of 32 types of documents covering; AMDAL documents, RKL-RPL Implementation Reports, SIA Documents, IMB Documents, Water Usage Reports, Conservation Management Plan Documents, CSR Documents, hazardous Waste Reports etc. All of the above documents are available at the unit office in the form of Hard Coppy, including its supporting data, for example (1) HGU Document consists of HGU Decree issued by Head of BPN and HGU Certificate issued by Head of Land Office of Pelalawan Regency, (2) AMDAL Document consists of Main Document, RKL-RPL and Semester Report of RKL-RPL Implementation etc.</p> <p>Consistently PT Inti Indosawit Subur – Buatan II POM and its supply bases has submitted regular reports to relevant agencies such as;</p> <ol style="list-style-type: none"> <li>1. Implementation Report of RKL-RPL every 6 months (environmental management and monitoring report) (See indicator 5.1.2)</li> <li>2. B3 waste balance report every 3 months, see indicator 5.3.1 (hazardous waste balance report);</li> <li>3. Report of liquid and solid waste every 3 months period, see indicator 5.3.1 (solid and liquid waste report);</li> <li>4. Report on the use of surface water and underground water every 1 year period, see indicator 4.4.2. (Underground and surface water usage report);</li> <li>5. P2K3 report every 3 months period, see indicator 4.7.4. (health and safety report);</li> <li>6. Compulsory report per work every 1 year (manpower report);</li> <li>7. Plantation Development Progress Report every 1 year period (plantation</li> </ol>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance –	<p>business progress report);</p> <p>8. High conservation value monitoring report, see indicator 5.2.4 (high conservation value monitoring report);</p> <p>9. Land monitoring and prevention reports every 6 months, see indicator 5.5.2. (land fire monitoring and prevention activity report);</p> <p>10. Employee MCU report results, see indicator 4.6.11. (employee's medical checkup result);</p> <p>11. Air emissions reports, see indicator 5.6.3 (water emission test report);</p> <p>12. Report on physical and chemical analysis of rivers, see indicator 4.4.3. (river water's physical and chemical test result);</p> <p>13. Report on Land Application and utilization of solid waste every 3 months period sent to BLH Riau Province, see indicator 5.6.3.</p> <p><b>Scheme Smallholders:</b></p> <p>The KUDs has list of documents can access by public, such as: legal permits, among others: akte pendirian Koperasi, SHM (land ownership right), NPWP (tax register), SIUP and SITU, Operasional finace report, HCV, SOP/GAP/SEIA (Amdal) and Social documents.</p>	
<p><b>Criterion 1.3:</b></p> <p>Growers and millers commit to ethical conduct in all business operations and transactions.</p>			
1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions along with the documentation of socialisation process of the policy to all levels of the workers and operations.	The Company has revised its corporate policy by incorporating a code of ethical conduct, signed by the Managing Director of Asian Agri on December 1 <sup>st</sup> , 2014 and has been disseminated to all employees and stakeholders through the installation of Company Policy in Afdeling Office or Direct Dissemination to employees for example	Comply

`Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance –	on January 12 <sup>th</sup> , 2017 at Buatan II POM which was attended by 25 participants.  Based on interviews with Estate and Mill employees and Worker union, they have been well-informed of the Company's Code of Conduct policy. Interviews with Smallholder Management, KUD Management, Farmers Group Managers and farmers, demonstrated that they have been well informed regarding the Company's Code of Conduct policy.	
<b>Principle 2: Compliance with applicable laws and regulations</b>			
<b>Criterion 2.1</b>			
There is compliance with all applicable local, national and ratified international laws and regulations.			
2.1.1	Evidence of compliance with relevant legal requirements shall be available.  - Major compliance –	<p><b>Buatan Estate:</b> The company has master legal list document with must comply with it as documented in "Master List Perizinan", the master list consist of:</p> <ul style="list-style-type: none"> <li>- Ijin Prinsip (Principle permit) No.KB. 320/859/mentan/XI/1983 dated 7<sup>th</sup> November 1983 from Agriculture minister (65,000 Ha).</li> <li>- Ijin lokasi (Location Permit) No.KPTS.57/II/1987, dated 4<sup>th</sup> February 1987 for 32,000 Ha.</li> <li>- Ijin Pelepasan kawasan from Forestry Ministry (Release forest permit) No.664/Kpts-II/89, dated 31<sup>st</sup> October 1989.</li> <li>- Ijin pembukaan lahan (land clearing permit) No.1536/II/KW-6/1988, dated 2<sup>nd</sup> November 1988 from Forestry Ministry Region Riau Province.</li> <li>- Surat Keterangan Pendaftaran Tanah (Land register) from land authority of Pelalawan District No.15/SKPT/X/2004, dated 30<sup>th</sup> September 2004.</li> <li>- Surat Pendaftaran Usaha Perkebunan (SPUP) from Forestry and Plantation Ministry, No.185/Mentanhut/VII/2000, dated 3<sup>rd</sup> November 2000.</li> <li>- SK. HGU (Land Title), approved by Menteri negara Agraria/Kepala BPN</li> </ul>	<p><del>Non</del> compliance  Comply</p>

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

`Criterion / Indicator	Assessment Findings	Compliance
	<p>No.10/HGU/1993, tentang Pemberian HGU atas nama PT. IIS, atas tanah di kabupaten Kampar seluas 5,781.47 Ha” dated 13<sup>th</sup> May 1993.</p> <ul style="list-style-type: none"> <li>- HGU (Land titles) No.01, 1993, dated 19<sup>th</sup> June 1993, for Buatan Estate (5,781 Ha)</li> <li>- Renewal land title No.145/HGU/BPN/2004, dated 3<sup>rd</sup> November 2004. Expired until 2058 from Head of BPN (5,781 Ha)</li> <li>- IMB (Building licences), there 6 permit, such as; No.106/2009, 71/2009, 09/2009, 11/1992, 56/2009, 117/1997.</li> <li>- AMDAL (Environmental and Social impact assessment), SEIA No.013/ANDAL/BA/V/95, dated 3<sup>rd</sup> May 1995, by Agriculture Ministry.</li> <li>- Revised AMDAL (Dokumen Pengelolaan dan Pemantauan lingkungan) approved by Governor of Riau No.KPTS 975/X/2009, dated 28<sup>th</sup> October 2009.</li> <li>- Temporary hazardous waste store permit No.KPTS.503/BPMP2T-PLY/14/2016 from Badan Penanaman Modal dan Pelayanan perijinan Terpadu, Kabupaten Pelalawan, dated 18<sup>th</sup> March 2016, valid until 17<sup>th</sup> March 2021.</li> </ul> <p><b>Koperasi Kredit Primer untuk Anggota (KKPA):</b></p> <ul style="list-style-type: none"> <li>- Badan Hukum (Cooperative entity permit) No.25/BH/K.WK 4/5.1/III/1996, dated 6<sup>th</sup> March 1996.</li> <li>- Renewal of Badan Hukum No.25/PAD/BH/KDK, dated 25<sup>th</sup> June 2011.</li> <li>- Tanda Daftar Perusahaan (TDP) – Registration No.04162412000002, dated 16<sup>th</sup> April 2012, valid until 7<sup>th</sup> March 2017.</li> <li>- SITU (Site Business permit) No.137/KPPT/SITU/2011/398, dated 12<sup>th</sup> December 2011, valid until 11<sup>th</sup> December 2016.</li> <li>- NPWP (Tax number): 01.894.557.4-222-000.</li> <li>- UKL/UPL (Environmental Management and Monitoring Effort) No.660/BLH-AM/2012/181, dated 22<sup>nd</sup> February 2012 by “Kepala Badan Lingkungan Hidup Kabupaten Pelalawan” (Environmental Department of Pelalawan District).</li> <li>- Recommendation from Head of district “Surat Rekomendasi Bupati Daerah Tingkat II Kampar No.593/TP/1671/1996, tentang Rekomendasi Pencadangan Lahan Untuk kemitraan PT. IIS dengan KUD Delima Sakti di Desa Delik Kecamatan Bunut seluas 3,500 Ha”, dated 28<sup>th</sup> February 1996. The letter stated: “Persetujuan rekomendasi pencadangan lahan ini diberikan hanya untuk pola</li> </ul>	

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

`Criterion / Indicator	Assessment Findings	Compliance
	<p>kemitraan dengan komoditas <b>perkebunan kelapa sawit</b>" – approval for land gazetted for oil palm plantation with partnership module.</p> <ul style="list-style-type: none"> <li>- Memorandum Of Understanding (MoU) between KUD Delima Sakti and PT. Inti Indosawit Subur No.160/IIS-Pbr/Ext/III/96–04/KUD-DS/III/1996, dated 29<sup>th</sup> March 1996 for developing Scheme Smallholders (KKPA) for developing oil palm plantation 1,500 Ha (750 KK), approved by Bupati Kabupaten Kampar.</li> <li>- "Surat Bupati Kampar kepada Gubernur Riau No.520/TP/2207, tentang Pengembangan perkebunan Pola Kemitraan PT. IIS dengan KUD Delima sakti, Desa Delik, Kecamatan Bunut, Kabupaten Kampar", dated 22<sup>nd</sup> July 1996; stated the land was for developing <b>developing oil palm plantation with PIR-KKPA.</b></li> <li>- "Surat Keputusan Bupati Kampar No.525/TP/VII/1250/1996 tentang Pengembangan Perkebunan Pola Kemitraan PT. IIS dengan KUD Delima Sakti Desa Delik, Kecamatan Bunut, Kabupaten Kampar", dated 29<sup>th</sup> July 1996. Stating oil palm plantation development with partnership scheme between KKPA KUD Delima Sakti and PT. Inti Indosawit Subur for 3,000 Ha own and managed by local communities and 1,400 Ha in "Hutan Produksi Tetap".</li> <li>- "Surat Keputusan Bupati Kampar No.525/TP/97/3042 tentang Pencadangan lahan untuk perkebunan secara kemitraan antara KUD Delima sakti dengan PT. IIS", dated 25<sup>th</sup> January 1997. Letter for development of 2,000 Ha land for oil palm plantation.</li> <li>- "Surat Keputusan Bupati Kampar No.593/TP/1671/1996, tentang Rekomendasi Pencadangan Lahan untuk kemitraan PT. Inti Indosawit Subur dengan KUD Delima Sakti di Desa Delik, Kecamatan Bunut seluas 3,500 Ha" dated 28<sup>th</sup> February 1996 with dtails 2,000 Ha for nucleus dan 1,500 Ha for KKPA.</li> <li>- "Pertimbangan teknis from Kantor Wilayah Departemen Kehutanan No.5000/Kwl-6/1997", dated 1<sup>st</sup> February 1997. Technical Review from forestry service stated that proposed area 4,200 Ha, consist of: <ul style="list-style-type: none"> <li>• Based on Peta Kawasan Hutan: 1,000 Ha falls under Pengembangan Kehutanan (forest development area) and 3,200 Ha falls under Areal Pengembangan Perkebunan (plantation development area);</li> <li>• Based on existing permit: 1,000 Ha for forest development area; 1,500 Ha</li> </ul> </li> </ul>	



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

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	<p>PT. Langgam Inti Hibrindo and 1,700 Ha PT. Adhiguna Sawit Mandiri.</p> <ul style="list-style-type: none"> <li>- Review "Telaah Staf BPN Propinsi Riau No.378/050/1997, tentang Permohonan KUD Delima Sakti untuk mendapatkan pencadangan lahan perkebunan di desa Delik, Kecamatan Bunut, Kabupaten Kampar melalui sistem kemitraan dengan PT. Inti Indosawit Subur", dated 28th February 1997. The review stated that those area has been checked, no any overlapping with other party.</li> <li>- Persetujuan pencadangan lahan (Approval Developing Land) from Governor of Riau No.525/Ek/3304, dated 8th November 1997 for KKPA Delima Sakti (+3,500 Ha) with KKPA Scheme.</li> <li>- Nota Kesepakatan (MOU) between Plantation Timber company and PT. Inti Indosawit Subur, dated 1st August 1998 for managing KKPA KUD. Delima Sakti located in Delik Village, Bunut District, Kampar Regency, Riau Province.</li> <li>- Partnership Agreement between PT. Inti Indosawit Subur with KKPA KUD Delima Sakti dated 13<sup>th</sup> August 1998 for developing oil palm plantation for KKPA KUD Delima Sakti which located in Delik Village, Bunut District, Kampar Regency, Riau Province as regulated in "Surat Keputusan Gubernur Riau No.525/Ek/3304", dated 8<sup>th</sup> November 1997. This agreement approved by both of parties and witnessed Kepala Dinas Koperasi &amp; PPK Kabupaten Kampar (Cooperative Department of Kampar District), Plantation Department of Kampar District, Region Secretary of Riau Province and Regent of Kampar (Bupati).</li> <li>- Izin Lokasi (Location permit) from Bupati Kepala Daerah Tingkat II Kampar No.526/IP/PS/98/1998, dated 28<sup>th</sup> September 1998 tentang "Izin Pembukaan Lahan Kebun Kelapa Sawit Pola PIR-KKPA KUD Delima Sakti di Desa Delik, Kecamatan Bunut, Kabupaten Kampar".</li> <li>- Permohonan Dispensasi Pembukaan Lahan Seluas ±1,700 Ha from "Kantor Wilayah Propinsi Riau" No.4322/Kwl-6/1998, dated 20<sup>th</sup> October 1998. This was dispensation letter for developing oil palm plantation for KKPA KUD Delima Sakti from Kepala Kantor Wilayah Kehutanan dan Perkebunan Provinsi Riau (Forestry and Plantation Department of Riau Province) for areas ±1,700 Ha, stated that KUD Delima Sakti has obtained technical review and no objection.</li> <li>- Renewal Partnership Agreement between PT. Inti Indosawit Subur and KKPA KUD Delima Sakti No.22/P.kemitraan/DS/KE/2005 – No.06/KUD-DS/VII/2005, dated 30<sup>th</sup> July 2005 for developing oil palm plantation for KKPA KUD Delima</li> </ul>	

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

`Criterion / Indicator	Assessment Findings	Compliance
	<p>Sakti with approved by Regent of Pelalawan.</p> <ul style="list-style-type: none"> <li>- "Surat Persetujuan Pembukaan Lahan dari Dinas Perkebunan Provinsi Riau No.525.26.D.1151, tentang Persetujuan Rencana Pembukaan Areal an. KUD Delima Sakti" dated 21<sup>st</sup> October 1999. The approval for land clearing for ±1,000 Ha (planting 1999/2000).</li> <li>- "Izin Bupati Pelalawan No.KPTS. 525.26/PEM/XI/166/2005, tentang Pemberian Izin Pembukaan Kelapa Sawit dan Penetapan Nama Nama Anggota KUD Delima Sakti peserta program pembangunan perkebunan kelapa sawit Pola Kemitraan di Desa Lalang Kabung, Kecamatan Pelalawan, Kabupaten Pelalawan, Provinsi Riau dengan luasan 1,500 Ha (750 KK). List of KKPA members (Calon Petani Calon Lahan – CPCL), dated 30<sup>th</sup> November 2005. Renewal approval permit from Regent of Pelalawan, consist of 30 sub group members, each group consist 25 members, each member: 2 Ha.</li> <li>- Perjanjian Kredit (Credit Agreement for developing KKPA) between PT. IIS and KKPA KUD. Delima Sakti as regulated in "Akte Notaris" No.37, dated 25<sup>th</sup> April 2007 by notary Nusyirwan Koto, SH, M,KM.</li> </ul> <p><b>Buatan II POM:</b></p> <p>Evidence of compliance with relevant legal requirements are available in "Evaluasi Kepatuhan Hukum PT. Inti Indosawit Subur-Buatan II POM". Latest revision dated July 2017. Public Relation officer is responsible to update and review the relevant regulations. Copy of relevant regulations are available. List of Buatan II POM permit as a compliance to legal requirement presented in "Laporan Unit Pabrik Buatan II POM – Perizinan Pabrik". For example:</p> <ul style="list-style-type: none"> <li>- Izin Mendirikan Bangunan (IMB) No. 117/IMB/PU.CK/I/1997 dated 16 January 1997</li> <li>- Izin Pemanfaatan Limbah Cair (Land application) No. KPTS.660/blh/781/2014 dated 10 September 2014 valid until 9 october 2019.</li> <li>- Izin Pemanfaatan Air Permukaan No. KPTS.540/DPE/GEO-MIGAS/2014/180 dated</li> </ul>	

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

`Criterion / Indicator		Assessment Findings	Compliance
		<p>01 April 2014 valid until 1 April 2016, permit renewal has been proposed to related government agency (ESDM Ministry) and remain in process. "Rekomendasi Teknis Pengusahaan Sumberdaya Air Sungai Laniago" No. HK.0503/28REKOMTEK/BWSS-III/2016 dated 14 October 2016. Allowed discharge 27.77 l / sec of pumping 24 hours / day.</p> <ul style="list-style-type: none"> <li>- "Akte Izin Bejana Uap (BPV) dari Dinas Tenaga Kerja Kabupaten Pelalawan" No. 037/BU/PLLWN/2003 dated 30<sup>th</sup> October 2003. Latest inspection report No.LHPP/JM/V/1578/2017 dated 23<sup>th</sup> May 2017 with next inspection due 23<sup>rd</sup> May 2019. Report stated the steam vessel, safety valve, steam trap, valve, isolation, temperature measurement tool, welding , corrosion, temperature control are in good condition.</li> <li>- "Akte Izin Bejana Uap (Sterilizer) Kepala Dinas Tenaga Kerja Kabupaten Pelalawan No.03/B.0302" dated 24<sup>th</sup> November 2001 for Sterilizer No.4. Latest inspection report No.LHPP/JM/XI/1029/2016 dated 8<sup>th</sup> November 2016, next inspection due 8<sup>th</sup> November 2018.</li> <li>- "Akte Izin Bejana Uap (Sterilizer) Kepala Dinas Tenaga Kerja Kabupaten Pelalawan No.028/BU/PL/2005" dated 21<sup>st</sup> July 2005 for Sterilizer No.2. Latest inspection report No.LHPP/JM/V/1577/2017 dated 23<sup>rd</sup> May 2017, next inspection due 23<sup>rd</sup> May 2019.</li> <li>- "Izin Pengesahan Pemakaian Motor Diesel Dinas Tenaga Kerja Kabupaten Pelalawan No.084/M-MD/PLL/2005" dated 21<sup>st</sup> July 2005 for Motor Diesel No.2. Latest inspection report under "Laporan Hasil Pemeriksaan &amp; Pengujian Pesawat Tenaga dan Produksi No.LHPP/JM/XI/1026/2016, dated 08<sup>th</sup> November 2016 next inspection due 8<sup>th</sup> November 2017.</li> <li>- "Izin Pengesahan Pemakaian Instalasi Listrik Dinas Tenaga Kerja Kabupaten Pelalawan No.027/IL-L/PL/2005", dated 21<sup>st</sup> July 2005. Inspection report No.LHPP/JM/XI/1032/2016, dated 8<sup>th</sup> November 2016 and next inspection due for 8<sup>th</sup> November 2017.</li> <li>- "Akte Izin Turbin Uap Pengesahan Dinas Tenaga Kerja Kabupaten Pelalawan</li> </ul>	

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

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	<p>No.085/M-TU/PLL/2005" dated 7<sup>th</sup> August 2003 for Steam turbine Shinko Kin 1560 hp, with S/N RB4-99984. Latest inspection report No.LHPP/JM/XI/1027/2016 dated 8<sup>th</sup> November 2016, next inspection due 8<sup>th</sup> November 2017. Based on report, the steam turbine was in good condition.</p> <ul style="list-style-type: none"> <li>- "Izin Pengesahan Pemakaian Instalasi Penyalur Petir No.032/IP-P/PL/2005" dated 21<sup>st</sup> July 2005 for lightning arrester. Last inspection reported under Laporan Hasil Pemeriksaan dan Pengujian Instalasi Penyalur Petir No.LHPP/JM/XI/1031/2016, dated 8<sup>th</sup> November 2016, next inspection due 8<sup>th</sup> November 2017.</li> </ul> <p><b>Scheme Smallholders:</b></p> <p>Evidence of compliance with relevant legal requirements are available in "Evaluasi Kepatuhan Hukum PT. Inti Indosawit Subur-Plasma Buatan". Latest revision dated July 2017. Public Relation officer is responsible to update and review the relevant regulations. Copy of relevant regulations are available. Below are the evidence of regulation compliance:</p> <p><u>KUD Buatan Jaya</u></p> <ul style="list-style-type: none"> <li>- Akta Pendirian Koperasi Nomor 30/BH/DISKOP/518/VII/2003 dated 26 Juli 2003</li> <li>- Pengesahan Akta Pendirian Koperasi based on Keputusan Menteri Negara Koperasi dan Usaha Kecil Menengah RI Nomor: 30/BH/DISKOP/518/VII/2003 dated 26 July 2003</li> <li>- Izin gangguan (HO) Nomor:350.08/IZIN-HO/III/2016/12 dated 29 March 2016 valid until 29 March 2021</li> <li>- Surat izin tempat usaha Nomor: 523.33/SITU/III/2016/12 dated 29 March 2016 valid until 29 March 2021</li> <li>- Surat izin Usaha Perdagangan (SIUP) Menengah Nomor: 0723/04.12/PM/IV/2015 dated 9 April 2015 valid until 16 September 2018</li> <li>- Tanda Daftar Perusahaan Nomor: 0412264000018 dated 09 April 2015 valid until 16 September 2018</li> </ul>	

`Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> <li>- Izin Mendirikan Bangunan Nomor: 0093/IMB/IV/2016/05 dated 4 April 2016</li> <li><u>KUD Sawit Harapan</u></li> <li>- Surat izin tempat usaha Nomor: 523.33/SITU/IV/2015/06 dated 15 April 2015 valid until 15 April 2020</li> <li>- Tanda Daftar Perusahaan Nomor: 0412247000002 dated 26 Mei 2015 valid until 12 August 2018</li> <li>- Izin Mendirikan Bangunan Nomor: 0093/IMB/IV/2015/15 dated 6 April 2015</li> <li>- Surat izin Usaha Perdagangan (SIUP) Menengah Nomor: 0742/04.12/PM/IV/2015 dated 26 May 2015 valid until 26 may 2020</li> <li>- Akta Pendirian Koperasi Nomor 51/BH/KDK2.2/12/XI/1998 dated 11 November 1998</li> <li>- Pengesahan Akta Pendirian Koperasi based on Keputusan Menteri Negara Koperasi dan Usaha Kecil Menengah RI Nomor: 51/BH/kdk2.2/12/XI/1998 dated 11 November 1998.</li> <li><u>KUD Mitra Usaha</u></li> <li>- Surat Izin Usaha Perdagangan (SIUP) Menengah Nomor: 0907/04.12/PM/IV/2017 dated 6 April 2017 valid since cooperative running their activity</li> <li>- Surat Izin Tempat Usaha Nomor: 523.33/SITU/III/2017/07 dated 22 March 2017 valid until 22 March 2022</li> <li>- Tanda Daftar Perusahaan Nomor: 0412264000045 dated 6 April 2017 valid until 15 July 2021</li> <li>- Akta Pendirian Koperasi Nomor 06/PAD/BH/DISKOP/518/VIII/2003 dated 04 August 2003.</li> <li>- Pengesahan Akta Pendirian Koperasi based on Keputusan Menteri Koperasi dan Pembinaan Usaha Kecil Menengah RI Nomor: 945/PAD/KWK.4/5.1/XII/1996.</li> </ul>	

`Criterion / Indicator		Assessment Findings	Compliance
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance –	The company has list comprehensive list of regulation which prepared by Humas Department as documented in "Evaluasi Kepatuhan Hukum PT. Inti Indosawit Subur – Buatan Unit Pabrik/Kebun Buatan, The list is updated regularly, the last updated on July 2017, the list consist of legal requirement, evaluation, evidence of compliance, and update.  <b>Scheme Smallholders:</b> KUDs have comprehensive list of regulation which prepared by KUD assist by Scheme manager as recorded in "Status Evaluasi Kepatuhan Hukum", updated 1 <sup>st</sup> June 2017, the list consist of legal requirement, evaluation, evidence of compliance, and updates.	Comply
2.1.3	A mechanism for ensuring compliance shall be implemented. - Minor compliance –	Internal checking on legal compliance conducted once a year through Internal Audit Sustainability for RSPO-ISCC-SMK3-ISPO schemes. Latest internal audit for Mill and Estate/KKPA was on 25 – 26 <sup>th</sup> May 2017.  A number of laws and regulation have not been included and evaluated in the list of relevant regulations.  This finding has been identified as minor NC in previous annual surveillance assessment, so it is escalated to Major NC in this annual surveillance assessment.	<del>Non compliance</del> Comply
2.1.4	A system for tracking any changes in the law shall be available and implemented. - Minor compliance –	A system for tracking any changes of regulation conducted by Public Relation officer through searching in internet and/or communication with local government. This has been explained in SOP AA-GL-5001.1-R0 "Pemenuhan Peraturan Perundang-Undangan dan Perubahannya", approved on 5 <sup>th</sup> November 2009.  <b>Scheme Smallholders:</b> Scheme manager will inform the scheme smallholders (KUD) if there is any a change	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		or amendment in laws and regulations. Scheme manager conduct meetings with the KUD members to ensure compliance.	
<b>Criterion 2.2</b>			
The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.			
2.2.1	Documents showing legal ownership or lease, history of land tenure ownership/control, and the actual legal use of the land shall be available.  - Major compliance -	<p>PT Inti Indosawit Subur – Buatan Group is an Indonesian government project through the Development of Oil Palm Plantations Program with PIR-Trans Method, started in 1983 through the Principe Approval from Minister of Agriculture No.KKB.320/859/Mentan/XI/1983 dated November 7<sup>th</sup>, 1983 and followed by Appointment of Project Location issued by the Governor of Riau through Decision Letter no. Kpts.379/VIII/1984 dated August 27<sup>th</sup>, 1984. PIR-Trans Plantation Development Project of PT Inti Indosawit Subur – Buatan Group was based on the Decree of the Minister of Agriculture no. 350/Kpts/KB.510/6/1987 on PIR-Trans Development Project, Pasir Penyu area, Kampar and Indragiri Hulu Regency, Riau Province.</p> <p>The Letter described:</p> <ol style="list-style-type: none"> <li>Validation of Implementation Plan for Oil Palm PIR-Trans development in Pangkalan Kuras area of Kampar Regency and Pasir Penyu areas of Indragiri Hulu Regency, Riau Province.</li> <li>Appoint PT Inti Indosawit Subur as the core company in the Oil Palm PIR-Trans Development project in Pangkalan Kuras area, Kampar Regency and Pasir Penyu area, Indragiri Hulu Regency, Riau Province</li> </ol> <p>The Company has complete proof of land ownership and their historical land tenure, as follows:</p> <ul style="list-style-type: none"> <li>Location Permit issued by Riau Governor, with letter number: KPTS.57/II/1987 for PT Inti Indosawit Subur to develop a program of scheme smallholder; covering the total area of 32,000 ha.</li> <li>Forest Land release permits by Ministry of Forestry, with letter number: 664/KPTS-II/89 for PT Inti Indosawit Subur. The permit released forest area of</li> </ul>	Comply



`Criterion / Indicator	Assessment Findings	Compliance
	<p>Kermei River (± 19,456.10 Ha), Pelalawan River (± 9,451.25 Ha), Bengkirai and Air Hitam River (± 28,527.5 Ha), Lala and Berberas River (± 9,730 Ha).</p> <ul style="list-style-type: none"> <li>Hak Guna Usaha (HGU) based on the Decree Letter of Head of BPN No. 10/HGU/1992 dated May 13<sup>th</sup>, 1999 which followed up by the issuance of HGU Certificate by the Land Agency of Kampar Regency through HGU Certificate No. 01 dated 19 June 1993 on land located in Delik Vilage, Pangkalan Kerinci District of 5,781 Ha in accordance with the Letter of Measurement no. 07/1992 dated October 27<sup>th</sup>, 1992. HGU validity period up to December 31<sup>st</sup>, 2023. HGU Renewal was available as Head of BPN Decree Letter No. 145/HGU/BPN/2004, dated 3 November 2004, expired until 2058.HGU certificate is equipped with HGU Map with scale 1: 50.000.</li> </ul> <p><b>Scheme Smallholder:</b>  Smallholder farmers obtained land from the government through the Program of Oil Palm Plantation Development PIR-Trans Pattern that started in 1983 as described above where each PIR-Trans program participant received 2 Ha of smallholder land. The legal form of land ownership is the Certificate of Ownership (SHM). However, in the course of time, the land and its certificate was traded, and currently some of the land owner has been changed from its original. All records of land ownership rights are well documented by Scheme Smallholder Management.</p> <p>Based on the results of field visits in Scheme Smallholder area, KUD shows that all of Smallholder Farmer's field samples have done corner marking using pipe that filled with cement given red color (above) and white (Bottom). The boundary between plots were also marked by the preparation of midrib along the boundary between plots.</p> <p>Land tenure document in the form of Land Ownership Certificate (Certificate of Ownership / SHM) kept by each farmer while Smallholder Management keeps a copy of the document, e.g.:</p> <p>(1) Hamparan 131 (KT Beringin Mulus), KUD Kebun Sawit Harapan, Desa Gabung Makmur, Kerinci Kanan District:  a. Document of land ownership of Kapling 4062 on behalf of Mr. Kadar with</p>	

`Criterion / Indicator		Assessment Findings	Compliance
		<p>SHM No. 317 dated October 6<sup>th</sup>, 1998 based on Decree Letter from Head of BPN of Riau Province Region No. 05/PIR/KW.24-KR/1998-182-162 dated June 4<sup>th</sup>, 1998 with an area of 20,000 m<sup>2</sup> in accordance with the Letter of Measurement No. 5589/98 dated October 6<sup>th</sup>, 1998.</p> <p>b. Document of land ownership of Kapling 4063 on behalf of Mr. Kadar with SHM No. 315 dated October 6<sup>th</sup>, 1998 based on Decree Letter from Head of BPN of Riau Province Region No. 05/PIR/KW.24-KR/1998-182-162 dated June 4<sup>th</sup>, 1998 with an area of 20,000 m<sup>2</sup> in accordance with the Letter of Measurement No. 5590/98 dated October 6<sup>th</sup>, 1998.</p> <p>(2) Hamparan 132 (KT Tapak Kuda), KUD Kebun Sawit Harapan, Desa Gabung Makmur, Kerinci Kanan District:</p> <p>a. Document of land ownership of Kapling 3745 on behalf of Mr. Sapyan with SHM No. 355 dated October 23<sup>rd</sup>, 1995 based on Decree Letter from Head of BPN of Riau Province Region No. SK.09/PIR/KW.24-KR/1995 dated October 18<sup>th</sup>, 1995 (Order No. 981) with an area of 20,000 m<sup>2</sup> in accordance with the Letter of Measurement No. 9623/1995 dated October 20<sup>th</sup>, 1995. Currently the land has been transferred to Mr. Parta Wirja.</p> <p>b. Document of land ownership of Kapling 4119 on behalf of Mr. Rusman with SHM No. 316 dated October 6<sup>th</sup>, 1998 based on Decree Letter from Head of BPN of Riau Province Region No. 05/PIR/KW.24-KR/1998-182-162 dated June 4<sup>th</sup>, 1998 with an area of 20,000 m<sup>2</sup> in accordance with the Letter of Measurement No. 6941/98 dated October 6<sup>th</sup>, 1998.</p> <p>c. Document of land ownership of Kapling 4153 on behalf of Mr. Sardiyono with SHM No. 425 dated October 6<sup>th</sup>, 1998 based on Decree Letter from Head of BPN of Riau Province Region No. 05/PIR/KW.24-KR/1998-182-162 dated June 4<sup>th</sup>, 1998 with an area of 20,000 m<sup>2</sup> in accordance with the Letter of Measurement No. 5594/98 dated October 6<sup>th</sup>, 1998.</p> <p>(3) Hamparan 137 (KT Rendemen), KUD Kebun Sawit Harapan, Desa Gabung Makmur, Kerinci Kanan District:</p> <p>a. Document of land ownership of Kapling 3745 on behalf of Mr. Nurdan with SHM No.461 dated October 23<sup>rd</sup>, 1995 based on Decree Letter from Head of</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>BPN of Riau Province Region No. SK.09/PIR/KW.24-KR/1995 dated October 18<sup>th</sup>, 1995 (Order No. 1087) with an area of 20,000 m<sup>2</sup> in accordance with Measurement Letter No. 9729/1995 dated October 20<sup>th</sup>, 1995. Currently the land has been transferred to Mr. Kasyanto.</p> <p>b. Document of Land ownership of Kaling 3826 on behalf of Mr. Joto with SHM No. 452 dated October 6<sup>th</sup>, 1998 based on Decree Letter from Head of BPN of Riau Province Region No. 05/PIR/KW.24-KR/1998-182-162 dated June 4<sup>th</sup>, 1998 with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 5505/98 dated October 8<sup>th</sup>, 1998. Currently the land has been transferred to Mr. Samsudin.</p> <p>c. Document of land ownership of Kapling 3870 on behalf of Mr. Edi Sukandar with SHM No. 460 dated October 23<sup>rd</sup>, 1995 based on Decree Letter from Head of BPN of Riau Province Region No. SK.09/PIR/KW.24-KR/1995 dated October 18<sup>th</sup>, 1995 (Order No. 1086) with an area of 20,000 m<sup>2</sup> in accordance with Measurement Letter No. 9728/1995 dated October 20<sup>th</sup>, 1995. Currently the land has been transferred to Mr. Sapin.</p> <p>(4) Hamparan 138 (KT Sisipan), KUD Kebun Sawit Harapan, Desa Gabung Makmur, Kerinci Kanan District:</p> <p>a. Document of land ownership of Kapling 4062 on behalf of Mr. Padma with SHM No. 483 dated October 23<sup>rd</sup>, 1995 based on Decree Letter from Head of BPN of Riau Province Region No. SK.09/PIR/KW.24-KR/1995 dated October 18<sup>th</sup>, 1995 (Order No. 1109) with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 9751/1995 dated October 20<sup>th</sup>, 1995. Currently the land has been transferred to Mr. Sukirno 1.</p> <p>b. Document of Land Ownership of Kapling 3717 on behalf of Mr. Zainal Muta'in with SHM No. 1106 dated October 6<sup>th</sup>, 1998 based on Decree Letter from Head of BPN of Riau Province Region No. 05/PIR/KW.24-KR/1998-182-162 dated June 4<sup>th</sup>, 1998 with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 9748/98 dated 8 October 1998. Currently the land has been transferred to Mr. Sardi (Citizens of SP 009).</p> <p>c. Document of land ownership of Kapling 3749 on behalf of Mr. Kasim with SHM No. 1102 dated October 6<sup>th</sup>, 1998 based on Decree Letter from Head</p>	

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

`Criterion / Indicator		Assessment Findings	Compliance
		<p>of BPN of Riau Province Region No. 05/PIR/KW.24-KR/1998-182-162 dated June 4<sup>th</sup>, 1998 with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 5503/98 dated October 6<sup>th</sup>, 1998. Currently the land has been transferred to Mr. Suyoto.</p> <p>(5) Hamparan 143 (KT Pinggir Pematang), KUD Buatan Jaya, Jati Mulya Village (SP 09), Kerinci Kanan District:</p> <ul style="list-style-type: none"> <li>a. Document of Land ownership of Kapling 3574 on behalf of Mr. Giyanto with SHM No. 594 dated October 23<sup>rd</sup>, 1995 based on Decree Letter from Head of BPN of Riau Province Region No. SK.09/PIR/KW.24-KR/1995 dated October 18<sup>th</sup>, 1995 (Order No. 1220) with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 9862/1995 dated October 20<sup>th</sup>, 1995. Currently the land has been transferred to Mr. Wito.</li> <li>b. Document of Land Ownership of Kapling 3575 on behalf of Mr. Legiman with SHM No. 577 dated October 23<sup>rd</sup>, 1995 based on Decree Letter from Head of BPN of Riau Province Region No. SK.09 / PIR / KW.24-KR / 1995 dated October 18<sup>th</sup>, 1995 (Order No. 1215) with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 9845/1995 dated October 20<sup>th</sup>, 1995. Currently the land has been transferred to Mr. Sudiman.</li> <li>c. Document of land ownership of Kapling 3576 on behalf of Mr. Suratun with SHM No. 589 dated October 23<sup>rd</sup>, 1995 based on Decree Letter from Head of BPN of Riau Province Region No. SK.09/PIR/KW.24-KR/1995 dated October 18<sup>th</sup>, 1995 (Order No. 1215) with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 9857/1995 dated October 20<sup>th</sup>, 1995. Currently the land has been transferred to Mr. Sudiman.</li> <li>d. Document of land ownership of Kapling 3579 on behalf of Mr. Nurhamin with SHM No. 579 dated October 23<sup>rd</sup>, 1995 based on Decree Letter from Head of BPN of Riau Province Region No. SK.09/PIR/KW.24-KR/1995 dated October 18<sup>th</sup>, 1995 (Order No. 9647) with an area of 20,000 m<sup>2</sup> in accordance with Measurement Letter No. 9847/1995 dated October 20<sup>th</sup>, 1995. Currently the land has been transferred to Mr. Sarijo.</li> </ul> <p>(6) Hamparan 144 (KT Brondolan), KUD Buatan Jaya, Jati Mulya Village (SP 09),</p>	

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

`Criterion / Indicator		Assessment Findings	Compliance
		<p>Kerinci Kanan District:</p> <ul style="list-style-type: none"> <li>a. Document of Land Ownership of Kapling 3573 on behalf of Mr. Jonner with SHM No. 622 dated October 23<sup>rd</sup>, 1995 based on the Decree Letter from Head of BPN of Riau Province Region No. SK.09/PIR/KW.24-KR/1995 dated October 18<sup>th</sup>, 1995 (Order No. 1248) with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 9890/1995 dated October 20<sup>th</sup>, 1995. Currently the land has been transferred to Mr. B. Sijabat.</li> <li>b. Document of Land Ownership of Kapling 3580 on behalf of Mr. Musadi with SHM No. 617 dated October 23<sup>rd</sup>, 1995 based on Decree Letter from Head of BPN of Riau Province Region No. SK.09/PIR/KW.24-KR/1995 dated October 18<sup>th</sup>, 1995 (Order No. 1243) with an area of 20,000 m<sup>2</sup> in accordance with Measurement Letter No. 9885/1995 dated October 20<sup>th</sup>, 1995.</li> </ul> <p>(7) Hamparan 146 (KT Mahkota Sawit), KUD Buatan Jaya, Jati Mulya Village (SP 09), Kerinci Kanan District:</p> <ul style="list-style-type: none"> <li>a. Document of land ownership of Kapling 3601 on behalf of Mr. Suyono with SHM No. 670, dated October 23<sup>rd</sup>, 1995 based on Decree Letter from Head of BPN of Riau Province Region No. SK.09/PIR/KW.24-KR/1995 dated October 18<sup>th</sup>, 1995 (Order No. 1296) with an area of 20,000 m<sup>2</sup> in accordance with Measurement Letter No. 9938/1995 dated October 20<sup>th</sup>, 1995. Currently the land has been transferred to Mr. Suradi.</li> <li>b. Document of land ownership of Kapling 3609 on behalf of Mr. Sumeri with SHM No. 662, dated October 23<sup>rd</sup>, 1995 based on Decree Letter from Head of BPN of Riau Province Region No. SK.09/PIR/KW.24-KR/1995 dated October 18<sup>th</sup>, 1995 (Order No. 1288) with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 9930/1995 dated October 20<sup>th</sup>, 1995. Currently the land has been transferred to Mr. Iswanto.</li> <li>c. Land ownership document of Kapling 3610 on behalf of Mr. Abdul Aziz with SHM No. 655, dated October 23<sup>rd</sup>, 1995 based on Decree Letter from Head of BPN of Riau Province Region No. SK.09/PIR/KW.24-KR/1995 dated October 18<sup>th</sup>, 1995 (Order No. 1281) with an area of 20,000 m<sup>2</sup> in accordance with Measurement Letter No. 9923/1995 dated October 20<sup>th</sup>,</li> </ul>	

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

` Criterion / Indicator	Assessment Findings	Compliance
	<p>1995. Currently the land has been transferred to Mr. Sofyan.</p> <p>d. Land ownership document of Kapling 3611 on behalf of Mr. Tumijan with SHM No. 672, dated October 23<sup>rd</sup>, 1995 based on Decree Letter from Head of BPN of Riau Province Region No. SK.09/PIR/KW.24-KR/1995 dated October 18<sup>th</sup>, 1995 (Order No. 1298) with an area of 20,000 m<sup>2</sup> in accordance with Measurement Letter No. 9940/1995 dated October 20<sup>th</sup>, 1995. Currently the land has been transferred to Mr. Mono.</p> <p>(8) Hamparan 148 (KT Ganco Tajam), KUD Buatan Jaya, Jati Mulya Village (SP 09), Kerinci Kanan District:</p> <p>a. Land Ownership Document on behalf of Mr. Darseno located in Kapling 3539 with SHM No. 710 dated October 23<sup>rd</sup>, 1995 based on Decree Letter from Head of BPN of Riau Province Region No. SK.09/PIR/KW.24-KR/1995 dated October 18<sup>th</sup>, 1995 (Serial No. 1336) with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 9978/1995 dated October 20<sup>th</sup>, 1995. Currently the land has been transferred to Mr. Yudi.</p> <p>b. Land Ownership Document on behalf of Mr. Jamil located in Kapling 3532 with SHM No. 00012 dated August 22<sup>nd</sup>, 2008 based on Decree Letter from Head of BPN of Riau Province Region No. SK.09/PIR/KW.24-KR/1995 dated October 18<sup>th</sup>, 1995 with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 02/Delik/2008 dated 1 August 2008. Currently the land has been transferred to Mr. Sujari.</p> <p>c. Land ownership document on behalf of Mr. Gunawan Triwidodo located at Kapling 3533 with SHM No. 729 dated October 23<sup>rd</sup>, 1995 based on Decree Letter from Head of BPN of Riau Province Region No. SK.09/PIR/KW.24-KR/1995 dated October 18<sup>th</sup>, 1995 (No. 1355) with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 9997/1995 dated October 20<sup>th</sup>, 1995. Currently the land has been transferred to Mr. Besari.</p> <p>d. Document of land ownership on behalf of Mr. Soufi located in Kapling 3538 with SHM No. 709 dated October 23<sup>rd</sup>, 1995 based on Decree Letter from Head of BPN of Riau Province Region No. SK.09/PIR/KW.24-KR/1995 dated October 18<sup>th</sup>, 1995 (No. 1335) with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 9977/1995 dated October 20<sup>th</sup>, 1995.</p>	

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

`Criterion / Indicator		Assessment Findings	Compliance
		<p>Currently the land has been transferred to Mr. Sulistiono.</p> <p>e. Document of land ownership on behalf of Mr. Kasno residing in Kapling 3539 with SHM No. 720 dated October 23<sup>rd</sup>, 1995 based on Decree Letter from Head of BPN of Riau Province Region No. SK.09/PIR/KW.24-KR/1995 dated October 18<sup>th</sup>, 1995 (Serial No. 1346) with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 9988/1995 dated October 20<sup>th</sup>, 1995.</p> <p>(9) Hamparan 82 (KT Sumber Rejeki), KUD Mitra Usaha, Buatan Baru Village (SP 10), Kerinci Kanan District:</p> <p>a. Document of land ownership on behalf of Mr. Sungarno located in Kapling 2792 with SHM No. 1009 dated October 3<sup>rd</sup>, 1994 based on Decree Letter from Head of BPN of Riau Province Region No. SK/PIR/KW.24-Bks/1994 dated September 21<sup>st</sup>, 1994 (Order No. 294) with an area of 20,000 m<sup>2</sup> in accordance with Measurement Letter No. 9760/94 dated October 3<sup>rd</sup>, 1994. Currently the land has been transferred to Mr. Rustam.</p> <p>b. Document of land ownership on behalf of Mr. Sujoyo located in Kapling 2783 with SHM No. 1081 dated October 3<sup>rd</sup>, 1994 based on Decree Letter from Head of BPN of Riau Province Region No. SK/PIR/KW.24-Bks/1994 dated September 21<sup>st</sup>, 1994 (Order No. 334) with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 9800/94 dated October 3<sup>rd</sup>, 1994.</p> <p>c. Document of land ownership on behalf of Mr. Suratman located in Kapling 2794 with SHM No. 1073 dated October 3<sup>rd</sup>, 1994 based on Decree Letter from Head of BPN of Riau Province Region No. SK/PIR/KW.24-Bks/1994 dated September 21<sup>st</sup>, 1994 (Order No. 386) with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 9853/94 dated October 3<sup>rd</sup>, 1994. Currently the land has been transferred to Mr. Nurhadi.</p> <p>(10) Hamparan 154 (KT Sisipan Sukses), KUD Mitra Usaha, Buatan Baru Village (SP 10), Kerinci Kanan District:</p> <p>a. Document of land ownership on behalf of Mr. Sodikin located in Kapling 3303 with SHM No. 1242 dated October 19<sup>th</sup>, 1998 based on the Decree</p>	



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

`Criterion / Indicator	Assessment Findings	Compliance
	<p>Letter from Head of BPN of Riau Province Region No. SK.06/PIR/KW.24-Bks/1995 dated October 5<sup>th</sup>, 1995 (Order No. 101) with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 1664/1995 dated October 19<sup>th</sup>, 1995. Currently the land has been transferred to Mr. Nurhadi.</p> <p>b. Document of land ownership on behalf of Mr. Misrum located in Kapling 3304 with SHM No. 1232 dated October 6<sup>th</sup>, 1998 based on Decree Letter from Head of BPN of Riau Province Region No. SK.06/PIR/KW.24-Bks/1995 dated October 5<sup>th</sup>, 1995 (No. 91) with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 1654/1995 dated October 19<sup>th</sup>, 1995.</p> <p>c. Document of land ownership on behalf of Mr. Miskum located in Kapling 3304 with SHM No. 1233 dated October 6<sup>th</sup>, 1998 based on Decree Letter from Head of BPN of Riau Province Region No. 05/PIR/KW.24-KR/1998-182-162 dated June 4<sup>th</sup>, 1998 with an area of 20,000 m<sup>2</sup>. Currently the land has been transferred to Mr. Ngadino.</p> <p>(11)Hamparan 156 (KT Bumi Makmur), KUD Mitra Usaha, Buatan Baru Village (SP 10), Kerinci Kanan District:</p> <p>a. Land ownership document on behalf of Mr. Wismo Rejo Tukimin located in Kapling 3182 with SHM No. 1144 dated October 19<sup>th</sup>, 1995 based on Decree Letter from Head of BPN of Riau Province Region No. SK.06/PIR/KW.24-Bks/1995 dated October 5<sup>th</sup>, 1995 (Order No. 03) with an area of 20,000 m<sup>2</sup> in accordance with Measurement Letter No. 1566/1995 dated October 19<sup>th</sup>, 1995.</p> <p>b. Document of land ownership on behalf of Mr. Sobirin located in Kapling 3181 with SHM No. 1157 dated October 19<sup>th</sup>, 1995 based on Decree Letter from Head of BPN of Riau Province Region No. SK.06/PIR/KW.24-Bks/1995 dated October 5<sup>th</sup>, 1995 (No. 16) with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 1579/1995 dated October 19<sup>th</sup>, 1995.</p> <p>c. Land ownership document on behalf of Mr. Sujono located in Kapling 3245 with SHM No. 1164 dated October 19<sup>th</sup>, 1995 based on Decree Letter from Head of BPN of Riau Province Region No. SK.06/PIR/KW.24-Bks/1995 dated October 5<sup>th</sup>, 1995 (No. 23) with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 1586/1995 dated October 19<sup>th</sup>, 1995. Currently</p>	

`Criterion / Indicator		Assessment Findings	Compliance
		<p>the land has been transferred to Mr. Mulyadi.</p> <p>(12) Hamparan 159 (KT Darma Bakti), KUD Mitra Usaha, Desa Buatan Baru (SP 10), Kerinci Kanan District:</p> <ul style="list-style-type: none"> <li>a. Land ownership document on behalf of Mr. Carum located in Kapling 3150 with SHM No. 1350 dated October 19<sup>th</sup>, 1995 based on Decree Letter from Head of BPN of Riau Province Region No. SK.06/PIR/KW.24-Bks/1995 dated October 5<sup>th</sup>, 1995 (No. 209) with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 1772/1995 dated October 19<sup>th</sup>, 1995.</li> <li>b. Land ownership document on behalf of Mr. Selamat located in Kapling 3151 with SHM No. 1332 dated October 19<sup>th</sup>, 1995 based on Decree Letter from Head of BPN of Riau Province Region No. SK.06/PIR/KW.24-Bks/1995 dated October 5<sup>th</sup>, 1995 (No. 212) with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 1774/1995 dated October 19<sup>th</sup>, 1995.</li> <li>c. Land ownership document on behalf of Mr. Selamat located in Kapling 3154 with SHM No. 1363 dated October 19<sup>th</sup>, 1995 based on Decree Letter from Head of BPN of Riau Province Region No. SK.06/PIR/KW.24-Bks/1995 dated October 5<sup>th</sup>, 1995 (No. 222) with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 1785/1995 dated October 19<sup>th</sup>, 1995. Currently the land has been transferred to Mr. Sunardi.</li> <li>d. Document of land ownership on behalf of Mr. Ilit located in Kapling 3152 with SHM No. 1370 dated October 19<sup>th</sup>, 1995 based on Decree Letter from Head of BPN of Riau Province Region No. SK.06/PIR/KW.24-Bks/1995 dated October 5<sup>th</sup>, 1995 (No. 229) with an area of 20,000 m<sup>2</sup> in accordance with the Measurement Letter No. 1792/1995 dated October 19<sup>th</sup>, 1995. Currently the land has been transferred to Mr. Nahim.</li> </ul>	
2.2.2	<p>Legal boundaries are demonstrated clearly and maintained.</p> <p>- Minor compliance -</p>	<p>The Company has routinely maintained the existence of the HGU pegs every 6 months and the results are documented into the "Laporan Pemeriksaan dan Perawatan Patok Batas" which describes Pegs number, Locations, Conditions, and repair if necessary. Document verified dated 28 - 29 October 2016 has demonstrated that PT Inti Indosawit Subur – Buatan Estate has performed maintenance to its 19</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p>HGU pegs.</p> <p>Based on the results of field visits in Block F15 E, Block F15 A indicates that all sample stakes are available in the field, well maintained and readable.</p> <p>Based on the results of interviews with the surrounding villagers, they understood well the company's land boundary with community land and there were no reports of land conflicts between the community and the company.</p> <p><b>Scheme Smallholder:</b></p> <p>Smallholder Farmers get land tenure from the government through the PIR-Trans program, where every Head of Family (KK) Participants get 2 Ha of smallholder land and 0.5 Ha as land of house and yard.</p> <p>Based on the results of field visit to the farmer's location, sample shows that the boundary mark between the landowner is a pipe painted in red at the top and white paint on the bottom. The stakes are installed at every corner of the kapling. The farmers also marked the kapling boundary with midrib preparation or planting woody species.</p> <p>Based on the results of interviews with smallholders, village administrators and farmer group officials stated that there is no case of land boundary disputes between smallholder farmers with other parties.</p>	
2.2.3	<p>In the event that there is a dispute or a dispute has occurred, adequate evidence of legitimate acquisition and compensation or compensation settlement process through conflict resolution which has been received through Free, Prior and Informed Consent by all related parties shall be provided.</p> <p>- Minor compliance -</p>	<p>Based on documents review and interview with local government and local communities surrounding the company, it was noted that no customary land or legal rights within the company and scheme smallholders areas.</p> <p>All company plantation area have been issued with valid "Hak Guna Usaha/HGU" – land title, whilst scheme smallholder area have valid land title (Sertifikat Hak Milik/SHM)</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.  - Major compliance –	Based on documents review and interview with local government and local communities surrounding the company, it was noted that no customary land or legal rights within the company and scheme smallholders areas. It was noted that no land conflict occurred in the plantation area.	Comply
2.2.5	For any conflict or dispute over the land, the evidence of the extent of disputed area is mapped out in a participatory way with involvement of affected parties (including neighboring communities and local government where applicable), shall be available.  - Minor compliance –	Based on documents review and interview with local government and local communities surrounding the company, it was noted that no customary land or legal rights within the company and scheme smallholders areas. It was noted that no land conflict or dispute occurred in the plantation area.	Comply
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and/or planned operations.  - Major compliance –	Based on documents review and interview with local government and local communities surrounding the company, it was noted that no customary land or legal rights within the company and scheme smallholders areas. It was noted that no land conflict or dispute occurred in the plantation area.	Comply
<b>Criterion 2.3</b> Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.			
2.3.1	Maps with appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighboring communities where applicable, and relevant authorities).  - Major compliance -	As described in indicator 2.2.1, PT Inti Indosawit Subur (Buatan Group) acquired land through Government program for Development of Oil Palm Plantation on PIR-Trans Pattern commenced since 1983 through Principle Approval of Ministry of Agriculture No. KKB.320/859/Mentan/XI/1983 dated November 7 <sup>th</sup> , 1983 and followed by Appointment of Project Location issued by the Governor of Riau through Decision Letter No. Kpts.379/VIII/1984 dated August 27 <sup>th</sup> , 1984.  PT Inti Indosawit Subur (Buatan Group) PIR-Trans Plantation Development Project was based on Decree of the Minister of Agriculture No. 350/Kpts/KB.510/6/1987	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p>regarding PIR-Trans Development Project at Pasir Penyau area, Kampar Regency and Indragiri Hulu Regency, Riau Province.</p> <p>Hak Guna Usaha (land use tittle) was based on the Decision Letter from Head of BPN No. 10/HGU/1992 dated May 13<sup>th</sup>, 1992 which followed up by the issuance of HGU Certificate by the Land Agency of Kampar Regency through HGU Certificate No. 01 dated 19 June 1993 on land located in Delik Village, Pangkalan Kerinci District covering 5,781 Ha in accordance with the Measurement Letter No. 07/1992 dated October 27<sup>th</sup>, 1992. HGU certificate is equipped with HGU Map with scale 1: 50.000.</p> <p>At this time, PT IIS (Buatan Group) has no intend to extend the working area or HGU. However the company has prepared mechanism on handling land dispute as outlined in Standard Operating Procedure (SOP) No. AA-GL-5003.1-RI on Land Conflict Management, endorsed by management on December 5<sup>th</sup>, 2009 and has been revised on August 22<sup>nd</sup>, 2011. The mechanism described the flow and procedure of conflict management. Evidence of land ownership rights from previous rights holders is an important document to be processed through the negotiation process, whilst land claims which not accompanied by proof of ownership is likely solved through approaches and legal channels.</p> <p><b>Scheme Smallholder:</b></p> <p>All KUD were already have a map of KUD member plot distribution with sufficient scale and detail including the Kapling Register and the owners of each plot. The map was stucked at every KUD office and at Smallholder Management office.</p> <p>Based on field visit at working area of KUD shows that all farmers land has been marked with pipe filled with cement and painted red at the top and white at the bottom. Boundaries between kapling were also marked by midrib preparation.</p> <p>Based on interviews with related agencies (Dinas Perkebunan and Land Agency of Pelalawan Regency), KUD and Plasma Farmers stated that there is no land dispute in plasma land. However, Smallholder Management already has a mechanism for resolving land conflicts as outlined in the Communication and Consultation Mechanism by involving the Head of KUD/Wadah Kerja Antar Kelompok (WKAK) and</p>	

`Criterion / Indicator		Assessment Findings	Compliance
		the KUD Management Board.	
2.3.2	<p>Copies of negotiated agreements including the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and these include:</p> <ul style="list-style-type: none"> <li>a) Evidence of consultation</li> <li>b) Statement of transfer of rights</li> <li>c) Evidence of compensation</li> </ul> <p>See specific guidance 2.3.2</p> <p>- Minor compliance -</p>	Based on documents review and interview with local government and local communities surrounding the company, it was noted that no customary land or legal rights within the company and scheme smallholders areas. It was noted that no land conflict or dispute occurred in the plantation area.	Comply
2.3.3	<p>Relevant information shall be available in appropriate forms and languages, including analysis of impacts, proposed benefit sharing, and legal arrangements.</p> <p>- Minor compliance -</p>	Based on documents review and interview with local government and local communities surrounding the company, it was noted that no customary land or legal rights within the company and scheme smallholders areas. It was noted that no land conflict or dispute occurred in the plantation area.	Comply
2.3.4	<p>Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p> <p>- Major compliance -</p>	Based on documents review and interview with local government and local communities surrounding the company, it was noted that no customary land or legal rights within the company and scheme smallholders areas. It was noted that no land conflict or dispute occurred in the plantation area.	Comply
<b>Principle 3: Commitment to long-term economic and financial viability</b>			
<b>Criterion 3.1</b>			

`Criterion / Indicator		Assessment Findings	Compliance
<b>There is an implemented management plan that aims to achieve long-term economic and financial viability.</b>			
3.1.1	<p>A documented management plan, a minimum of three years shall be available, including, where appropriate, plan for scheme smallholders.</p> <p>- Major compliance-</p>	<p>PT. Inti Indosawit Subur – Buatan Group has maintained a 5 Year Management Plan for Productivity per planting year of the estate and scheme smallholders, under “Rencana Kerja produksi dan Biaya 5 tahunan”. The plan indicates the target for 2016, 2017, 2018, 2019 and 2020. The estimation based on actual production realization from 2011, 2012, 2013, 2014, and 2015. The estimation including OER average, KER average, Production cost (IDR/tonne CPO) divided between estate cost and mill cost.</p> <p>The Management Plan used to achieve economic viability and long-term financial objective. The plan was approved by the top management. The parameters listed in the management plan includes :</p> <ul style="list-style-type: none"> <li>- Land area statement (planting years, non-planted areas, i.e. HCV, conservation areas, fragile soils, enclaves) with updated location maps.</li> <li>- Plan for management of scheme smallholders</li> <li>- Quality of planting materials</li> <li>- Crop projection = Fresh Fruit Bunches (FFB) yield trends</li> <li>- Mill extraction rates = Oil Extraction Rate (OER) trends</li> <li>- Cost of Production = cost per tonne of Crude Palm Oil (CPO) trends</li> <li>- Forecast prices</li> <li>- Financial indicators – profitability forecast (income vs cost)</li> <li>- General strategy and allocation for environmental and social management</li> </ul> <p>The achievement of the management plan is reviewed annually in Management Review Meeting. The achievement is monitored monthly in the Estate Unit Report (LUK) and Mill Unit Report (LUP) according to the current month. Reviewing of LUK and LUP was conducted for period 2017.</p> <p>The Company have a system to improve practices in line with new information and techniques with implementing internal control and monitoring processes, check and report the implementation of the Management Guidelines. These include independent checks of the Mill and Estates by the corporate internal audit. Person in charge was internal audit department, research and development (R&amp;D) department,</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p>each section managers and assistant to cooperate and conduct the continual improvement. The Organization has defined the procedure to address non-compliance and corrective action for continuous improvement in Correction and Corrective Action Procedure. All new information was communicated to workers and scheme smallholders through dissemination. It described in Document control procedure No. AA-MPM-DC-12 Rev. 04 dated March 5<sup>th</sup>, 2016.</p> <p><b>Scheme Smallholder:</b>            Documented operational work plan for a minimum duration of 3 years period 2016 - 2018 has been create by KUD and assisted by the Company, PT Inti Indosawit Subur. Smallholder management plan was create to achieve economic viability and long-term financial objective. The plan was approved by each KUD (such as KUD n Sawit Harapan, Buatan Jaya and Mitra Usaha). The parameters listed in the management plan includes:</p> <ul style="list-style-type: none"> <li>- Land area statement (planting years, non-planted areas, i.e. HCV, conservation areas, fragile soils, enclaves) with updated location maps.</li> <li>- Plan for management of scheme smallholders</li> <li>- Crop projection = Fresh Fruit Bunches (FFB) yield trends</li> <li>- Cost of Production = cost per tonne of FFB trends</li> <li>- Forecast prices</li> <li>- Financial indicators – profitability forecast (income vs cost)</li> <li>- General strategy and allocation for environmental and social management</li> </ul> <p>The achievement of the management plan is reviewed every month in the Smallholder Estate Unit Report (LUK) according to the current month. Reviewing of LUK was conducted for period 2017.</p>	
3.1.2	<p>An annual replanting program projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.</p> <p>- Minor compliance-</p>	<p><b>Buatan Estate:</b>            Annual replanting program has been defined and documented including map, which is subjected to annual review. Replanting program of Buatan Estate for year 2014 to 2022 are as follows:</p>	Comply



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		<table border="1"> <thead> <tr> <th>Year</th> <th>Plan (Ha)</th> <th>Realization (Ha)</th> </tr> </thead> <tbody> <tr><td>2014</td><td>32</td><td>32</td></tr> <tr><td>2015</td><td>328</td><td>428</td></tr> <tr><td>2016</td><td>550</td><td>650</td></tr> <tr><td>2017</td><td>551</td><td>41</td></tr> <tr><td>2018</td><td>586</td><td>-</td></tr> <tr><td>2019</td><td>603</td><td>-</td></tr> <tr><td>2020</td><td>612</td><td>-</td></tr> <tr><td>2021</td><td>600</td><td>-</td></tr> <tr><td>2022</td><td>550</td><td>-</td></tr> </tbody> </table> <p>Note: realization 2017 is until August 2017.</p> <p><b>Scheme Smallholders:</b> Replanting program of Buatan Smallholders are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">KUD</th> <th colspan="8">Year</th> </tr> <tr> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr><td>Mulus Rahayu</td><td>310</td><td>392</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr> <tr><td>Bhirawa Bhakti</td><td>-</td><td>-</td><td>556</td><td>204</td><td>108</td><td>-</td><td>44</td><td>72</td></tr> <tr><td>Tani Rukun</td><td>-</td><td>-</td><td>-</td><td>-</td><td>500</td><td>178</td><td>-</td><td>284</td></tr> <tr><td>Kebun Sawit Harapan</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>180</td><td>464</td><td>98</td></tr> <tr><td>Buatan Jaya</td><td>-</td><td>-</td><td>-</td><td>80</td><td>-</td><td>418</td><td>90</td><td>272</td></tr> <tr><td>Mitra Usaha</td><td>-</td><td>-</td><td>-</td><td>100</td><td>108</td><td>214</td><td>318</td><td>424</td></tr> <tr><td>Makarti Sawit</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>450</td></tr> <tr><td>Bina Mulia</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>240</td></tr> </tbody> </table>	Year	Plan (Ha)	Realization (Ha)	2014	32	32	2015	328	428	2016	550	650	2017	551	41	2018	586	-	2019	603	-	2020	612	-	2021	600	-	2022	550	-	KUD	Year								2017	2018	2019	2020	2021	2022	2023	2024	Mulus Rahayu	310	392	-	-	-	-	-	-	Bhirawa Bhakti	-	-	556	204	108	-	44	72	Tani Rukun	-	-	-	-	500	178	-	284	Kebun Sawit Harapan	-	-	-	-	-	180	464	98	Buatan Jaya	-	-	-	80	-	418	90	272	Mitra Usaha	-	-	-	100	108	214	318	424	Makarti Sawit	-	-	-	-	-	-	-	450	Bina Mulia	-	-	-	-	-	-	-	240	
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<b>Principle 4: Use of appropriate best practices by growers and millers</b>			
<b>Criterion 4.1</b>			
<b>Operating procedures are appropriately documented, consistently implemented and monitored.</b>			
4.1.1	<p>Standard Operating Procedures (SOPs) for estates (land clearing to harvesting) and SOP for mills (reception of FFB to dispatch of CPO and PKO) shall be available.</p> <p>- Major compliance -</p>	<p><b>Buatan Estate:</b></p> <p>The company has documented procedures from land preparation up to harvesting, e.g.:</p> <ol style="list-style-type: none"> <li>1. SOP AA-APM-OP-1100.01-R3, dated 11 May 2016, Pembibitan (Nursery)</li> <li>2. SOP AA-APM-OP-1100.02-R3, dated 10 June 2015, Penanaman Areal Baru, (New Planting include Land Preparation).</li> <li>3. SOP AA-APM-OP-1100.03-R2, dated 24 July 2015, Pembuatan dan Perawatan Jalan dan Jembatan (Road and Bridge Construction and Maintenance)</li> <li>4. SOP AA-APM-OP-1100.04-R3, dated 7 December 2015, Pembuatan dan Pemeliharaan Parit (Drainage Construction and Maintenance)</li> <li>5. SOP AA-APM-OP-1100.05-R2, dated 24 July 2015, Konservasi Tanah dan Air (Soil and Water Conservation)</li> <li>6. SOP AA-APM-OP-1100.06-R4, dated 4 March 2016, Menanam Kacangan (Planting Cover Crops)</li> <li>7. SOP AA-APM-OP-1100.07-R6, dated 16 February 2017, Menanam Kelapa Sawit (Planting Oil Palm)</li> <li>8. SOP AA-APM-OP-1100.08-R5, dated 7 December 2015, Pengendalian Gulma (Weed Control)</li> <li>9. SOP AA-APM-OP-1100.09-R4, dated 11 May 2016, Pemupukan (Manuring)</li> <li>10. SOP AA-APM-OP-1100.10-R5, dated 11 January 2016, Pengendalian Hama dan Penyakit (Pests &amp; Disease Control)</li> <li>11. SOP AA-APM-OP-1100.11-R1, dated 1 February 2009, Pestisida dan Pengolaannya (Pesticide Handling)</li> </ol>	<p><del>Non compliance</del></p> <p>Comply</p>

	`Criterion / Indicator	Assessment Findings	Compliance
		<p>12. SOP AA-APM-OP-1100.12-R2, dated 10 June 2015, Kastrasi (cutting all generative product, i.e. male flower, female flower, all fruit, to support vegetative growth) – done 5-6 months before being harvested</p> <p>13. SOP AA-APM-OP-1100.13-R3, dated 4 March 2016, Tunas Pokok (Pruning)</p> <p>14. SOP AA-APM-OP-1100.14-R2, dated 2 December 2013, Sensus dan Identifikasi Pokok (Census and Palm identification)</p> <p>15. SOP AA-APM-OP-1100.15-R2, dated 1 October 2010, Sensus Produksi (Production Census)</p> <p>16. SOP AA-APM-OP-1100.16-R1, dated 1 February 2009, Konsolidasi Pohon Tumbang (Provision of Support to Fallen Palm)</p> <p>17. SOP AA-APM-OP-1100.17-R1, dated 23 October 2014, Pengelolaan Air (Water Management)</p> <p>18. SOP AA-APM-OP-1100.18-R3, dated 20 April 2015, Potong Buah (Harvesting)</p> <p>19. SOP AA-APM-OP-1100.19-R1, dated 1 February 2009, Pengelolaan Transport (Transport Management)</p> <p>20. SOP AA-APM-OP-1100.20-R5, dated 4 March 2016, Peremajaan (Replanting).</p> <p><b>Buatan II POM:</b></p> <p>The mill operational procedures explains the flow process, specification of material and process, machinery and tools required, step-by-step process, control, monitoring and measurement and health and safety requirements. Buatan II POM:</p> <ol style="list-style-type: none"> <li>1. SOP AA-MPM-OP-1400.02.R2, dated 1 September 2011, Stasiun Penerimaan (FFB Receiving Station)</li> <li>2. SOP AA-MPM-OP-1400.03.R1, dated 1 February 2009, Stasiun Rebusan (Sterilizer)</li> <li>3. SOP AA-MPM-OP-1400.04.R1, dated 1 February 2009, Stasiun Pemisahan Berondolan (Loose Fruit Separation)</li> <li>4. SOP AA-MPM-OP-1400.05-R1, dated 1 February 2009, Stasiun Pengadukan dan Pengempaan (Pressing Station)</li> </ol>	

`Criterion / Indicator	Assessment Findings	Compliance
	<p>5. SOP AA-MPM-OP-1400.06-R1, dated 1 February 2009, Stasiun Pemurnian (Clarification)</p> <p>6. SOP AA-MPM-OP-1400.07-R1, dated 1 February 2009, Stasiun Pemisahan Nut dan Fiber (Nut and Fiber separation)</p> <p>7. SOP AA-MPM-OP-1400.08-R1, dated 1 February 2009, Stasiun Kernel (Kernel Station)</p> <p>8. SOP AA-MPM-OP-1400.09-R1, dated 1 February 2009, Stasiun Boiler</p> <p>9. SOP AA-MPM-OP-1400.10-R1, dated 1 February 2009, Stasiun Engine Room</p> <p>10. SOP AA-MPM-OP-1400.11-R1, dated 1 February 2009, Stasiun Water Treatment</p> <p>11. SOP AA-MPM-OP-1400.12-R1, dated 1 February 2009, Laboratorium</p> <p>12. SOP AA-MPM-OP-1400.13-R1, dated 1 February 2009, Stasiun Pengelolaan Limbah (Palm Oil Mill Effluent Treatment)</p> <p>13. SOP AA-MPM-OP-1400.14-R2, dated 1 September 2011, Stasiun Penimbunan dan Pengiriman CPO dan Kernel (CPO and PK Storage and Despatch)</p> <p>14. SOP AA-MPM-OP-1400.15-R1, dated 1 February 2009, Perawatan (Preventive Maintenance and Repair)</p> <p><b>Scheme Smallholders:</b></p> <p>1. SOP AA-PLASMA-PP-KS-01, dated 1 September 2011, Pembibitan (Nursery)</p> <p>2. SOP AA-PLASMA-PP-KS-02, dated 1 September 2011, Pengendalian Hama dan Penyakit (Pest and Disease Control)</p> <p>3. SOP AA-PLASMA-PP-KS-03, dated 1 September 2011, Pemupukan (Fertilizing/Manuring)</p> <p>4. SOP AA-PLASMA-PP-KS-04, dated 1 September 2011, Potong Buah (Harvesting)</p> <p>Refreshment training related to SOP of best agriculture parctices to KT leader and member conducted regularly in annual basis. For example, latest refreshment training in KUD Kebun Sawit Harapan, KUD Buatan Jaya and KUD Mitra Usaha are conducted on as follows:</p> <ul style="list-style-type: none"> <li>o Training of P&amp;C RSPO Group Certification, dated 11-31 January 2017</li> </ul>	

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

`Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>o Implementation PPE (Basic safety and K3); dated 11 February 2017</li> <li>o Training and counseling weeds control; dated 10-31 March and 5-11 April 2017</li> <li>o Training of balanced fertilizers; dated 10-13 June 2017</li> <li>o Training of FFB Harvesting; on 25 and 29 April and 22, 24, 27 and May 30, 2017.</li> </ul> <p>Procedure (SOP) were appropriate and adequately cover all estate processes and activities includes new area and replanting planning, nursery, land clearing, preparation before planting, manuring, upkeep, pest management, road maintenance, peat land management, drainage system, mature and immature upkeep, integrated pest management, harvesting and transportation. Hardcopy of procedure were available and controlled. Copy of the procedure were available on site and is it was documented in Indonesian language. SOP distribution to all section and division was well documented. SOPs are implemented and understood by workers. Work Instructions has been developed and posted at work stations within the mill and each division in estate. Procedure has been disseminated periodically to all related employee (harvest, upkeep employee and operator). Interviews worker indicate satisfactory level of understanding and implementation in relation to their respective job function.</p> <p>Sample of estate operational implementation were taken in harvesting process in Block D90ba Division V Buatn Estate and cipping activity for replanting in Block F17i Afdeling VI. It was observed that all of the activity was met with the procedure and well implemented.</p>	
4.1.2	<p>Checking or monitoring of operations procedures is conducted at least once a year.</p> <p>- Minor compliance -</p>	<p><b>Buatan Estate:</b></p> <p>Checking or monitoring of operation procedures was conducted once a year by Department of Research and Development. R&amp;D Agronomic Visit Report No.KBN/R&amp;D-AGRO/01-17 dated 6-9 June 2017 demonstrated that checking and monitoring for Buatn Estate in 2017 has been done. Some issues and recommendation have been made by R&amp;D Department, i.e. path in plantation area 2015 were covered with weeds.</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p><b>Scheme Smallholders:</b></p> <p>Agronomy visit has been performed by Head of Smallholder on 1 December 2016 to Afdeling IV (SP 8), KT 178 (Kapling No.4290 and 4258) and KT 138 (Kapling No.3695, 3717 and 3692). The finding is about raw fruit. The Buatan smallholder management has determined action plan and monitor the implementation. Last agronomy visit has been performed on 3 July 2017, the main issue are raw fruit and dirt.</p>	
4.1.3	<p>Records of monitoring and any follow-up actions shall be available.</p> <p>- Minor compliance -</p>	<p>Buatan Estate management has determined action plan and due date regarding R&amp;D Agronomic Visit Report recommendation. The progress of action plan was monitored monthly, i.e. spraying rotation made once in 1.5 month to eliminate weeds that covering path in plantation area 2015.</p> <p><b>Scheme Smallholders:</b></p> <p>Harvesting activity was done in 3 rounds per month. Harvesting performance monitoring reported as in "Laporan Kualitas Panen/Sortasi TBS", "Monitoring Sortasi dan Timbang TPH", describing FFB tonnage, loose fruit, unripe FFB, long stalk, etc. Spraying regime monitoring reported in "Laporan Program dan Realisasi Semprot piringan, pasar pikul dan TPH tahun 2017", describing total area applied, chemical used, etc.</p>	Comply
4.1.4	<p>Records of the origins of all third-party FFB sourced (collector, deliver, Cooperative, Farmers Association and outgrower) shall be available.</p> <p>- Major compliance -</p>	<p>Buatan II Mill has recorded independent supplier as third party FFB supplier:</p> <ol style="list-style-type: none"> <li>1. CV Karya Bersama/PBD-A, Address: Jl. Unggal Lingk XI RT/RW 019/013, Kec. Medan Sunggal, Kota Medan</li> <li>2. Alianto (AL), Address: Komp Pondok Mutiara, RT/RW 005/004, Kec. Payung Sekaki, Kota Pekanbaru</li> <li>3. CV Putra Kembar Sentosa/PBD-C, Address: Jl. Sungai Pasar I No.5, Kec. Medan Sunggal, Kota Medan</li> <li>4. Berkah Makmur Bersama, Address: Jl. Ahmad Dang, RT/RW 008/002,</li> </ol>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		Kecamatan Kerinci Kanan – Kabupaten Siak. 5. PT Teguh Karsa Wana Lestari, Address: Jl. Midris Gg Family No.12E, Medan	
<b>Criterion 4.2</b>			
Practices maintain soil fertility at, or where possible improve soil fertility to a level that ensures optimal and sustained yield.			
4.2.1	A record of SOP implementation to maintain soil fertility that ensures optimal and sustained yield, shall be available. - Major compliance -	Company has established the SOPs for Good Agricultural Practices in maintaining soil fertility which defined in SOP AA-APM-OP-1100.09-R4, dated 11 May 2016 – Manuring Procedure and SOP AA-APM-OP-1100.05-R2, dated 24 July 2015 - Soil and Water Conservation. Manuring was performed manually with spreading the fertilizer by person uniformly in each palm oil trees in accordance with dosage which has defined by Research and Development recommendation. Estate activities are carried out based on Division Work Program which generated from annual budget. Activities program are such as manuring and other operation activity.	Comply
4.2.2	Records of fertilizer inputs shall be available. - Minor compliance -	<b>Buatan Estate:</b> Fertilizer recommendation and actual implementation is recorded under “Rekomendasi Pemupukan Kebun Buatan tahun 2017”. The fertilizer recommendation defines the fertilizer recommendation per division, type of fertilizer, dosage per palm, total tonnage and month of application.  Fertilizer inputs in 2016 for mature plantation were ZA: 648,119 Kg, MOP: 436,973 Kg, RP: 178,900 Kg, HGFB: 5,451 Kg and Dolomite: 182,501 Kg, whilst for immature were TSP: 1,373 Kg, Dolomite: 26,890 Kg, NPK: 175,232 Kg and HGFB: 4,313 Kg. Fertilizer input in 2017 up to August for mature area Afdeling V were ZA: 300,027 Kg, MOP: 152,302 Kg, RP: 134,246 Kg and HGFB: 1,665 Kg; whilst for Afdeling VII were ZA: 229,088 Kg, MOP: 128,317 Kg, RP: 78,295 Kg and Dolomite: 94,700 Kg. For immature area YOP 2015 were TSP: 9,413 Kg, Dolomite: 32,570 Kg, Hi-Kay Plus: 163,525 Kg, and HGFB: 5,704 Kg; whilst for YOP 2016 were Dolomite: 41,764 Kg, NPK: 267,046 Kg, HGFB: 5,439 Kg.	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p><b>Scheme Smallholders:</b></p> <p>Fertilizer inputs in 2016 for Afdeling IV Buatan Smallholders were ZA: 987,450 Kg, RP: 223,450 Kg, MOP: 692,350 Kg, Kieserite: 73,250 Kg, HGFB: 16,675 Kg and Dolomite: 58,500 Kg. Fertilizer recommendation in 2017 for all Buatan Smallholders area were ZA: 4,874,350 Kg, MOP: 3,359,600 Kg, RP: 1,158,150 Kg, Kieserite: 292,950 Kg, Dolomite: 399,000 Kg and HGFB: 63,925 Kg.</p>	
4.2.3	<p>Records of periodical leaf, soil and visual analysis shall be available.</p> <p>- Minor compliance -</p>	<p><b>Buatan Estate:</b></p> <p>Records of periodical leaf sampling and visual analysis were available. Foliar Analysis Report shows that leaf sampling and analysis has been done recently in June 2017. The result will be used to develop fertilizer recommendation of 2018. It was shown Foliar Analysis Report #096/INT/R&amp;D/JUL/L/17 dated 18 July 2017, Lab Ref 17L10962, Block A90Ca/D90Ca EFB, year of planting 1990, Afdeling V Buatan Estate; frond: 17, Ash: 7.45, N: 2.35, P: 0.167, K: 1.04, Mg:0.24, Ca: 0.56 (all UOM % on DM), and B: 16 ppm on DM. Foliar Analysis Report #091/INT/R&amp;D/JUL/L/17 dated 15 July 2017, Lab Ref 17L09790, Block E90b (B), year of planting 1990, Afdeling VII Buatan Estate; frond: 17, Ash: 7.52, N: 2.38, P: 0.164, K: 0.89, Mg:0.25, Ca: 0.52 (all UOM % on DM), and B: 12 ppm on DM.</p> <p>Evidence of soil analysis was shown on record "Data Analisis Tanah Profil 4" of Block D90c Afdeling IV Buatan Estate dated 8 July 2015, with result; Epipedon: Okrik, Horizon: Kambik, Classification: Typic Endoaquepts. "Data Analisis Tanah Profil 8" of Block E91a Afdeling V Buatan Estate dated 8 September 2015, with result; Epipedon: Okrik, Horizon: Argilik, Classification: Typic Kandiuults.</p> <p><b>Scheme Smallholders:</b></p> <p>Records of periodical leaf sampling and visual analysis in scheme smallholders were available. Foliar Analysis Report shows that last leaf sampling and analysis has been done in August 2016. The result was used to develop fertilizer recommendation of 2017. It was shown Foliar Analysis Report #031/INT/R&amp;D/OKT/L/16 dated 3 October 2016, Lab Ref 17L08177, Block 118, year of planting 1991, Afdeling IV Buatan Smallholder; frond: 17, Ash: 6.52, N: 2.42, P: 0.18, K: 0.89, Mg: 0.30, Ca: 0.67 (all</p>	Comply



`Criterion / Indicator		Assessment Findings	Compliance																								
		UOM % on DM), and B: 16 ppm on DM. Foliar Analysis Report #043/INT/R&D/OKT/L/16 dated 9 October 2016, Lab Ref 17L08241, Block 87, year of planting 1990, Afdeling V Buatan Smallholder; frond: 17, Ash: 6.70, N: 2.31, P: 0.156, K: 1.09, Mg:0.26, Ca: 0.54 (all UOM % on DM), and B: 13 ppm on DM.																									
4.2.4	A nutrient recycling strategy is recorded, including use of Empty Fruit Bunches (EFB), land application, and palm residues after replanting.  - Minor compliance -	<p>The use of Empty Fruit Bunch (EFB) as nutrient recycling strategy has been recorded. EFB application in 2017 was as follows:</p> <table border="1"> <thead> <tr> <th colspan="2">Plan</th> <th colspan="2">Realization</th> </tr> <tr> <th>Area (Ha)</th> <th>FFB (Kg)</th> <th>Area (Ha)</th> <th>FFB (Kg)</th> </tr> </thead> <tbody> <tr> <td>3,223</td> <td>86,536,987</td> <td>494</td> <td>15,288,210</td> </tr> </tbody> </table> <p>Palm Oil Mill Effluent (POME) was also used as nutrient recycling strategy in Buatan Estate for land application. Block applied are D91c, D91d, D91e and D91f. Land application in 2017 has been recorded, as follows:</p> <table border="1"> <thead> <tr> <th colspan="2">Plan</th> <th colspan="2">Realization</th> </tr> <tr> <th>Area (Ha)</th> <th>POME (m3)</th> <th>Area (Ha)</th> <th>POME (m3)</th> </tr> </thead> <tbody> <tr> <td>929.80</td> <td>159,554</td> <td>378.90</td> <td>111,988</td> </tr> </tbody> </table>	Plan		Realization		Area (Ha)	FFB (Kg)	Area (Ha)	FFB (Kg)	3,223	86,536,987	494	15,288,210	Plan		Realization		Area (Ha)	POME (m3)	Area (Ha)	POME (m3)	929.80	159,554	378.90	111,988	Comply
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<b>Criterion 4.3</b>																											
Practices minimise and control erosion and degradation of soils.																											
4.3.1	Maps of any fragile soils shall be available.  - Major compliance -	Map of soil type was available in scale 1 : 20,000. Soil type in Buatan Estate are as follows:	Comply																								

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		<table border="1"> <thead> <tr> <th>Soil Type</th> <th>Area (Ha)</th> </tr> </thead> <tbody> <tr> <td>Typic Haplosaprists</td> <td>85</td> </tr> <tr> <td>Typic Distrudepts</td> <td>4,040</td> </tr> <tr> <td>Typic Endoaquents</td> <td>140</td> </tr> <tr> <td>Typic Endoaquepts</td> <td>430</td> </tr> <tr> <td>Typic Endoaquults</td> <td>290</td> </tr> <tr> <td>Typic Kandiuults</td> <td>621</td> </tr> <tr> <td>Typic Udipsaments</td> <td>25</td> </tr> <tr> <td><b>Total</b></td> <td><b>5,631</b></td> </tr> </tbody> </table> <p>Peat soil existed in Afdeling I, II and III which are not supply FFB to Buatan II Mill.</p> <p><b>Scheme Smallholders:</b></p> <p>PT Inti Indosawit Subur – Buatan Plasma prepared map of soil type that consist of as table below. Each smallholder group/kelompok tani prepared a simple map indicating area with slope, low land and flat.</p> <table border="1"> <thead> <tr> <th>Soil Type</th> <th>Area (Ha)</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Typic Distrudepts</td> <td>6,369</td> <td>58.15</td> </tr> <tr> <td>Typic Endoaquents</td> <td>554</td> <td>5.00</td> </tr> <tr> <td>Typic Endoaquepts</td> <td>739</td> <td>6.70</td> </tr> <tr> <td>Typic Endoaquults</td> <td>24</td> <td>0.20</td> </tr> <tr> <td>Typic Haplosaprists</td> <td>167</td> <td>1.50</td> </tr> <tr> <td>Typic Haplohemist</td> <td>733</td> <td>6.70</td> </tr> <tr> <td>Typic Kandiuults</td> <td>2,370</td> <td>21.63</td> </tr> </tbody> </table>	Soil Type	Area (Ha)	Typic Haplosaprists	85	Typic Distrudepts	4,040	Typic Endoaquents	140	Typic Endoaquepts	430	Typic Endoaquults	290	Typic Kandiuults	621	Typic Udipsaments	25	<b>Total</b>	<b>5,631</b>	Soil Type	Area (Ha)	Percentage	Typic Distrudepts	6,369	58.15	Typic Endoaquents	554	5.00	Typic Endoaquepts	739	6.70	Typic Endoaquults	24	0.20	Typic Haplosaprists	167	1.50	Typic Haplohemist	733	6.70	Typic Kandiuults	2,370	21.63		
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4.3.2	<p>A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soiland climate specific).</p> <p>- Minor compliance -</p>	<p>Buatan Estate has implemented management strategy for planting on slope above certain limit by developing Terrace Contour. This program was included in continuous improvement plan as well. "Program dan Realisasi Replanting 2017" mentioned that the progress of terrace contour 2017 to date July was 2,874 m.</p>		Comply																																										

`Criterion / Indicator		Assessment Findings	Compliance
		<p><b>Scheme smallholders:</b></p> <p>All KUD followed PT Inti Indosawit Subur’s procedure for land clearing stated that no land clearing should performed on area with slope &gt;40%. The strategy implemented by smallholders are frond stacking and maintain natural vegetation as cover crop. Specific for low-laying area, the strategy is to maintain cover crop, drainage ditch and frond stacking.</p>	
4.3.3	<p>A road maintenance program shall be in place.</p> <p>- Minor compliance –</p>	<p>Road maintenance program, especially mechanical was divided into grading compact and road hardening. Program of grading compact in 2016 is 292,921 m and in 2017 is 1,203,250 m, whilst for road hardening in 2016 is 16,170 m and in 2017 is 3,086 m. Realization of grading compact in 2016 is 318,884 m and in 2017 is 692,436 m, whilst for road hardening in 2016 is 17,450 m and in 2017 is 44,074 m.</p> <p><b>Scheme Smallholders:</b></p> <p>Road maintenance and repair program documented under “Rencana Perbaikan Jalan Manual Tahun 2017”. The program indicated total road length in each KUD and total road length to be repaired or maintained. The road in each KUD have been mapped. Road maintenance progress of realization was recorded under “Realisasi Perbaikan Jalan Manual Tahun 2017”.</p>	Comply
4.3.4	<p>Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.</p> <p>- Major compliance –</p>	<p>Peat soil was only existed in Afdeling I, II and III which are not supply FFB to Buatan II Mill.</p> <p><b>Scheme smallholders:</b></p> <p>Based on soil map, there is no peat soil in the area of KUD Kebun Sawit Harapan, KUD Buatan Jaya and KUD Mitra Usaha. Each smallholder group/Kelompok Tani prepared a simple map indicating area with slope, low land and flat, all mineral soil with topography rolling to undulating.</p>	N/A

`Criterion / Indicator		Assessment Findings	Compliance
4.3.5	<p>Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.</p> <p>- Minor compliance –</p>	<p>Peat soil was only existed in Afdeling I, II and III which are not supply FFB to Buatan II Mill.</p> <p><b>Scheme smallholders:</b> Based on soil map, there is no peat soil in the area of KUD Kebun Sawit Harapan, KUD Buatan Jaya and KUD Mitra Usaha. Each smallholder group/Kelompok Tani prepared a simple map indicating area with slope, low land and flat, all mineral soil with topography rolling to undulating. No drainability assessment needed.</p>	N/A
4.3.6	<p>A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).</p> <p>- Minor compliance –</p>	<p>Based on map of soil type released by R&amp;D Department, there is no other fragile or problem soil in Buatan Estate.</p> <p><b>Scheme smallholders:</b> Based on soil map, there is no peat soil in the area of KUD Kebun Sawit Harapan, KUD Buatan Jaya and KUD Mitra Usaha. Each smallholder group/Kelompok Tani prepared a simple map indicating area with slope, low land and flat, all mineral soil with topography rolling to undulating.</p>	N/A
<p><b>Criterion 4.4</b></p> <p><b>Practices maintain the quality and availability of surface and groundwater</b></p>			
4.4.1	<p>An implemented water management plan shall be in place.</p> <p>- Minor compliance -</p>	<p>Water source from Sungai Laniago, water intake coordinate 00<sup>0</sup> 27' 40" N – 101<sup>0</sup> 52' 01.8" E, elevation 18 meters above sea level, debit 22.77 liters/second, pumping period 24 hours/day. Permit for water intake: "Keputusan Kepala Dinas Pertambangan dan Energi Kabupaten Pelalawan No.KPTS.540/DPE/GEO-MIGAS/2014/180 tentang Izin Perpanjangan Pengambilan Air yang Bersumber dari Air Permukaan atas nama PT. Inti Indosawit Subur", dated April 2014 and valid for 2 years. In process of renewal, as per "Format Surat Permohonan Rekomendasi Teknis untuk Permohonan Izin Pengusahaan Sumber Daya Air No.045/ES-KBN/EXT/04/16",</p>	Comply

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

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		<p>submitted on 21<sup>st</sup> April 2016.</p> <p>Water efficiency, budget for total water use: 1.25 m<sup>3</sup>/ton FFB processed. The result for 2017 shows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Month</th> <th rowspan="2">FFB processed</th> <th colspan="2">Water consumption process</th> <th colspan="2">Water consumption domestic</th> <th colspan="2">Total Water usage</th> </tr> <tr> <th>Total Process usage</th> <th>M3/ton FFB</th> <th>Total Domestic usage</th> <th>M3/ton FFB</th> <th>Total usage</th> <th>M3/ton FFB</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>27,243</td> <td>24,549</td> <td>0.88</td> <td>8,821</td> <td>0.32</td> <td>33,370</td> <td>1.20</td> </tr> <tr> <td>Feb</td> <td>22,824</td> <td>18,454</td> <td>0.79</td> <td>8,066</td> <td>0.35</td> <td>26,520</td> <td>1.14</td> </tr> <tr> <td>Mar</td> <td>20,044</td> <td>15,921</td> <td>0.78</td> <td>8,809</td> <td>0.43</td> <td>24,730</td> <td>1.22</td> </tr> <tr> <td>Apr</td> <td>16,818</td> <td>12,073</td> <td>0.71</td> <td>8,357</td> <td>0.49</td> <td>20,430</td> <td>1.20</td> </tr> <tr> <td>May</td> <td>19,680</td> <td>15,689</td> <td>0.79</td> <td>8,831</td> <td>0.44</td> <td>24,520</td> <td>1.23</td> </tr> <tr> <td>Jun</td> <td>22,413</td> <td>15,273</td> <td>0.67</td> <td>8,367</td> <td>0.37</td> <td>23,640</td> <td>1.03</td> </tr> <tr> <td>Jul</td> <td>28,279</td> <td>20,238</td> <td>0.70</td> <td>8,972</td> <td>0.31</td> <td>29,210</td> <td>1.00</td> </tr> </tbody> </table> <p>Company has analysed water quality each semester, such as: Sumur Pantau in land application area, Sumur Kontrol, Sumur perumahan, Air buangan perumahan, air permukaan sungai hulu dan hilir. Latest analysis for first semester performed on March 2017 by "Unit Pelaksana Teknis Pengujian Material LP-750-IDN DINas PEkerjaan Umum dan Penataan Ruang Provinsi Riau". Report of analysis available in "laporan Hasil Uji".</p> <ul style="list-style-type: none"> <li>- Sumur pantau quality standard threshold based on Peraturan Menteri Kesehatan No.416/Menkes/Per/IX/1990". Latest analysis on March 2017 water quality sumur pantau 1 – 3 was met with threshold. Report analysis No. /MT.1/03.03.46.70 - 72</li> <li>- Sumur Perumahan quality standard threshold based on Peraturan Menteri Kesehatan No.416/Menkes/Per/IX/1990". Latest analysis on March 2017 water quality sumur perumahan was met with threshold. Report analysis No.</li> </ul>						Month	FFB processed	Water consumption process		Water consumption domestic		Total Water usage		Total Process usage	M3/ton FFB	Total Domestic usage	M3/ton FFB	Total usage	M3/ton FFB	Jan	27,243	24,549	0.88	8,821	0.32	33,370	1.20	Feb	22,824	18,454	0.79	8,066	0.35	26,520	1.14	Mar	20,044	15,921	0.78	8,809	0.43	24,730	1.22	Apr	16,818	12,073	0.71	8,357	0.49	20,430	1.20	May	19,680	15,689	0.79	8,831	0.44	24,520	1.23	Jun	22,413	15,273	0.67	8,367	0.37	23,640	1.03	Jul	28,279	20,238	0.70	8,972	0.31	29,210	1.00	
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		<p>/MT.1/03.03.46.73 - 74</p> <ul style="list-style-type: none"> <li>- Waste water mill waterways quality standard threshold based on KepMenLH No. 51/MENLH/10/1995 Lampiran B IV. Latest analysis on March 2017 was met with threshold. Report analysis No. /MT.1/03.03.46.77</li> <li>- Housing waste water domestic quality standard threshold based on PerMenLH No. 5 Tahun 2014, lampiran XLVI. Latest analysis on March 2017 was met with threshold. Report analysis No. /MT.1/03.03.46.78</li> <li>- River water quality downstream quality standard threshold based on PP No. 82 tahun 2001. Latest analysis on March 2017 was met with threshold. Report analysis No. /MT.1/03.03.46.76</li> <li>- River water quality upstream quality standard threshold based on PP No. 82 tahun 2001. Latest analysis on March 2017 was met with threshold. Report analysis No. /MT.1/03.03.46.75.</li> </ul> <p><b>Scheme Smallholders:</b> Smallholder member implemented frond stacking in "U" shape as in procedure of soil conservation - "Susun Pelepah Sebagai Sarana Konservasi Tanah dan Air Serta Upaya Pencegahan Erosi". Smallholders also implemented individual platform to minimize erosion as documented in "Rencana dan Realisasi Tapak Kuda untuk Konservasi Tanah dan Air".</p>	
4.4.2	<p>Protection of water courses and wetlands, including securing and maintaining appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated.</p> <p>- Major compliance -</p>	<p>Company has water source management: Identification of water source and wetland, as indicated in HCV report. The water source identified mill's water reservoir and river. Policy to prohibit chemical application in riparian zone. Policy to prohibit fish poisoning and prohibit wood cutting in area of company plantation.</p> <p>Estate has had program restoration and recorded on "Riparian Restoration Program Tahun 2017", such as planting of bamboo, waru, Angsana, Ketapang and vetiver grass on riparian area of Kerinci and Laniago River with total planted as much 50 trees. No chemical-related operation on riparian area. Riparian area was marked with</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p>radius 20 meters from both side of the river as per "Identifikasi dan analisis keberadaan HCV di Areal Kebun PT IIS Kebun Buatan oleh Fakultas Kehutanan IPB tahun 2009".</p> <p><b>Scheme Smallholders:</b> Smallholder member implemented frond stacking in "U" shape as in procedure of soil conservation - "Susun Pelepah Sebagai Sarana Konservasi Tanah dan Air Serta Upaya Pencegahan Erosi". Smallholders also implemented individual platform to minimize erosion as documented in "Rencana dan Realisasi Tapak Kuda untuk Konservasi Tanah dan Air".</p>	
4.4.3	<p>Records for monitoring of effluent especially BOD (Biochemical Oxygen Demand) and efforts to comply with legal requirements, shall be available (see criteria 2.1 and 5.6).</p> <p>- Minor compliance –</p>	<p>Buatan II POM has a procedure to manage the palm oil mill effluent, under AA-MPM-OP-1400.13-R1. The mill effluent process from recovery tank into cooling pond, into acidification pond (anaerob bacteria activation) into primary anaerobic pond (decomposition), secondary anaerobic pond. The purpose was to reduce BOD &lt;100 ppm.</p> <p>Based on field visit, Buatan II POM are using 6 ponds with 2 buffer ponds not used. Acid pond capacity: 1,800 m<sup>3</sup>; cooling pond capacity 1,800 m<sup>3</sup>; primary anaerobic pond I capacity 6,300 m<sup>3</sup>; primary anaerobic pond II capacity 6,300 m<sup>3</sup>; secondary anaerobic pond 22,500 m<sup>3</sup>; secondary anaerobic pond II capacity 22,500 m<sup>3</sup>; buffer ponds capacity each 17,500 m<sup>3</sup>.</p> <p>Mill has a work instruction for management of POME pond, under "Instruksi Kerja Pengoperasian Kolam Limbah".</p> <p>The fresh palm oil mill effluent was processed in order to meet regulation "Keputusan Menteri Lingkungan Hidup No.Kep.51/MenLH/10/1995" which is pH 6-9; BOD 100 mg/L; COD 350 mg/L; TSS 250 mg/L; Oil and Fat 25 mg/L; NH<sub>3</sub> 50 mg/L.</p> <p>Mill effluent was utilized for land application, as organic fertilizer/additional nutrient to oil palm plantation. The land application has permitted based on "Keputusan Bupati Pelalawan No.KPTS.660/BLH/781/2014 tentang Izin Pemanfaatan Air Limbah Industri Kelapa Sawit pada Tanah Perkebunan Kelapa Sawit PT. Inti Indosawit Subur</p>	Comply

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

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		<p>Buatan II" dated 10<sup>th</sup> September 2014 valid for 5 years. The permit regulates the application for 1,137 Ha, in block A91c,A91d, D90b, D91c, A90c, A91e, A91f, D91d, D91e, D91f, D91b, E91b. Max. BOD sets at 5,000 ppm.</p> <p>Land application activity reported to "Kepala Badan Lingkungan Hidup Kabupaten Pelalawan" on monthly basis. Record seen: "Surat Laporan Pelaksanaan Land Aplikasi June 2017 No.075/MI-PBD/EXT/VII/2017 dated 8<sup>th</sup> July 2017.</p> <p>POME quality monitoring, analysis was conducted by Dinas Bina Marga UPT Pengujian Material Provinsi Riau, against "Keputusan Menteri Lingkungan Hidup No.28 tahun 2003". Below are the POME quality analysis result in periode 2017:</p> <table border="1"> <thead> <tr> <th>Parameter</th> <th>Jan</th> <th>Feb</th> <th>Mar</th> <th>April</th> <th>May</th> <th>June</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>7.5</td> <td>7.6</td> <td>7.8</td> <td>7.5</td> <td>7.5</td> <td>7.5</td> </tr> <tr> <td>BOD (mg/L)</td> <td>1,594</td> <td>1,049</td> <td>1,399</td> <td>999</td> <td>1,949</td> <td>1,449</td> </tr> <tr> <td>COD (mg/L)</td> <td>7,512</td> <td>2,992</td> <td>3,180</td> <td>2,272</td> <td>4,427</td> <td>3,437</td> </tr> <tr> <td>Oil &amp; Grease (mg/L)</td> <td>158</td> <td>11.6</td> <td>9.0</td> <td>5.2</td> <td>14.2</td> <td>5.8</td> </tr> <tr> <td>Pb (mg/L)</td> <td>0.1</td> <td>&lt;0.0017</td> <td>&lt;0.0017</td> <td>&lt;0.0017</td> <td>&lt;0.0017</td> <td>&lt;0.0017</td> </tr> <tr> <td>Cu (mg/L)</td> <td>0.2</td> <td>0.0</td> <td>&lt;0.0062</td> <td>&lt;0.007</td> <td></td> <td></td> </tr> <tr> <td>Cd (mg/L)</td> <td>&lt;0.003</td> <td>&lt;0.0031</td> <td>&lt;0.0031</td> <td>&lt;0.0031</td> <td>&lt;0.0031</td> <td>&lt;0.0031</td> </tr> <tr> <td>Zn (mg/L)</td> <td>0.9</td> <td>0.0</td> <td>0.1</td> <td>0.0</td> <td>0.1</td> <td>0.1</td> </tr> <tr> <td>NH3 (mg/L)</td> <td>38</td> <td>45</td> <td>26</td> <td>26</td> <td>23</td> <td>17</td> </tr> </tbody> </table> <p>The readings provided in the table were met the acceptable limit stated in the regulation "Keputusan Menteri Lingkungan Hidup No.Kep.51/MenLH/10/1995".</p>	Parameter	Jan	Feb	Mar	April	May	June	pH	7.5	7.6	7.8	7.5	7.5	7.5	BOD (mg/L)	1,594	1,049	1,399	999	1,949	1,449	COD (mg/L)	7,512	2,992	3,180	2,272	4,427	3,437	Oil & Grease (mg/L)	158	11.6	9.0	5.2	14.2	5.8	Pb (mg/L)	0.1	<0.0017	<0.0017	<0.0017	<0.0017	<0.0017	Cu (mg/L)	0.2	0.0	<0.0062	<0.007			Cd (mg/L)	<0.003	<0.0031	<0.0031	<0.0031	<0.0031	<0.0031	Zn (mg/L)	0.9	0.0	0.1	0.0	0.1	0.1	NH3 (mg/L)	38	45	26	26	23	17	
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4.4.4	Monitoring of mill water use per ton of FFB shall be recorded. - Minor compliance –	Company monitored mill water usage each month. Water usage monitored by flowmeter which installed in water treatment plant station. Below are the data of	Comply																																																																						



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<b>Criterion 4.5</b> Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate integrated Pest Management (IPM) techniques.																																																																															
4.5.1	Monitoring of Integrated Pest Management (IPM) plan implementation shall be available. - Major compliance -	Integrated Pest Management (IPM) was implemented and documented in related records, e.g. Rekap Serangan Hama dan Penyakit, Pest Census Summary form B2 (Ulat Api & Ulat Kantong), Data Titik Sensus Ulat Api, Ringkasan Sensus Hama Tikus, Sensus Kandang Burung Hantu, Formulir A4 Sensus Burung Hantu. There is no nettle caterpillar exist in Afdeling V Buatan Estate in 2017 based on Pest Census Summary form B2 (Ulat Api & Ulat Kantong) period July 2017.  Buatan Estate has implemented biological control to minimize or eliminate pest and disease, e.g. by use of barn owl and planting beneficial plants such as <i>Casia sp.</i> , <i>Antigonon leptopus</i> and <i>Turnera subulatta</i> . Based on Sensus Burung Hantu mentioned that Barn owl in Afdeling VII in July 2017 was adult: 30, young: 21, egg:						Comply																																																																							

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		<p>17 and box exist 27.</p> <p><b>Scheme Smallholders:</b> Farmers reported to Supervisor (Mandor) if there is pest attack, e.g. Leaf eating caterpillar, rat and ganoderma . Mandor reported to field assistant to evaluate whether its need further action census or control. Census record seen, leaf eating caterpillar census from period January to July 2017 shows there is no attack exceed economic threshold. KUD have documented program to plant <i>Turnera subulatta</i> and <i>Cassia tora</i> as in "Rencana dan Realisasi Penanaman Tanaman Berguna Tahun 2017". The program implemented by farmer group (Kelompok Tani) and monitored by smallholder management. Development of barn owl (<i>Tyto alba</i>) has been implemented and monitored as well.</p>	
4.5.2	<p>Training records of Integrated Pest Management (IPM) shall be available.</p> <p>- Minor compliance –</p>	<p>Training regarding Integrated Pest Management (IPM) has been held recently by Learning &amp; Development Department on 11 March 2017. All supervisors and worker of IPM from Buatan Estate and some other Asian Agri estates have attended the training. Based on document of training module and attendance list, the training was attended by 45 participants.</p> <p><b>Scheme Smallholders:</b> The latest IPM training for KUD Kebun Sawit Harapan, KUD Buatan Jaya and KUD Mitra Usaha are recorded on 18<sup>th</sup>, 19<sup>th</sup> and 25<sup>th</sup> March 2017, attended by members and representative of each KT leader. Training held by Learning &amp; Development Department. Training module and attendance list were evident.</p>	Comply
<p><b>Criterion 4.6</b> Pesticides are used in ways that do not endanger health or the environment.</p>			
4.6.1	<p>Documented evidence shall be available to show that pesticide used based on regulations and the use of pesticide is specific to target species with appropriate dosage which have minimal impact on</p>	<p>It was evidence that Buatan Estate use pesticide based on regulation (see 4.6.2). The use of pesticide is specific to target species with appropriate dosage which have minimal impact on non-target species. There are specific target and activities used</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
	<p>non-target species.</p> <p>- Major compliance -</p>	<p>for selective products such as:</p> <ul style="list-style-type: none"> <li>- <i>Glyphosate, Fluoroxypyr, Methyl Metsulfuron</i> and <i>Paraquat</i> are used for circle and path spraying.</li> <li>- <i>Glyphosate</i> and <i>Fluoroxypyr</i> used for FFB collection point spraying</li> <li>- <i>Glyphosate, Trichlophyr, Methyl Metsulfuron</i> are used for wooden weeds</li> <li>- <i>Methyl Metsulfuron, Paraquat</i> are used for wooden fern</li> <li>- <i>2,4-Diamine</i> and <i>Glyphosate</i> are used for soft wooden grass (<i>Asystasia</i> sp).</li> </ul> <p><b>Scheme Smallholders:</b> Document titled "Penggunaan Agrokimia Terdaftar" indicates the permitted pesticide (herbicide) allowed to be used on smallholder blocks. The herbicide listed: Bionasa 480 SL brand, active ingredients: <i>Isopropilamina glifosat</i>, listed No. RI.010101199512017 valid until 18 Mar 2021; Kenlon 480 EC, active ingredients <i>Triklopir butoksi etil ester</i>, listed No. RI.01030120062017 valid until 23 June 2021. These herbicide programmed for circle-path spraying and woody control only.</p>	
4.6.2	<p>Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per Ha and number of applications) shall be available.</p> <p>- Major compliance -</p>	<p>Company have a pesticide application program which documented in annual work programme. Activities using pesticides among others circle and path spraying, selective spraying etc.</p> <p>Records of pesticides use have been recorded including active ingredient, area treated, amount applied per ha, use of selective product and rotation number of applications. Several records of pesticide used were sighted, e.g. application schedule, list of pesticide use in oil palm estate, work achievement and pesticide use, stock card of agrochemicals. The records covered date of application, quantity of pesticide use and name of sprayers.</p> <p>Record "Daftar Bahan Kimia yang Digunakan di Kebun Buatan" described that pesticide use are as follows:</p> <ol style="list-style-type: none"> <li>1. Gramoxone 276 SL, active ingredient Ion paraquat, 876 l, LD50 218, license: RI.0105012002016 valid until 17 October 2020.</li> <li>2. Bionasa 480 SL, active ingredient Isopropilamina glifosat, 623 l, LD50 405,</li> </ol>	Comply

`Criterion / Indicator	Assessment Findings	Compliance
	<p>license: RI.010101199512017 valid until 18 Mar 2021.</p> <p>3. Kenlon 480 EC, active ingredient Triklpir butoksi etil ester, 78 l, LD50 2, license: RI.01030120062017 valid until 23 June 2021.</p> <p>4. Kenrane 288 EC, active ingredient Floroksipir, 190 l, LD50 57, license: RI.01010120103759 valid until 12 December 2020.</p> <p>5. Metsulindo 20 WP, active ingredient Metil metsulfuron, 76 l, LD50 0.76, license: RI.10301199912016 valid until 18 June 2020.</p> <p>6. Solusi 865 SL, active ingredient Dimetil amina, 248 l, LD50 0.32, license: RI.01030120031931 valid until 29 April 2018.</p> <p>The company has monitored and recorded pesticides use since 2012. Usage quantity of pesticides was within the recommended levels. Monitoring of pesticides toxicity unit LD50/tonne FFB was conducted monthly, record sight in August 2017.</p> <p>Agrochemicals have been applied and handled by trained spraying workers who have received usage of limited pesticide training. Training for limited pesticides uses was delivered by Pesticide Commission of Agriculture Department Riau Province on 22<sup>nd</sup> March 2014 in Buatan estate. Refreshment training for SOP and WI regarding spraying work was conducted regularly in morning briefing. Training record and certificates were sighted for all sprayers.</p> <p>Training covered handling of concentrate agrochemical and spraying method including pesticide hazard. Pesticides handled, used and applied only by persons who have completed the necessary training, it was observed during field audit that all sprayers' workers have been trained.</p> <p><b>Scheme Smallholders:</b> KUD Kebun Sawit Harapan: Toxicity monitoring</p> <ul style="list-style-type: none"> <li>o Bionasa 480 SL (<i>Isopropilamina glifosat</i>): hectarage 800 Ha, usage 188 liters, active ingredient 112.8 gram per Ha.</li> <li>o Kenlon 480 EC (<i>Triklpir butoksi etil ester</i>): hectare of application 800 Ha, usage 128 liters, active ingredients 76.8 gram per Ha.</li> </ul>	

`Criterion / Indicator		Assessment Findings	Compliance
		<p>KUD Buatan Jaya: Toxicity monitoring:</p> <ul style="list-style-type: none"> <li>o Bionasa 480 SL (<i>Isopropilamina glifosat</i>): hectarage 860 Ha, usage 244 liters, active ingredient 123 gram/liter or 136.18 gram per ha.</li> <li>o Kenlon 480 EC (<i>Triklopir butoksi etil ester</i>): hectare of application 860 Ha, usage 134 liters, active ingredients 74.79 gram per Ha.</li> </ul> <p>These herbicide programmed for circle-path spraying and woody control only.</p>	
4.6.3	<p>Any use of pesticides shall be minimized as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in Indonesia Best Practice guidelines.</p> <p>- Major compliance -</p>	<p>Integrated Pest Management (IPM) Plan developed by organization and documented in "Pest and Diseases Management Program". IPM Plan have been prepared within the budget in 2017. Buatan Estate and Smallholder have established Division Work Program annually for IPM for each division. IPM programme includes detection and census of pest and diseases, weeds controlling, planting and upkeep of beneficial plant, use of pesticide and herbicide.</p> <p>IPM plan include the following :</p> <ul style="list-style-type: none"> <li>• Identification of potential pests and thresholds</li> <li>• The techniques used (cultural, biological, mechanical and physical methods)</li> <li>• The native species used as part of the biological control method</li> <li>• Reducing the use of chemicals over a period of time</li> <li>• Prophylactic use of pesticides</li> <li>• Minimization of pesticide use</li> <li>• Review on the plans to suit the present condition such as replanting</li> </ul> <p>IPM Plan has been implemented by the organization. Early detection UPDKS (ulat pemakan daun kelapa sawit) performed every 2 months, it documented in BKM (buku kegiatan mandor). Beneficial plant <i>Turnera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i> already planted most in every block along the main road and collection road. Barn-Owl introduction and monitoring implemented by create owl nest (Gupon) and monitoring. The effectiveness of the IPM plan was monitored regularly as described in 4.5.1.</p> <p>There were records showing that the use of pesticides have been minimised in</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p>accordance with Integrated Pest Management (IPM) plan. Use of pesticides in the field was always lower than the planned budget. It also shows the company's commitment to always reduce pesticide usage and give priority to the prevention of mechanical, biological and integrated pest management.</p> <p>There was no prophylactic use of pesticides, its evident by site visit and field observation in Buatan Estate and Smallholder. Pesticide only used and apply for weeds and pest.</p> <p><b>Scheme Smallholders:</b> Records shows that the use of pesticides have been accordance to the Integrated Pest Management (IPM) plan. Use of pesticides in the field is accordance to the planned budget. Scheme Smallholders management also commit to always reduce pesticide usage and give priority to the prevention of mechanical, biological and integrated pest management as well as planting beneficial plant. Records and field visit shows that there was no prophylactic use of pesticides, pesticide was only used for circle-path and woody control.</p>	
4.6.4	<p>The evidence shall be available to demonstrate that use of Pesticides, categorized in Class 1A or 1B by World Health Organization, or those are listed in the Stockholm and Rotterdam Conventions, and paraquat are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p>- Minor compliance -</p>	<p>The Company have a complete listing of WHO class 1A, class 1B, and Stockholm or Rotterdam Conventions pesticide. It was well documented in Estate office. Paraquat is not banned in Indonesia according Act No.12/1992 regarding plant cultivation system, article 60 (g) jo. Article 38, and Ministry of Agriculture regulation No.107/Permentan/SR.140/9/2014 regarding pesticides supervisor. National regulation mentioned that paraquat dichloride is a restricted active ingredient so that its user must hold a certificate use of limited pesticides and the manufacturer must train first for the user of the pesticide.</p> <p>Paraquat which was the active ingredient of Gramoxone was still used in PT Inti Indosawit Subur – Buatan Estate especially at replanting area, however the organisation has set internal target to reduce paraquat use. Record of paraquat use in Buatan Estate Division IV, V and VI was sight e.g. on "Monitoring Penggunaan Paraquat".</p>	Comply

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

`Criterion / Indicator		Assessment Findings				Compliance							
		<table border="1"> <thead> <tr> <th>Active ingredient</th> <th>2015</th> <th>2016</th> <th>2017 (up to August )</th> </tr> </thead> <tbody> <tr> <td>Paraquat</td> <td>383</td> <td>882</td> <td>876</td> </tr> </tbody> </table>	Active ingredient	2015	2016	2017 (up to August )	Paraquat	383	882	876			
Active ingredient	2015	2016	2017 (up to August )										
Paraquat	383	882	876										
		<p><b>Scheme Smallholders:</b>            Records and field visit shows that in 2017 there was no uses of pesticides categorized in Class 1A or 1B by World Health Organization, or those are listed in the Stockholm and Rotterdam Conventions, including paraquat. Record of paraquat use in Buatan Plasma was sight e.g. on "Monitoring Penggunaan Paraquat"</p>											
4.6.5	<p>Evidence of pesticide application by trained person and in accordance with application guidelines in product label and storage guidelines shall be available. Appropriate safety equipment shall be provided and utilized. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>- Major compliance -</p>	<p>Pesticide use and handling was documented in the procedure of Pesticides Management (SOP AA-APM-OP-1100.11-R1, dated 1 February 2009), Pests &amp; Disease Control (SOP AA-APM-OP-1100.10-R5, dated 11 January 2016) and Weeding Control (SOP AA-APM-OP-1100.08-R5, dated 7 December 2015). General instructions of security in working with pesticides described in procedure includes the selection of kinds of pesticides, pesticide storage, pesticide use, addressing pesticide contamination, first aid instructions, medical assistance.</p> <p>Agrochemicals have been applied and handled by trained spraying workers who have received usage of limited pesticide training. Training for limited pesticides uses was delivered by Pesticide Commission of Agriculture Department Riau Province on 22<sup>nd</sup> March 2014 in Buatan estate. Refreshment training for SOP and WI regarding spraying work was conducted regularly in morning briefing. Training record and certificates were sighted for all sprayers. Its evidence that training has been conducted in an appropriate language (Bahasa Indonesia) and understood by the workers.</p> <p>Training covered handling of concentrate agrochemical and spraying method including pesticide hazard. Pesticides handled, used and applied only by persons who have completed the necessary training, it was observed during field audit that all sprayers workers have trained. Personnel interviewed (sprayer workers) can clearly explain the type of work including work methods and goals, materials used</p>				Comply							

`Criterion / Indicator		Assessment Findings	Compliance
		<p>(pesticides) including the dosage and hazards and risks, personal protective equipment and first aid.</p> <p>Pesticides were always applied in accordance with the product label and storage instruction. Agrochemicals storage was locked areas with limited access. The storage was ventilated. MSDS and hazard symbol label were provided nearby of agrochemicals. Emergency shower and eyewash were also provided to anticipate in case of an emergency of agrochemical handling. The possible spill was managed. Secondary containment was provided around the chemical storage area. Spill kit was also provided in the area.</p> <p>PPE for handling of chemicals were provided including boots, apron, safety glass, respiratory mask and hand gloves. PPE used was appropriate according to recommendations in any risk assessments. PPE provided and used can be easily replaced if damaged.</p> <p>Interview with spraying workers were evident that all of them has a good knowledge regarding the pesticide usage and its material usage and toxicity. All the workers has used the personal protective equipment meet with the safety rules and work instruction such as: Apron, safety goggles, chemical masker, hand gloves and safety shoes. All precautions attached to the products properly observed, applied, and understood by workers. Mandor as person in charge to check the workers usage of appropriate PPEs was well monitored in each spraying job.</p> <p><b>Scheme Smallholders:</b> Pesticide application was conducted by Buatan Estate workers spraying team called Tim Unit Semprot (TUS) who has got training related to pesticide application and handling as mentioned above.</p>	
4.6.6	Storage of pesticides shall be according to recognised best practices. All pesticides containers shall be properly managed according to the existing regulations and or instructions enclosed on	Pesticides were stored in the determined area separated from fertiliser and other chemicals. Pesticides storage was provided in central workshop and it was locked areas with limited access, both Buatan Estate and Smallholder. The storage was ventilated through cross flow ventilation. MSDS and hazard symbol label were	Comply



`Criterion / Indicator		Assessment Findings	Compliance
	<p>the containers (see criterion 5.3).</p> <p>- Major compliance -</p>	<p>provided nearby of pesticides. Emergency shower and eyewash were also provided to anticipate in case of an emergency of chemical handling. PPE for handling of chemicals were provided including boots, apron, safety glass, respiratory mask and hand gloves. The possible spill was managed. Secondary containment was provided around the pesticides storage area. Spill kit was also provided in the area. EHS patrol was regularly performed monitor possible spill.</p> <p>All empty pesticides containers were triple rinsed and collected in the temporary storage of hazardous waste. Pesticides containers were transported by authorised transporter, according to procedure of hazardous waste handling – “Penanganan Limbah Bahan Berbahaya dan Beracun” (AA-KL-06-EFP), point 6.2. Records of pesticides containers quantity were evident. Liquid waste from pesticides was reused for the next spraying applications also there are several ex-containers “jerry can” that may re-use for field application.</p> <p><b>Scheme Smallholders:</b> Pesticide application was conducted by Buatan Estate workers spraying team called Tim Unit Semprot (TUS), therefore pesticide storage was handled by Buatan Estate Storage keeper, who has got training related to pesticide handling. Pesticides storage was according to recognised best practices as mentioned above. All pesticides containers are properly managed according to the procedure of hazardous waste handling – “Penanganan Limbah Bahan Berbahaya dan Beracun” (AA-KL-06-EFP) as mentioned above.</p>	
4.6.7	<p>Application of pesticides shall be by proven methods that minimize risk and negative impacts.</p> <p>- Minor compliance -</p>	<p>Application of pesticides was following SOP Pesticides Management – “Pestisida dan Pengelolaannya” (AA-APM-OP-1100.11-R1) chapter III point 3.2. stated that pesticide operator must be fit, not in pregnancy or breast feeding, must have meal before work, and uses appropriate PPE. Based on interview with workers, they know how to handle pesticide during storage, mixing, usage, and how to conduct first aid for poisoning pesticide.</p> <p>Application pesticide in scheme smallholder conducted by TUS Team from Buatan</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		Estate, following the same SOP (AA-APM-OP-1100.11-R1) chapter III point 3.2. TUS team have sufficient training for application before assigned to apply, and regularly refreshed. The last refresh for spraying operator conducted on March 23 <sup>rd</sup> , 2017 attended by 32 participants.	
4.6.8	<p>Pesticides may only be applied aerially where there is a documented justification. Surrounding communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.</p> <p>- Major compliance -</p>	<p>Based on interview with Buatan Estate Management, surrounding community and field observation, there was no pesticide applied aerially.</p> <p><b>Scheme Smallholders:</b> Based on field observation, and interview with Buatan Plsma Management, KUD, KT leader and smallholder members there was no pesticide applied aerially in Kebun Plasma Buatan.</p>	N/A
4.6.9	<p>Evidence of training on handling pesticide for workers and scheme smallholder (if any) shall be available.</p> <p>- Minor compliance -</p>	<p>Company has provided information materials on pesticide handling to all employees. Training and dissemination on work instruction including risk and impacts of pesticide applications (Material safety data sheet) has been performed by organization on March 23<sup>rd</sup>, 2017 and April 20<sup>th</sup>, 2017 to all pesticides sprayer workers. Training and dissemination records was sighted.</p> <p>Company has conducted periodic training (in Bahasa Indonesia) of employees on pesticide handling.</p>	Comply
4.6.10	<p>Proof that pesticide waste has been handled as per legal regulations and understood by worker and manager, shall be demonstrated.</p> <p>- Minor compliance -</p>	<p>All empty pesticides containers were triple rinsed and collected in the temporary storage of hazardous waste. Pesticides containers were transported by authorised transporter, PT PPLI. Records of pesticides containers quantity were evident, e.g. Hazardous Waste Disposal Manifest number OL 0022089 date on April 27<sup>th</sup>, 2017, for 17 Drum of empty container. Liquid waste from pesticides was reused for the next spraying applications also there are several ex-containers "jerry can" that may re-use for field application.</p> <p>Training/briefing regarding disposal of waste material has been conducted to all workers and staffs. Based on interview with sprayer workers, they all understood the</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		disposal of waste material. Smallholders is not allowed to used and apply pesticide. Spraying works at smallholder area are conducted by TUS (spraying team) from Buatan Estate. The waste material disposal at smallholder area was managed by Buatan Estate.	
4.6.11	Annual medical records of pesticide operators, and follow-up treatment of medical results, shall be available. - Major compliance -	List of pesticides operator was shown and updated periodically. Specific health surveillance has been performed on for pesticide operators included cholinesterase, spirometry and audiometry on November 21 <sup>st</sup> , 2016 for 28 participants. The surveillance was planned to be conducted twice in a year. Reports of the health surveillance for all workers were available. All participants have good condition.	Comply
4.6.12	Records shall be available to show that spraying is not conducted by pregnant or breast-feeding women. - Major compliance -	Based on record of "Pemeriksaan Test Kehamilan Pekerja Langsung Dengan Bahaya Bahan Kimia" - Pregnancy Test of Workers With Chemical Hazards on June 07 <sup>th</sup> , 2017 it was evident that all 12 sprayer operator were not in pregnancy.	Comply
<b>Criterion 4.7</b>			
An occupational health and safety plan is documented, effectively communicated and implemented.			
4.7.1	A health and safety policy shall be in place. A health and safety plan shall be documented and implemented, and its effectiveness monitored. - Major compliance -	Occupational health and safety (OHS) policy is remained unchanged. The policy was displayed at strategic locations of estate and mill and communicated to employees including contractor workers. The Health and safety policy was signed by organization director on 1 December 2014. Point 3 of the policy mentioned that the company Committed to implement and maintain occupational health and safety management system in compliance with national and international applicable regulation.  The mitigation of risks to workers health and safety was included in point 4 and 5 in the policy. Point 5 mentioned Integrating social, environmental, food security, occupational health and safety issues into operational activities, adopting best technology available, and maintain trained manpower, with skills, and motivated to	<del>Non compliance</del> Comply

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

`Criterion / Indicator		Assessment Findings	Compliance
		<p>improve performance through continuous improvement program.</p> <p>OHS Plan 2017 was evident such as: safety trainings, safety inspection, safety parameters monitoring, MCU, Handling of incidents, emergency simulation, safety report, safety committee meeting etc. Health and safety plan and target for all estates and mill were evident and reflected the guidance provided in ILO Convention 184.</p> <p>The implementations of the programs were evident such as:</p> <ul style="list-style-type: none"> <li>• Safety Committee meeting during January to August 2017</li> <li>• Safety Performance Report to local authority period January to July 2017</li> <li>• Basic Fire Training on 31 March 2017</li> <li>• Medical Check Up for risk employee and non-risk employee</li> <li>• Emergency Procedure Testing/Simulation on 28 April and 7 March 2017</li> <li>• etc.</li> </ul> <p>Monitoring of the safety plan was conducted by regular safety meeting once in a month. Several action plans were raised for the unachieved safety targets and plans. The safety target and plan was also publicly available via company website.</p> <p>Health and safety guideline for smallholders is in place. OHS policy was available and signed by Chief of KUD.</p>	
4.7.2	<p>A documented risk assessment shall be available and its implementation shall be recorded.</p> <p>- Major compliance -</p>	<p>Risk Assessment regarding health and safety for all operations of Buatan II Mill, Buatan Estate and Buatan Scheme Smallholder are available and has been disseminated to the workers and operators. It was considered the stages of OHS risk control hierarchy such as elimination, substitution, engineering, administrative and PPE (Personnel Protective Equipment) in order to OHS risk precautions.</p> <p>The mill risk assessment cover processes and activities attached to the realisation of CPO production, such as: weighing bridge, boiler, engine room, loading ramp, sterilizer, threshing, pressing, kernel operation, clarification, office, laboratory, CPO dispatch, water treatment, chemical warehouse, firefighting simulation, etc. Last update of risk assessment was on August 5<sup>th</sup>, 2017.</p> <p>The estate risk assessment covers processes and activities attached to the realisation</p>	Comply

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

`Criterion / Indicator	Assessment Findings	Compliance
	<p>of FFB production, such as: spraying, fertilizing, weeding, replanting, road maintenance, harvesting, transportation, warehouse, workshop, infrastructure, polyclinic, office, etc. Last update of risk assessment was on January 3<sup>rd</sup>, 2017.</p> <p>Risk Assessment for scheme smallholder have also been established and disseminated to the related workers. Several risk assessment were sighted such as fertilizing, road maintenance, harvesting and FFB transportation. Last update of risk assessment was on January 10<sup>th</sup>, 2017.</p> <p>The risk assessments were reviewed annually of if any accident happened. Several procedures related to these issues have been established and documented, such as:</p> <ul style="list-style-type: none"> <li>• Fire Handling Procedure (AA-KL-15-EFP)</li> <li>• Emergency Response Procedure (AA-KL-14-EFP)</li> <li>• Safety At Workshop Procedure (Lock out/Tag out) (AA-KL-09-EFP)</li> <li>• Handling of Pressurized Cylinder Gas Procedure (AA-KL-13-EFP)</li> <li>• Chemical Handling Procedure (AA-KL-03-EFP)</li> </ul> <p>Monitoring of physical and chemistry factors has been conducted such as noise, vibration, air ambient, etc.</p> <p>OHS induction was performed by Safety Officer at mill and estates. Utility equipment were available and installed such as boilers, sterilised, steam vessel, compressors, generator, heavy equipment and lifting equipment. This equipment has been inspected by local authority and the records were evident. Periodic monitoring was also performed internally such as boiler parameter monitoring (pressure, temperature, water quality, water level, etc. Moving parts of machine/equipment generally has been covered or guarded.</p> <p>Safety sign was provided to make workers aware on this hazard and risk (except for the non-conformity mentioned in 4.7.1). Electrical hazard symbol was provided at electrical panel. Inspection regarding to electrical installation has been made. Access for workers to workplace in general also good e.g. stair was provided with hand rail and platform at height was provided with border to prevent fall risk. There was also detailed working instruction which described process for conducting activities including requirement concerning to OHS aspects such as requirement of PPE.</p>	

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

`Criterion / Indicator		Assessment Findings	Compliance
		<p>OHS control for working in confined space (e.g. cleaning of storage tank), working at height and welding. Work permit system has been implemented for these works. Lock out tag out has also been established and implemented especially intended for risk control of maintenance activities. The PPE for each activity has been determined and implemented, e.g. working at mill, working at generator set, welder, working at laboratory, harvester, sprayer, fertilizer storage, chemical storage, etc. Observation during this audit generally concluded that PPE has been well provided and implemented. Working instructions were sighted such as spraying, harvesting, pesticide preparation, etc. Workers were interview during this audit and generally they understood the risk of their work and the purpose of using PPE.</p> <p>Emergency Response Team has been defined and the emergency flow charts have been established for any kind of emergency situation such as earthquake, fire, flood etc. The awareness of employee was gained with the simulation of emergency response. The evacuation routes and emergency flowcharts have been disseminated during simulation. Emergency signs and boards were provided in several areas. The muster points for each area such as workshop, warehouse, office etc. were sighted.</p> <p>All precautions attached to products been properly observed and applied to the workers. Several controls such as providing PPE and administration control were applied to workers in some activities such as: mill maintenance process, spraying activities, handling of pesticides etc.</p>	
4.7.3	<p>Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.</p> <p>- Major compliance -</p>	<p>Safety committee has defined Program of Occupational Health and Safety (OHS) available, covering prevention, implementation, and continual improvement. Safe working practices training have been performed to all workers in the operation. The trainings were conducted by Safety Officer who has been qualified as Safety Officer by the government.</p> <p>The PPE for each activity has been determined and provided, e.g. working at Mill, working at generator set, welder, working at laboratory, harvester, sprayer, fertilizer storage, chemical storage, etc. Observation during this audit generally concluded that PPE has been well provided and implemented. Workers were interview during</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p>this audit and generally they were understood the risk of their work and the purpose of using PPE. Several mandatory PPE were provided and worn by the workers such as: helmet, safety goggles, safety shoes, safety clothes, chemical mask, ear plugs, ear muffs and respirators. List of PPE Distribution was evident, covering: ear plug, helmet, ear muff, safety shoes, gloves, goggles, mask, gas mask, apron etc. The records of PPE distribution were evident, e.g. "Checklist Absensi Pemakaian APD".</p> <p>Emergency simulation has been conducted at KUD Buatan Jaya, KUD Kebun Sawit Harapan and KUD Mitra Usaha. The simulation was related to fire handling and prevention. The muster points were available and the farmers and workers were aware for the evacuation route.</p>	
4.7.4	<p>The responsible person(s) for occupational health and safety shall be identified and there shall be records of periodical meetings on health and safety issues.</p> <p>- Major compliance -</p>	<p><b>Buatan Estate:</b> The responsible person for occupational health and safety of Buatan Estate is Mr. Afriando Flora Kirnando, with certificate No.Ser.13.10233/AK3/U/XI/2014 dated 14<sup>th</sup> November 2014. The person was appointed through Decree of Minister of Labour and Transmigration No.KEP.9262/M/DJPPK/XI/2014 regarding appointment of safety officer (Ahli K3) dated 14<sup>th</sup> November 2014, valid for 3 years.</p> <p>The safety committee structure has been established, and approved by manpower office of Pelalawan Regency based on Decision letter of the head of Manpower and Transmigration Agency of Pelalawan Regency No.KPTS.566/DTKT-WAS/2016/34 regarding Approval of the Composition of PT Inti Indosawit Subur Kebun Buatan Safety Committee (P2K3), dated 10<sup>th</sup> May 2016. The safety committee structure is available.</p> <p>Most recent Safety committee meeting with worker held on 14<sup>th</sup> June 2017, discussing safety talk effectiveness, PPE use monitoring, pregnancy test for female worker performing spraying and fertilizer application; attended by 10 members.</p> <p>The safety committee has reported the health and safety performance to manpower office of Pelalawan Regency on regular basis. Confirmed with manpower office during stakeholder consultation, that "Laporan P2K3" period of April-June 2017, reported on 20<sup>th</sup> July 2016.</p>	Comply

`Criterion / Indicator	Assessment Findings	Compliance
	<p><b>Buatan II POM:</b>            The responsible person for health and safety of Buatan II Mill is Mr.Yakop Panjaitan, with training certificate No.Ser.13.10232/AK3/U/XI/2014 dated 14<sup>th</sup> November 2014. The person was appointed through Decree of Minister of Labour and Transmigration RI No.KEP.9261/M/DJPPK/XI/2014 regarding appointment of safety officer (Ahli K3 Umum) dated 14<sup>th</sup> November 2014, valid for 3 years.</p> <p>The safety committee structure has been established, and approved by manpower office, based on Decision letter of the head of Manpower and Transmigration Agency of Pelalawan Regency No.KPTS.566/DTKT-WAS/2016/43 regarding Approval of the Composition of PT Inti Indosawit Subur Buatan II POM Safety Committee (P2K3), dated 17<sup>th</sup> June 2016. The safety committee structure is available.</p> <p>Most recent Safety committee meeting with worker was held on August 05<sup>th</sup>, 2017, discussing nearmiss, action plan for nearmiss, work instruction for each station, mill operational, worker’s complaint, PPE use, use of first aid kit, and fire fighting team – attended by 10 personnel.</p> <p>The safety committee has reported the health and safety performance to manpower office on regular basis. Confirmed with manpower office during stakeholder consultation, that “Laporan P2K3” period of April-June 2017, reported on 22<sup>nd</sup> July 2017.</p> <p><b>Scheme Smallholders:</b>            KUD Kebun Sawit Harapan:            Person in charge for health and safety, as well as emergency situation is chairperson of KUD Kebun Sawit Harapan. Meeting discussing health and safety issue planned for 3 monthly bases, e.g. the latest meeting in KUD Kebun Sawit Harapan, dated 9<sup>nd</sup> July 2017 attended by 17 KT leaders.</p>	



`Criterion / Indicator		Assessment Findings	Compliance
		<p>KUD Buatan Jaya: Person in charge for health and safety, as well as emergency situation is chairperson of KUD Buatan Jaya. Meeting discussing health and safety issue planned for 3 monthly bases, e.g. the latest meeting in KUD Buatan Jaya, dated 8<sup>th</sup> July 2017 attended by 18 KT leaders.</p> <p>KUD Mitra Usaha: Person in charge for health and safety, as well as emergency situation is chairperson of KUD Mitra Usaha. Meeting discussing health and safety issue, the meeting in KUD Mitra Usaha, dated 16<sup>th</sup> July 2017, attended by 24 KT leaders.</p>	
4.7.5	<p>A procedure for emergency and work accident shall be available in Indonesian Language; and the workers, who have attended First Aids training, are available in the working areas.</p> <p>- Minor compliance -</p>	<p>Accident and Emergency respond procedure written in Bahasa Indonesia was described in AA-EMS-447-PR which covered reporting, responsibility of all members of ERP Team, handling of ERP situation, mitigating of ERP situation, etc. Some situations were identified such as accident, fire and hazardous spillage.</p> <p>Emergency respond procedure has been disseminated to workers during simulation of emergency situation and attended by all workers. The list of attendance was available. From workers interview in the field it was observed that the workers were clearly understood of what is required in the procedure.</p> <p><b>Buatan Estate:</b> Licensed first aider at Buatan Estate is Mrs. Dahlia Sari Agustina, as approved by Manpower and Transmigration Agency of Pelalawan Regency with License No.566/DTKT-WAS/LC/P3K/101 valid until 1<sup>st</sup> July 2018. First aid kits are available with field supervisor.</p> <p>Accidents are recorded under "Laporan Kecelakaan Kerja". In 2017 records shows up to August 2017, 19 work related accidents resulted in 38 lost working days. 10 cases related to fallen frond, 4 cases related to fallen debris from palm, etc. Accident</p>	<p><del>Non</del> compliance Comply</p>

`Criterion / Indicator	Assessment Findings	Compliance
	<p>investigations reported in form called "Rekaman Kecelakaan Kerja" are kept in estate office.</p> <p><b>Buatan II POM:</b> Accident procedures attached into each SOP under Mill Processing Manual. For example: SOP Waste Management Station (AA-MPM-OP-1400.13-R1), section 4.4 mentioned safety procedure of waste management station at palm oil mill effluent treatment. The section indicates accident handling through provision of first aid kit and first aider, install belting cover, to maintain access road on POME pipeline from mill into palm oil mill effluent. There are designated assembly points around Buatan II POM premise. "Penanganan Keadaan Darurat Kebakaran" – for fire fighting, "Penanganan Keadaan Darurat Tumpahan" – for spillage (oil &gt;100 liters, chemical &gt;25 kg/25 liters).</p> <p>Clinic E-III of Buatan II POM has granted with permit. First aider, on behalf Mr. Gunawan Siddiq, Mr. Risman Siregar, Mrs.Murdha Ningsih has been trained with Hiperkes on 4 to 9 February 2013, with certificate No.15.177/PM-VII/13 dated 1<sup>st</sup> March 2013. Training in first aid treatment on 18-21<sup>st</sup> February 2015; certificate No.Ser.2403/PK3-P3K/VI/2015 dated 1<sup>st</sup> June 2015. First aid training provided for Mr.Rifyan Helmi, Sri Puspitawati, Siska Cahya, Surya Hadinata, P. Manurung, Azwar Anas, Selvi br. Silalahi, Sumali, Raihhard on 20<sup>th</sup> July 2016.</p> <p>Accidents are recorded under "Laporan Kecelakaan Kerja". Year 2017 records shows up to August 2017, 1 work related accidents resulted in 58 lost working days. Accident investigations reported in form called "Rekaman Kecelakaan Kerja" are kept in mill office.</p> <p><b>Scheme Smallholders:</b> KUD Kebun Sawit Harapan, Buatan Jaya and Mitra Usaha:</p> <p>First aid kit equipment in Cooperative found to be adequate – holds by the trained harvesting supervisor. First aid kit also available in each KUD offices. Accident and emergency procedures available in "Rencana Tanggap Darurat".</p> <p>Each KUD also have Emergency Response Team leaded by chairman of KUD,</p>	

`Criterion / Indicator		Assessment Findings	Compliance
		<p>provided with phone number to call when an emergency happened. Cooperative is in cooperation with Puskesmas Desa (Village Medical center) to treat victim. Records of accident, acknowledge by Record Pengobatan Pekerja, there are no accidents occurred in scheme smallholder in 2017 until August.</p> <p><b>Minor Non-conformities:</b></p> <p>First aid kit was only brought by Mandor, whilst Mandor coverage area is around 900 – 1,000 Ha.</p>	
4.7.6	<p>All workers shall be provided with medical care, and covered by accident insurance (see criterion 6.5.3).</p> <p>- Minor compliance –</p>	<p>The company has provided clinic for all workers and it's covered also by medical insurance (BPJS Kesehatan) and Social Insurance (BPJS Ketenagakerjaan). Payment record of BPJS Kesehatan and Ketenagakerjaan were evident in bank payment slip - "Bukti Transfer Bank" .</p> <p>BPJS Kesehatan (medical care)</p> <ul style="list-style-type: none"> <li>- Bank payment slip in August 2017 for payment of July 2017 for mill and estate employee</li> <li>- Bank payment slip in July 2017 for payment of June 2017 for mill and estate employee</li> </ul> <p>BPJS Ketenagakerjaan (Social Insurance)</p> <ul style="list-style-type: none"> <li>- Bank payment slip in August 2017 for payment of July 2017 for mill and estate employee</li> <li>- Bank payment slip in July 2017 for payment of June 2017 for mill and estate employee</li> </ul> <p>BPJS Kesehatan Payment for Buatan Group in July 2017 was covering PHL (casual workers) as list employees payment enclosed "Daftar Peserta BPJS Kesehatan KBN – PT IIS Todate July 2017", the list consist of name, date of birth, employee ID number, date of joined, BPJS Kesehatan number, iuran (BPJS Kesehatan fee).</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. - Minor compliance	<p><b>Estate</b></p> <p>Estate has record of lost time injury in year 2016 amount 97 days lost, while in year 2017 untill July has 54 days lost. All case reported to authorize person and government as part of three monthly based report of employment.</p> <p><b>Mill</b></p> <p>Mill has record regarding Occupational injuries using Lost Time Accident (LTA) metrics, during year 2017, there is no lost time injury, only near miss recorded.</p>	Comply
<p><b>Criterion 4.8</b> All staff,workers, smallholders and contract workers are appropriately trained.</p>			
4.8.1	Records of training program related to the aspects of RSPO Principles and Criteria shall be available. - Major compliance -	<p><b>Estate and Mill:</b></p> <p>Buatan Estate has shown the training program in the document "Environmental and Sustainability Training Programme year 2017" PT Inti Indosawti Subur – Buatan Estate" such as; HCV awarenes training programme, Basic faire - fire danger rating (FDR), first aid training, handling of hazardous wastes and toxic chemicals, training HPT, fertilization SOP training, welder training etc. Training for mill employees covers Traceability and Mass Balance, Hazardous Waste handling and management of chemical, Sustainability Awareness Code, Basic Safety Training initial planning, First aid, Training on fire fighting and earthquake, and Basic Fire Training.</p> <p>Realization of training given on documents of invitations letter and attendance list of training participants of, including: training of handling of hazardous wastes and Chemicals code (007), training on basic fire code (005), training for referesh of SOP of Fertilizers code (054), training for refresh of SOP of IPM code (163), etc.</p> <p><b>Scheme Smallholder:</b></p> <p>PT Inti Indosawit Subur – Buatan Group has made an analysis of training needs, recorded in "Matrix Pelatihan Buatan II POM, Buatan Estate and Plasma Buatan II.</p>	Comply

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

`Criterion / Indicator		Assessment Findings	Compliance
		<p>The matrix training is upaded by HRD Medan and AAA Learning Instute annually, the last update is period January – December 2017. Training program for period 2017 are as follows:</p> <ol style="list-style-type: none"> <li>1. Training P&amp;C RSPO Group Certification, plan on January 2017</li> <li>2. Implementation PPE training (Basic safety and K3); plan on February 2017</li> <li>3. Training and counseling weeds control; on March – April 2017</li> <li>4. Training of balanced fertilizers; in June 2017</li> <li>5. Training Harvesting; in April - May 2017</li> <li>6. HCV Training, Amdal &amp; Soil and Water Conservation; in October - November 2017</li> <li>7. First aid training (PPGD); in December 2017</li> <li>8. Limited Herbicide Training; in September - October 2017</li> </ol>	
4.8.2	<p>Records of training for each employee shall be maintained. - Minor compliance –</p>	<p><b>Estate and Mill:</b> First aid training provided for Mr.Rifyan Helmi, Sri Puspitawati, Siska Cahya, Surya Hadinata, P. Manurung, Azwar Anas, Selvi br. Silalahi, Sumali, Raihhard on 20<sup>th</sup> July 2016. Training on fire fighting and earthquake – “Penguujian dan Kesiapan Tanggap Darurat Kebakaran &amp; Gempa Bumi”, participated by 20 workers. Basic Fire Training – dated 19<sup>th</sup> April 2016 and attended by 25 workers. Sustainability Awareness Code training on 12<sup>th</sup> April 2016, attended by 28 workers in Buatan II POM.</p> <p>Basic Safety Training on 11<sup>th</sup> July 2016 attended by 29 workers, including manager. Sampled worker training record:</p> <ul style="list-style-type: none"> <li>- Albert N Malau, workshop assisstant: Training sustainability awareness on 23<sup>rd</sup> February 2016; training health and safety on 11<sup>th</sup> July 2016;</li> <li>- Ivanali Ginting, weighbridge operator: Training sustainability awareness on 25<sup>th</sup> November 2013;</li> <li>- M.Yusni, tractor operator: Total Productive Maintanance training on 27<sup>th</sup> March 2015; Competence Certification for Tractor training 6-8<sup>th</sup> February 2014.</li> <li>- Sumali, Boiler Operator’s helper: Basic fire training 23<sup>rd</sup> October 2012; health and safety training 20<sup>th</sup> July 2016;</li> </ul> <p>Evidence of training for key persons were verified and sighted and the records were maintained for each employee, such as for Safety Officer. The system to record</p>	Comply

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

`Criterion / Indicator		Assessment Findings	Compliance
		<p>personal training was established in this record; the training which has been completed by each person was recorded. Training realisation records are sighted such as hazardous substance handling training, boiler training, safety officer, pesticides training, etc.</p> <p><b>Scheme Smllholder:</b> Realization of training period of 2017 in Plasma Buatan II PT IIS, including:</p> <ol style="list-style-type: none"> <li>1. Training of P&amp;C RSPO Group Certification, dated 11-31 January 2017</li> <li>2. Implementation PPE (Basic safety and K3); dated 11 February 2017</li> <li>3. Training and counseling weeds control; dated 10-31 March and 5-11 April 2017</li> <li>4. Training of balanced fertilizers; dated 10-13 June 2017</li> <li>5. Training of FFB Harvesting; on 25 and 29 April and 22, 24, 27 and May 30, 2017.</li> </ol> <p>Interviews with smallholder member and farmer group leader indicates satisfactory level of understanding regarding RSPO, Health &amp; Safety, Environment, weed control, pesticides handling, harvesting, etc.</p>	
<b>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity</b>			
<b>Criterion 5.1</b>			
<b>Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</b>			
5.1.1	Environmental impact assessment document(s) shall be available. - Major compliance -	PT. Inti Indosawit Subur – Buatan II POM, Estate and Smallholder demonstrate Analisis Mengenai Dampak Lingkungan (AMDAL) consist of document ANDAL, RKL and RPL as approved through "Persetujuan Komisi Amdal Departemen Pertanian No. 013/ANDAL/BA/V/95, dated 3 <sup>rd</sup> May 1995, tentang Studi Analisis Dampak Lingkungan (ANDAL) Perkebunan Kelapa Sawit Pola PIR-Transmigrasi dan Pabrik Minyak kelapa Sawit (PMKS) di Kabupaten Kampar, Indragiri Hulu dan Bengkalis,	Comply

`Criterion / Indicator	Assessment Findings	Compliance
	<p>Propinsi Riau, mill capacity 30 tonnes FFB/hours.</p> <p>Subsequently, company has prepared "Dokumen Pengelolaan dan Pemantauan Lingkungan" – Environmental Management and Monitoring Document, back in 2009; as an evaluation for a number of operational activity covering new palm oil mill unit and the supporting function, and development of tissue culture in PT Inti Indosawit Subur – Buatan Group. The document has been approved by Governor of Riau through "Surat Keputusan Gubernur Riau No.Kpts.975/X/2009 tentang Penetapan Dokumen Pengelolaan dan Pemantauan Lingkungan Penambahan Kapasitas Produksi Pabrik Minyak Kelapa Sawit PT Inti Indosawit Subur dan Kegiatan Pendukungnya, Sentral Workshop Buatan dan Pembuatan Laboratorium Kultur Jaringan Berlokasi di Kecamatan Pangkalan Kerinci dan Kecamatan Pelalawan, Kabupaten Pelalawan; Kecamatan Kerinci Kanan dan Kecamatan Dayun, Kabupaten Siak, Provinsi Riau" – dated 28<sup>th</sup> September 2009.</p> <p>The document explained the review and evaluation upon impact from operational activity that has been performed and activity that was going to be performed, such as:</p> <p>Evaluation upon impact from ongoing activity:</p> <ul style="list-style-type: none"> <li>- Impact from main activities in oil palm plantation (spraying activity, natural vegetation conservation);</li> <li>- Impact from main activities in palm oil mill (utilization of palm oil mill manpower, FFB processing, palm oil mill effluent management, land application of palm oil mill effluent, application of empty fruit bunch, transport of crude palm oil, palm kernel and logistics, provision and use of clean water).</li> <li>- Impact from supporting activities (energy source operation, central workshop operation, temporary hazardous waste storage, landfill operation);</li> </ul> <p>Review and evaluation upon future activity:</p> <ul style="list-style-type: none"> <li>- Activity in tissue culture laboratory;</li> <li>- Replanting activity;</li> </ul> <p>Within the replanting activity review, team has identified type of impact such as: change in micro climate, air quality decrease, increase of noise, dynamics in quantity</p>	

`Criterion / Indicator		Assessment Findings	Compliance
		<p>and quality of surface water, erosion and sedimentation, decrease in terrestrial flora and fauna, disturbance in aquatic life, effect on community health.</p> <p>The document has also completed with environmental management and monitoring plan, gives description type of impact, source of impact, impact parameter, management objective, management/monitoring plan, period of management/monitoring, PIC for management/monitoring.</p> <p>The environmental impact assessment carried out by PT. Holistika Primagrahita with team consist of:</p> <p>Team leader: Ir.Nur Iskandar (Fisheries/AMDAL B); Physic/Chemical team: Azni Hamzah, S.Si (Chemical/AMDAL B); Biology team: Khairunnazmi, S.Pi (Aquatic biology/AMDAL B), Marualat Harahap (Agriculture/AMDAL B); Activity: Marualat Harahap (Agriculture/AMDAL B); Social team: Yandra Mufialdo, S.Sos (Social economy); Mapping: M.Irsyadul Anwar, S.Pi.</p>	
5.1.2	<p>Environment management plan document to prevent negative impacts, its implementation report and revision (if the identification of impact requires changes in current company's practices) shall be available. The company's management shall appoint the responsible person(s) for the implementation of the document.</p> <p>- Minor compliance -</p>	<p>PT Inti Indosawit Subur – Buatan II POM, Estate and Smallholder has environmental management and monitoring plan in term of "Rencana Pengelolaan dan Pemantauan Lingkungan" under Section IV of EIA document. Plan has covered all significant impacts with detail activities programme, relevant regulation, person in charge, and time table. Review of record and field inspection found all activities plan have been implemented and reported in "Laporan RKL RPL", it was reported regularly to the government, e.g. RKL – RPL report semester II 2016 (period July – December 2016) and semester I 2017 (period January – June 2017), the evidence of acceptance RKL RPL report by government is available in place., e.g. acceptance by BLH Kab. Pelalawan and BLH Provinsi Riau on 23<sup>th</sup> August 2017. Summary of management plan for mills:</p> <ul style="list-style-type: none"> <li>- Air quality and noise, to be managed by emission and transportation arrangement. Has been implemented through periodic maintenance of machinery, traffic sign, safety briefing to workers, etc.</li> <li>- Odor from waste, to be managed by good WWTP management. Has been</li> </ul>	Comply



`Criterion / Indicator		Assessment Findings	Compliance
		<p>implemented by WWTP construction, SOP of WWTP management.</p> <ul style="list-style-type: none"> <li>- Ground water quality, to be managed by WWTP and monitoring wells. Has been implemented by WWTP construction and monitoring wells construction.</li> <li>- Surface water quality, managed by good WWTP management, drainage, etc. Has been implemented.</li> </ul> <p>Employment and bussines opportunities, managed by local manpower absorption and coordination. Has been implemented by employment for local people as seen in labor register.</p>	
5.1.3	<p>Environment monitoring plan document, its implementation report, and the corrective plan (if non-conformance arised from the monitoring result) shall be available. This plan is reviewed on two-yearly basis.</p> <p>- Minor compliance –</p>	<p>In 2009, PT. Inti Indosawit Subur - Buatan II POM, Estate and Smallholder has prepared a supplementation document, "Dokumen Pengelolaan dan Pemantauan Lingkungan (DPPL) as evaluation upon new activity, covering construction of new palm oil mill and supporting facilities, as well as construction of tissue culture laboratory in PT. Inti Indosawit Buatan Group. The environmental management and monitoring document has been approved through "Surat Keputusan Gubernur Riau No.Kpts.975/X/2009.</p> <p>The document has also completed with environmental management and monitoring plan. The plans were explaining type of impact, source of impact, impact parameter, management purpose, management and monitoring plan, management/monitoring location, management/monitoring timeframe, etc.</p> <p>There is an environmental management and monitoring plan in term of "Rencana Pengelolaan dan Pemantauan Lingkungan" under Section IV of EIA document. Plan has covered all significant impacts with detail activities programme, relevant regulation, person in charge, and time table. Review of record and field inspection found all activities plan have been implemented and reported in "Laporan RKL RPL", it was reported regularly to the government, e.g. RKL – RPL report semester II 2016 (period July – December 2016) and semester I 2017 (period January – June 2017), the evidence of acceptance RKL RPL report by government is available in place., e.g. acceptance by BLH Kab. Pelalawan and BLH Provinsi Riau on 23<sup>th</sup> August 2017.</p>	Comply

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

`Criterion / Indicator		Assessment Findings	Compliance
		<p>Summary of monitoring plan for mills:</p> <ul style="list-style-type: none"> <li>- Air quality, Noise, Odor and Vibration monitored each semester by accredited laboratory Sucofindo, latest analysis and measurement performed in 22 May 2017. Analysis report certificate No. 01084/CLAIK dated 14 July 2014, indicated that all parameter air quality comply with Government Regulation No. 41/1999 and Kep. 48/MENLH/11/1996: For Industrial Area; Noise Vibration and temperature comply with Labor Ministry decree, Kep/51/MEN/1999 and Mentrans minister Decree, PER.13/MEN/X/2011; Odor comply with Environmental Minister Decree No. Kep 50/MENLH/11/1996; Indoor air quality Labor Minister Decree No. SE 01/MEN/1997.</li> <li>- Air emission for Motor Vehicle monitored each semester by accredited laboratory Sucofindo, latest analysis and measurement performed in 17 July 2017. Analysis report certificate No. 01261/CLAIK dated 31 July 2017, indicated that all parameter measured for vehicle motor were comply to Environmental Minister Regulation No. 05/2006 Attachment I.</li> <li>- Air emission for boiler 1 – 3, Genset 1 and 2 in Buatan II POM monitored each semester by accredited laboratory Sucofindo , latest analysis and measurement performed in 12 May 2017. Analysis report certificate No. 01058/CLAIK dated 13 July 2017 indicated that all parameter measured for Boiler are comply with Environmental Minister Decree No. Kep-07/MENLH/2007 and Genset are comply with Environmental Minister Decree No. Per-13/MENLH/2009.</li> <li>- Clean water quality monitored each semester by accredited laboratory UPT laboratorium Kesehatan dan Lingkungan Dinas Kesehatan Provinsi Riau. Latest analysis performed in 02 – 09 March 2017, report of analysis were available and indicated that all parameter were comply with PERMENKES NO. 492/MENKES/PER/IV/2010.</li> <li>- Waste water quality from palm oil mill monitored each month by accredited laboratory UPT laboratorium Kesehatan dan Lingkungan Dinas Kesehatan Provinsi Riau. Latest analysis performed in August 2017. Report of analysis were available for period January – August 2017. Analysis result indicated that all</li> </ul>	

`Criterion / Indicator		Assessment Findings	Compliance
		<p>parameter measured comply to KepMenLH No. 28 year 2003 and PerGub No. 35 year 2007.</p> <ul style="list-style-type: none"> <li>- Surface water quality monitored each month by accredited laboratory UPT Pengujian Material Dinas PU dan Penataan Ruang Provinsi Riau. Latest analysis performed in 3 – 24 March 2017. Report of analysis were available and Analysis result indicated that all parameter measured comply to PP No. 82 year 2001.</li> <li>- Soil quality monitored each year by accredited laboratory BINALAB Bandung. Latest analysis performed in 5 – 26 May 2017.</li> </ul> <p>Ground water quality ach semester by accredited laboratory UPT Pengujian Material Dinas PU dan Penataan Ruang Provinsi Riau. Latest analysis performed in 3 – 24 March 2017. Report of analysis were available and indicated that all parameter measured comply to PerMenKes No. 416/MENKES/Per/IX/1990.</p>	
<p><b>Criterion 5.2</b></p> <p>The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>			
5.2.1	<p>Record(s) on the results of High Conservation Value (HCV assessment) that includes both the planted area and the relevant wider landscape-level considerations (such as wildlife corridors) shall be available.</p> <p>- Major compliance -</p>	<p><b>Estate/KKPA and Scheme Smallholders:</b></p> <p>HCV assessment was conducted by Bogor Agriculture University (IPB) in 2009 refer to the HCV Indonesian-Toolkit 2008 who have experience and approved by RSPO.</p> <p>Based on HCV identification in Afdeling IV, V and VI, it was noted that :</p> <ul style="list-style-type: none"> <li>• HCV 1.1, 1.2 and 4.1: Riparian zone Laniago river (4.50 Ha, include in Conservation forest for Manggeris trees).</li> <li>• HCV 1.2: Conservation forest for Manggeris trees – <i>Koompassia malacensis</i> Maing. Ex. Benth (Pohon Madu) and ancient graveyard: 35 Ha.</li> <li>• HCV 6: ancient graveyard: 0.40 Ha.</li> </ul> <p>Therefore, the total HCV area of Buatan Estate Division IV, V, VI, KKPA and</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p>smallholder is 35.40 Ha.</p> <p>Based on HCV identification in KKPA and scheme smallholder area, it was noted that there is no HCV identified.</p> <p>HCV identification was consulted to the relevant stakeholder. All HCV areas was mapped and available in Buatan Estate office.</p> <p><b>Scheme smallholders:</b></p> <p>HCV assessment was conducted by Bogor Agriculture University (IPB) in 2009 refer to the HCV Indonesian-Toolkit 2008. Assessment conducted by person who have experience and approved by RSPO. The assessment covers scheme smallholder area.</p> <p>Area of KUD Kebun Sawit Harapan, Buatan Jaya and Mitra Usaha have been covered in HCV assessment which conducted by Bogor Agriculture University (IPB) in 2009 refer to the HCV Indonesian-Toolkit 2008. Each KUD keeps a set of copy of HCV assessment report. Based on HCV assessment report, no HCV area was identified in Cooperative area.</p> <p>Final Report of HCV identification explained the general condition of the area around the company where there are no other protected areas/ecosystems that allow for the development of wildlife populations around the company so there is no recommendation for the creation of an animal corridor.</p>	
5.2.2	<p>Whererare, threatened or endangered (RTE) species and or other HCVs are present or affected by the plantation and mill operations, an appropriate measures that are expected to maintain or enhance them shall be implemented through a management plan.</p> <p>- Major compliance -</p>	<p><b>Buatan Estate:</b></p> <p>Based on HCV Identification assessment, it was found that there are 8 mammals species and 10 birds species according to national regulation (PP No.7 tahun 1999, CITES and IUCN). It was found RTEs during HCV identification, such as:</p> <ul style="list-style-type: none"> <li>- 8 mammals species: Rusa Sambar (<i>Cervus unicolor</i>), Kucing Hutan (<i>Felis bengalensis</i>), Owa (<i>Hylobates agilis</i>), Monyet Ekor Panjang (<i>Macaca fascicularis</i>), Trenggiling (<i>Manis javanica</i>), Musang luwak (<i>Paradoxurus hermaphrodites</i>), Lutung Dada Putih (<i>Presbytis femoralis</i>) and Kancil (<i>Tragulus javanica</i>);</li> <li>- 10 birds species: Burung Madu Sepah Raja (<i>Aethopyga siparaja</i>), Raja Udang</li> </ul>	Comply

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

`Criterion / Indicator		Assessment Findings	Compliance
		<p>Meninting (<i>Alcedo meninting</i>), Baza Hitam (<i>Aviceda leuphotes</i>), Rangkong Badak (<i>Buceros rhinoceros</i>), Tokhtor Sunda (<i>Carpococcyx radiceus</i>), Beo (<i>Gracula religiosa</i>), Cekakak cina/belukar (<i>Halcyon pileata</i>), Cekakak Batu (<i>Alcedo pulchella</i>), Betet Ekor Panjang (<i>Psittacula langicauda</i>) and Elang Ular Bido (<i>Spilomis cheela</i>);</p> <p>Based on field visit, PT Inti Indosawit Subur – Buatan demonstrate efforts to protect rare species and its habitat through planting of wooden tree, HCV area patrol, flora and fauna monitoring. The Estates have maintained notice-boards at the entrance to the properties and next to buffer zones or worker housing to prohibit the capture or hunting of fauna and disturbance of vegetation.</p> <p>PT. Inti Indosawit Subur – Buatan created posters listing all protected flora and fauna, endangered and threatened species and placed on location accessible to public such as Estate offices, worker housing, village offices as well as entrance way to plantation area.</p> <p>The company conducted monitoring of HCV and RTEs regularly (every six month), the last monitoring was conducted in July 2017 for period January – June 2017.</p> <p><b>Scheme Smallholders:</b></p> <p>The scheme smallholders also have commitment to maintain HCV and protect RTEs as documented in “Kebijakan Koperasi”, dated 1<sup>st</sup> March 2015. The Scheme smallholders appointed personel responsible monitoring HCV areas and RTEs as regulated “Surat Keputusan Pengurus KUD”. The HCV officer conducted RTEs monitoring regularly in monthly basis. KUD also displayed RTEs signboard in public areas.</p>	
5.2.3	Program(s) to socialize the status of protected, rare, threatened or endangered (RTE) to all workers shall be available, including records of appropriate sanction disciplinary measures to any individual working for the company who is found to capture, harm, collect or kill these species.	<p><b>Buatan Estate:</b></p> <p>The company has established policy for protect RTEs in “Kebijakan Perusahaan”, dated 1<sup>st</sup> December 2014 which stated that: “Melakukan penilaian HCV sejalan dengan AMDAL dan resiko sosial terpadu, sbelum kegiatan dimulai di suatu kebun baru, untuk mengelola dampak dan meningkatkan nilai konservasi serat sosial</p>	Comply

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

`Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance –	<p>budaya dimana kita beroperasi” - to conduct an HCV assessment in line with AMDAL and social impact assessment, prior to activity in new estate, to manage the impact and improve conservation, social and cultural value where company operating.</p> <p>The company has appointed HCV officer who is responsible to monitor HCV areas (Adi Surya Pradana) based on memorandum No.135/ES-KBN/MEMO/IV/2010, dated 21<sup>st</sup> April 2010.</p> <p>The company has communicated the HCV areas to the workforce and local communities regularly, e.g. HCV training awereness to the workers on 11 September 2014, attended 47 participants (Attendance list and training material is available) and HCV socialization to the local communities was conducted on 15<sup>th</sup> June 2015, attended 18 participants (Attendance list and socialization material is available).</p> <p><b>Scheme Smallholders:</b></p> <p>The company has communicated the HCV areas to the Plasma members, e.g. HCV training awareness to the members on 2<sup>nd</sup> June 2016, attended 38 participants (Attendance list and training material is available) and through sign board in public area within plasma areas.</p> <p>Dissemination of HCV to the local communities was conducted on 15<sup>th</sup> June 2015, attended 18 participants (Attendance list and socialization material is available).</p>	
5.2.4	<p>Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available, and the results of monitoring are to be used to follow-up on the improvement of the management plan.</p> <p>- Minor compliance –</p>	<p><b>Buatan Estate:</b></p> <p>The company has established HCV management and monitoring plan as documented in “Conservation Management Plan (CMP) - Program Management and Monitoring 2017”. HCV management and monitoring plan was based on HCV recommendation and HCV Review. HCV review was conducted by experienced personnel on 19 – 20<sup>th</sup> November 2009.</p> <p>The company has implemented management and monitoring plan, monitoring of HCV is conducted monthly and reported per semester, the last report period January</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p>– june 2017 is available in place. The monitoring of HCV activities, such as: patrol, erected sign-board, socialization, planted natural trees, no any applied chemical along the river (50 metres along the river – left and right side), monitoring RTEs.</p> <p><b>Scheme smallholders:</b></p> <p>A number of RTE species was identified in the area of Scheme Smallholder. Periodic monitoring on wild life have been done by HCV officer. Based on most recent monitoring data, several wildlifes that still exist by the time ASA2. was held, are: <i>Phyton sp.</i>, <i>Varanus salvator</i>, Eagle, Wild cat, <i>Manis javanica</i>, <i>Prionailurus</i>, etc.</p> <p>Based on interviews with sample farmers, they have understood the flora and fauna protection policy and can name protected species such as Ular Sawah (<i>Phyton sp.</i>), Biawak (<i>Varanus salvator</i>), Elang/eagle, Macan akar (<i>Felis bengalensis</i>), Trenggiling (<i>Manis javanica</i>) etc.</p>	
5.2.5	<p>Where HCV areas overlapped with an identified local community's land, there shall be evidence of a negotiated agreement that optimally safeguard their HCVs and the local community's rights.</p> <p>- Minor compliance –</p>	There is no HCV status set aside in existing local communities and smallholder areas.	Comply
<p><b>Criterion 5.3</b></p> <p>Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>			
5.3.1	<p>A documented identified source of all waste and pollution, shall be available.</p> <p>- Major compliance -</p>	Waste and pollution sources have been identified and documented, including used lubricant and filter, old battery, used laboratory chemical, clinical/medical waste, mill effluent, EFB, smoke, dust, fiber and shell, empty agrochemical container, boiler ash, scrap iron, used tires, waste water and domestic household refuse. Record of identification was presented in "Evaluasi Aspek Dampak Lingkungan" EMS-431-003-LT issued 5 <sup>th</sup> April 2017 in Buatan II POM and .	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p>There is a mechanism "Mekanisme Penanganan Sampah Domestik" to segregate organic and an-organic waste, further to re-use or re-cycle an-organic domestic waste (such as plastic) and composting the organic domestic waste. Socialization of this mechanism takes place in 24<sup>th</sup> December 2016.</p> <p>All polluting activities has been assessed including emission from boiler and generator, effluent from mill waste water, particulate from boiler stack, noise, used lubricant and filter, old battery, used laboratory chemical, clinical/medical waste, mill effluent, EFB, smoke, dust, fiber and shell, empty agrochemical container, boiler ash, scrap iron, used tires, waste water and domestic household refuse.</p> <p><b>Scheme smallholder:</b></p> <p>Cooperative has followed company documentation to identify All waste products and sources of pollution and selected which activities are applicable for scheme smallholders.</p> <p>Documentation to identify All waste products and sources of pollution presented in "Identifikasi sumber polusi di perkebunan petani dan rencana pengurangan polusi" For example source of pollution in smallholder:</p> <ul style="list-style-type: none"> <li>- FFB transportation, air emission</li> <li>- Pesticide/herbicide usage, water pollution</li> <li>- Fertilizer application, water pollution</li> <li>- Soil erosion, water pollution</li> <li>- Domestic waste, water and soil pollution</li> </ul>	
5.3.2	<p>There shall be evidence that all chemicals and their empty containers are disposed of responsibly.</p> <p>- Major compliance -</p>	<p>PT. Inti Indosawit Subur-Buatan collects all hazardous waste from estate and mill into temporary hazardous waste storage in central workshop compound. The temporary hazardous waste storage in Buatan Estate has valid permit, "Keputusan Kepala Badan Penanaman Modal dan Pelayanan Perizinan Terpadu Kabupaten</p>	<p><del>Non</del> compliance Comply</p>



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

`Criterion / Indicator	Assessment Findings	Compliance
	<p>Pelalawan No.KPTS.503/BPMP2T-PLY/14/2016 tentang Izin Pengelolaan Limbah Bahan Berbahaya dan Beracun untuk Kegiatan Penyimpanan Sementara Limbah Limbah Bahan Berbahaya dan Beracun (B3) kepada PT. Inti Indosawit Subur Kebun Buatan II" dated 18<sup>th</sup> March 2016, valid for 5 years. While in Buatan II Palm Oil Mill based on "Keputusan Kepala Badan Penanaman Modal dan Pelayanan Perizinan terpadu Kab. Pelalawan No. KPTS.503/BPMP2T-PLY/13/2015" valid for 5 year. The hazardous waste with storage time 180 days: used battery, waste from laboratory containing hazardous waste, uncodified solvent, waste contaminated with hazardous waste, sulfic acid, other acid waste, used refrigerant, clinical waste with infectious characteristic, expired medicine, expired agrochemical, laboratory equipment contaminated with hazardous waste, medical equipement with heavy metal. Hazardous waste type with storage time 365 days: lead scrub, ex-hazardous waste packing, used lubricant, resin waste or ion exchanger, used filter, used rags. Temporary hazardous waste storage has been equipped with fire extinguisher, emergency shower and emergency eyewash, alarm, spill kit. The building also built with floor bund and sufficient ventilation.</p> <p>PT. Inti Indosawit Subur-Buatan has an agreement in transporting the hazardous waste with licensed contractor: "Perjanjian Kerjasama antara PT. Inti Indosawit Subur dengan Konsorsium PT. Sumatera Deli Lestari Indah – PT Indostar Cargo dan PT Prasadha Pamunah Limbah Industri No.003/AA-SDLI-ISC-PPLI/III/2017 dated 3<sup>rd</sup> March 2017; valid for one year. The type of hazardous waste to be transported: used oil, old battery, waste oil, old lamp bulb, used chemical container, used filter, used jerry can, contaminated waste and used filter. The contractor, PT. Indostar Cargo holds valid permit: "Surat Kementerian Lingkungan Hidup S.306/VPLB3/PPLB3/PLB.3/4/2017 dated 6 April 2017 tentang Rekomendasi Pengangkutan Limbah Bahan Berbahaya dan Beracun" valin until 28 June 2018. Izin Penyelenggaraan Angkutan Barang khusus untuk mengangkut barang berbahaya PT Indostar Cargo" dated 13<sup>th</sup> July 2016 valid until 18 July 2017; "Surat Kementerian Lingkungan Hidup No.B.14559/Dep.IV/LH/PDAL/12/2014 tentang Rekomendasi Pengangkutan Limbah Bahan Berbahaya dan Beracun kepada Direktorat Jenderal Perhubungan Darat Kementerian Perhubungan RI", valid for 5 years.</p>	

	`Criterion / Indicator	Assessment Findings	Compliance
		<p>Records of hazardous waste:</p> <ul style="list-style-type: none"> <li>- "Lembar Neraca Limbah Bahan Berbahaya dan Beracun" Buatan II POM period January – Marh 2017 reported to DLH Kab. Pelalawan and Provinsi Riau on 11/04/2017 period and April - June 2017 reported on 18/7/2017.</li> <li>- "Lembar Neraca Limbah Bahan Berbahaya dan Beracun" Buatan II Estate period January – Marh 2017 reported to DLH Kab. Pelalawan and Provinsi Riau on 19/04/2017 and period April - June 2017 reported on 25/07/2017.</li> <li>- Hazardous Waste manifest, Buatan II POM (copy 3 and 7 were available). For example hazardous waste transporting on 27 April 2017:               <ul style="list-style-type: none"> <li>✓ Manifest No. 0022084 Aki bekas 17 kg</li> <li>✓ Manifest No. 0022082 Lampu TL 9.5 kg</li> <li>✓ Manifest No. 0022081 Kaleng Bekas cat dan thiner 64.4 Kg</li> <li>✓ Manifest No. 0022086 Kemasan Bekas Kimia 15 Kg</li> <li>✓ Manifest No. 0022085 Filter bekas 20.3 Kg</li> <li>✓ Manifest No. 0022079 Karung Goni bekas 19.9 kg</li> <li>✓ Manifest No. 0022080 Botol bekas kimia 4 kg</li> <li>✓ Manifest No. 0022083 Oli bekas 240.8 kg</li> </ul> </li> </ul> <p>Lembar manifest ke 7 sebagai bukti pengiriman ke pengolah/pemusnah dapat ditunjukkan.</p> <ul style="list-style-type: none"> <li>- Hazardous Waste manifest, Buatan Estate (copy 3 and 7 were available). For example hazardous waste transporting on 06 May 2017:               <ul style="list-style-type: none"> <li>✓ Manifest No. 0022087 Oli bekas 1800 kg</li> <li>✓ Manifest No. 0022088 Aki Bekas 17 pcs</li> </ul> </li> </ul>	

`Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>✓ Manifest No. 0022089 Kemasan Bekas B3 17 Drum</li> <li>✓ Manifest No. 0022090 Filter Bekas 2 Drum</li> </ul> <p>Smallholder:</p> <p>All chemicals and their empty containers disposal managed by PT IIS – Buatan. Chemical container resulting from TUS activity collects into temporary hazardous waste storage in central workshop compound PT IIS - Buatan. The temporary hazardous waste storage in Buatan Estate has valid permit as described above. All hazardous waste management integrated to PT IIS- Buatan.</p>	
5.3.3	<p>A documented waste management plan to avoid or reduce pollution and its implementation shall be available.</p> <p>- Minor compliance –</p>	<p>Waste and pollution sources have been identified and documented in Buatan Estate. The identification of waste and pollution including used lubricant and filter, old battery, used laboratory chemical, clinical/medical waste, mill effluent, EFB, smoke, dust, fiber and shell, empty agrochemical container, boiler ash, scrap iron, used tires, waste water and domestic household refuse. Record of identification was documented in “Evaluasi Aspek Dampak Lingkungan” EMS-431-003-LT issued 27<sup>th</sup> December 2017.</p> <p>The company started at the beginning this year to re-cycle anorganic waste where the company built the waste storage. Based on field visit on works housing in Division V, Buatan II estate has been handling domestic waste both organic and an organic such as providing temporary trash can, and provided a landfill in block A 90 B. Based on interviews with Division assistant, waste transportation schedule has been established and conducted by the traction.</p> <p><b>Scheme Smallholders:</b></p> <p>KUD as procedure of “Mekanisme Pengelolaan Sampah”, explains the handling of organic to be composted and inorganic waste to be segregated and sold. PT IIS Buatan has been conducted socialization and coaching to KUD and member regarding source of pollution and waste and it management”. For example socialization in KUD Kebun Sawit Harapan conducted on 25 February 2017, KUD Buatan Jaya conducted on 4 March 2017, KUD Mitra usaha conducted on 11 March</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		2017.	
<b>Criterion 5.4</b>			
Efficiency of fossil fuel use and the use of renewable energy is optimized.			
5.4.1	<p>A plan for improving efficiency of the use of fossil fuels and to optimize renewable energy shall be in place and monitored.</p> <p>- Minor compliance –</p>	<p>Fossil fuel usage in the plantation was recorded and documented by monthly for all equipment and machineries.</p> <p>Monitoring of fossil fuel usage/km to assess the efficiency of fuel usage of each vehicle/machineries sighted well implemented. The renewable energy sources monitored as part of the palm oil mill operation.</p> <p>All energy used in Buatan II mill is monitored and recorded under document of "Pemakaian Energi 2017". Fossil fuel records are maintained and trends shown. Energy use records include accurate measurements of renewable energy use per tonne of FFB processed. Company already maximise the renewable energy use. All the shell and fibre is consumed internally as boiler fuel.</p> <p>Fossil fuel usage is recorded for operational purpose, including the efficiency analysis.</p> <p>Plan for improving efficiency of energy available in waste management plan. Monitoring of renewable energy use is available for period 2010, 2011, 2012, 2013, 2014, 2015, 2016 and January – June 2017 (evidence record "Pemakaian Energi PMKS Buatan II Tahun 2010 s/d 2017").</p> <p><b>Scheme Smallholders:</b></p> <p>Buatan Smallholder has a policy to minimize fossil fuel usage by managing FFB transportation and operating transportation according to necessity and improve the transportation line. Smallholder has recorded realization minimising fossil fuel usage in "Pedoman Pemanfaatan Efisiensi Sumber Energi" to improve the efficiency of fossil</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p>fuel usage. Fossil fuel use as energy source for FFB transportation, fertilizer transportation and field operation. Realization progress as recorded are as follows:</p> <ul style="list-style-type: none"> <li>• Optimizing FFB transportation, not to return to Kavling</li> <li>• Relocating TPH along the collection road to become one way to ease the FFB transportation</li> <li>• Reducing the use of grass cutting machine for weeds control and cooperate with TUS (spraying team) to handle weeds control in farmers kavling</li> <li>• Convert the generator usage to become PLN electric usage to reduce the emission.</li> </ul>	
<p><b>Criterion 5.5</b> Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>			
5.5.1	<p>Records of land clearing with zero burning shall be available, referring to the ASEAN Policy on Zero Burning (2003) or other recognised techniques based on the existing regulations.</p> <p>- Major compliance -</p>	<p>It is described within the replanting procedure (SOP AA-APM-OP-1100.20-R5, dated 4 March 2016) that the organisation committed to zero burning by using "chipping technique" at the ganoderma risks plantation by conducting topple to the palm trees, chpping and stacking using excavator by bucket modification. The implementation of replanting is according to the procedure, which is by chipping and stacking. Field Assistant, Head Assistant and Estate Manager performed checks to ensure that the contractor does not perform burning for land preparation for replanting.</p> <p>All the replanting activities are documented and monitored, such as: Schedule of replanting (chipping, digging and planting), progress planting LCC (Legume Cover Crop) and Minutes Works replanting (Progress in the Works Contractor). The company has demonstrated that the method of replanting are as follows:</p> <ul style="list-style-type: none"> <li>• Toppling trees using heavy equipment (excavators)</li> <li>• Chipping: cutting palm trunk, so as not infected with ganoderma</li> <li>• Planting LCC / legumes (Mucuna and Puereria javanica etc. So that the decay of the old oil palm trunks can be faster</li> <li>• Planting of oil palm.</li> </ul> <p>This method has been used in replanting activity of the whole Asian Agri plantation</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		including PT Inti Indosawit Subur.  <b>Scheme Smallholders:</b> It was evident that no open burning activities at area of KUD Kebun Sawit Harapan, KUD Buatan Jaya and KUD Mitra Usaha during field visit and interviewed with local communities and workers. KUD also has a sets of tools for basic fire fighting, consist of knapsacks, portable water pumps, water hoses, hoes, machetes, etc.	
5.5.2	Where fire has been used for eradication of pest during replanting, the records of the analysis of the use of fire and permit from the authorised agency shall be available.  - Minor compliance -	By field observation and record review, the company can demonstrated that they never uses fire for land clearing or pest eradication.  <b>Scheme Smallholders:</b> It was evident that no fire has been used for eradication of pest at area of KUD Kebun Sawit Harapan, KUD Buatan Jaya and KUD Mitra Usaha during field visit and interviewed with local communities and workers.	Comply
<b>Criterion 5.6</b> Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			
5.6.1	Document(s) assessing pollution and emission sources, including gaseous, particles, soot emissions and effluent, shall be available. (see Criterion 4.4)  - Major compliance -	Company has ISO 14001 EMS – Environmental Aspect Impact, latest update on 20 <sup>th</sup> January 2017. All polluting activities has been assessed including emission from boiler and generator, effluent from mill waste water, particulate from boiler stack, noise, etc.  The company has conducted assessment of polluting activities as documented in “Mitigasi GRK”.  <b>Smallholder:</b> Evaluation of environmental aspect in KUD contains: aspect, impact, evaluation criteria, significance, operational control. The document covers all activites in	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p>plantation and pollution potency, e.g.: fertilizer leaching, fertilizer waste, pesticide and containers, emission form transportation, waste lubricant from transportation, etc.</p> <p>Smallholder has identified polutan source recorded in "Identifikasi Sumber Polusi di Perkebunan Petani dan Rencana Pengurangan Polusi" dated March 5, 2017. In addition to EIA document, assessment of polluting activities in smallholder. Smallholder has "Evaluasi Aspek Dampak Lingkungan" latest update 20 January 2017</p>	
5.6.2	<p>Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plan to reduce or minimize them implemented.</p> <p>- Major compliance -</p>	<p>Company has implemented and monitored a plan to reduce pollutant and emission. Emission, particulate, and noise from boiler and generator are tested and monitored every six month.</p> <p>Buatan II POM was plan to develop Biogas plant with capacity 1.2 MW to reduce green house emission, and groundbreaking will be performed in October 2017.</p> <p>Company has implemented and monitored a plan to reduce pollutant and emission. Emission, particulate, and noise from boiler and generator are tested and monitored every six month. Records of all monitoring are kept and documented e.g. Laporan RKL-RPL, and PBD Biogas Plant Processing.</p> <p>Buatan II POM has programme to reduce greenhouse gas emission by reducing fossil fuel usage from 147,502 L in 2016 to become 133,000 L in 2017. Buatan II POM monitored fossil fuel usage each month. In period January – July 2017 diesel fuel usage total was 99,908 L.</p> <p><b>Smallholder:</b> Plantation area of Cooperatives has been covered in AMDAL. AMDAL study has covered identification of pollutant and greenhouse gas emission.</p> <p>PT. IIS has also assisted scheme smallholder to provide identification on sigificant pollutants from scheme smallholder activities was emission and diesel fuel usage from FFB transport (truck). Siginificant pollutants and greenhouse gas (GHG) emissions has been identified in "Identifikasi Sumber Polusi di Perkebunan Petani dan Rencana Pengurangan Polusi" dated March 5, 2017. Siginificant pollutants and</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p>greenhouse gas (GHG) emissions resulting from smallholder activity such as:</p> <ul style="list-style-type: none"> <li>- FFB transportation</li> <li>- Herbicide usage</li> <li>- Fertilizer usage</li> </ul>	
5.6.3	<p>A monitoring plan and results of regular reporting on emission and pollutants from estate and mill operations using appropriate methods, shall be available.</p> <p>- Minor compliance –</p>	<p>Emission monitoring system by using "RSPO PalmGHG" system calculation. Emission from estate and mill operation was calculated and monitored, emission reduction achieved.</p> <p>Monitoring of any pollutant has been done in daily, weekly and monthly basis, report of monitoring was recorded in the "RKL/RPL" report, and this report submitted to the related institution every 6 month.</p> <p>The company has prepared a strategy in effort to reduce and mitigate pollution and emission. Monitoring of pollution and emission quality for plantation has been planned and implemented,</p> <p>e.g. air quality ambient for boiler and Genset, water quality test for river (upstream and downstream), effluent water quality, noise, etc.</p> <p>Regular monitoring and calculation of polluting and emission from estate and mill available using Palm GHG Calculator V.3.0.1 . Emission from estate and mill activities during year 2016 are: 1.08 tCO2e/tCPO and 1.08 tCO2e/tPK.</p>	Comply



`Criterion / Indicator	Assessment Findings	Compliance
<b>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and mills</b>		
<b>Criterion 6.1</b> Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.		
6.1.1 A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	<p>PT. Inti Indosawit Subur – Buatan Group has prepared a Social Impact Assessment with cooperation with Faculty of Forestry - Bogor Agricultural University (IPB), in 2009. The impact assessment documented within “Identifikasi dan Analisis Sosial untuk menyusun Roadmap Kelestarian Sosial Perusahaan Perkebunan Kelapa Sawit PT. Inti Indosawit Subur Kabupaten Pelalawan, Provinsi Riau”. The document has covered social impact from nucleus estate (5,515 Ha) and scheme smallholder (11,000 Ha) as well as KKPA (1,500 Ha). The assessment was evaluating social impact from scheme smallholder and KKPA development by PT. Inti Indosawit Subur - Buatan.</p> <p>The review process has involving stratified random sampling (110 samples) with local community through primary data collection (interview) and secondary data collection. All parties such as transmigrate communities, local communities, original oil palm blocks, new owners, communities with private oil palm block, local contractors, cooperative committees, smallholder/farmer groups – as sampled respondents.</p> <p>The scope of assessment covering tenurial conflict, legality of the scheme-nucleus partnership, production, FFB sortation, road and bridge condition, palm oil mill capacity, environmental pollution, local community participation for plantation activity, CSR/Community development impact for local community, occupational health and safety, training provision for scheme smallholders.</p> <p>The document has also explained the positive and negative impacts from operation of PT. Inti Indosawit Subur, as well as the supply base: scheme smallholders and</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p>KKPA, in appendix 7.</p> <p>The team of the Social Researcher of PT Inti Indosawit Subur - Buatan Group is as follows:</p> <ul style="list-style-type: none"> <li>a. Ir. H. Nyoto Santoso (Ketua Tim)</li> <li>b. Ir Siswoyo, MSI</li> <li>c. Ir Handian, MSI</li> <li>d. Ir Faizal Siregar</li> <li>e. Ir. Ajad Sudrajat</li> <li>f. Ir Dian Purbasari</li> </ul> <p><b>Scheme smallholder:</b></p> <p>A copy of the SIA document was made available in Scheme smallholder management office.</p>	
6.1.2	<p>There shall be evidence that the assessment has been conducted with the participation of affected parties.</p> <p>- Major compliance -</p>	<p><b>Buatan Estate, Scheme smallholders and mill:</b></p> <p>The process was involving various stakeholders including impact on scheme smallholder development. During the process for the document and social impact management actively involving community participation through interview and stakeholders meeting.</p> <p>The assessment process has involved community through primary data extraction (interview and questionnaire) and secondary data to community which cooperative member and non-cooperative member, local community, new community, community with private land, local contractors, cooperative staff, farmer group/kelompok tani, and KKPA, etc. The sampling method using stratified random sampling with 110 respondents.</p>	Comply
6.1.3	<p>Plans for management and monitoring of social impacts to avoid or reduce negative impacts and promote positive ones, based on social impact assessment, through consultation with the affected parties, shall be available, documented and timetabled, including</p>	<p>Within the SEIA document, the negative and positive impact of oil palm development has been explained. The environmental management and monitoring plan document has lined out effort that company should carry out in order to minimize negative impact and promote positive impact from oil palm development. The SEIA document has explained the recommendation that should be done by company to minimize</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
	responsibilities for implementation. - Major compliance -	negative impact and promote positive impact from social impact management.  All process of extracting data or database processing has been shown in Social Impact Assessment Document: respondent list; respondent identity data; respondent's household economic data; respondent's legality and history of land ownership; condition of boundary between farmers; recapitulation data related to relation between respondents and PT. Inti Indosawit Subur – Buatan; data related to community perception on company performance. The SIA evaluation report has presenting recommendation on social management recommendation – based on evaluation result. This was available in Chapter IX, which consist of 5 types of recommendation that can be used by company. From the recommendation, translated into Corporate Social Responsibility plan, on annual basis. The annual program has explains time-frame and person in charge.	
6.1.4	The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.  - Minor compliance –	The Company has reviewed if there are operational changes or additional types of activities, for example in 2009, the company has prepared Environmental Monitoring and Management Document (DPPL) as an evaluation of several new activities operated by the company covering the addition of Palm Oil Mill units and supporting facilities as well as the development of a culture laboratory network at PT IIS - Buatan Group.  DPPL document has been approved by the Governor of Riau on October 28 <sup>th</sup> , 2009 through Decree No. Kpts.975/X/2009 concerning Stipulation of Environmental Management and Monitoring Document (DPPL) addition of production capacity of PT Inti Indosawit Subur Palm Oil Mill and its Supporting Activities, Buatan Working Center and development of Tissue Culture Laboratory located in Pangkalan Kerinci district and Pelalawan district of Pelalawan Regency, Kerinci Kanan district and Dayun district of Siak Regency, Riau Province.  The document described evaluation process of the impact of activities that have been operating or activities that will be done such as: a. Evaluation on the ongoing activities impact - Impacts on the main activities of oil palm plantations (Spraying Team / TUS and Conservation of natural vegetation.	<b>Non compliance</b> Comply

	`Criterion / Indicator	Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Impact of Palm Oil Mill Primary Activities (POM employee utilization, FFB Processing, Waste Treatment in IPAL, POME and EFB Application, CPO transport, PK and Logistics, Procurement and utilization of clean water).</li> <li>- Impacts of support activities (Operation of energy sources, Central Workshop operations, LB3 temporary storage, Waste Disposal Operations)</li> </ul> <p>b. Evaluation regarding impact of activities to be run:</p> <ul style="list-style-type: none"> <li>- Activity Tissue Cultur Network (TC)</li> <li>- Replanting</li> </ul> <p>In the evaluation study regarding impact of replanting activities has identified types of impacts such as;</p> <ul style="list-style-type: none"> <li>a. Microclimate change</li> <li>b. Decreased air quality</li> <li>c. Increased noise</li> <li>d. Quantity and quality of surface water</li> <li>e. Erosion and sedimentation</li> <li>f. Loss of ground flora</li> <li>g. Loss of ground fauna</li> <li>h. Disturbance to aquatic biota</li> <li>i. Public health and the environment</li> </ul> <p>The document also completed with Environmental Management and Monitoring Plan that describes the Type of Impact, Source of impact, benchmark of impact, management objectives, management and monitoring plan, location of management and monitoring, period of management and monitoring, management and monitoring personnel.</p> <p><b>Scheme smallholders:</b></p> <p>Company currently start conducting replanting for scheme smallholder. Prior to the replanting activity, company has conducted evaluation in 2015, which presented in "Laporan Studi Kelayakan Usaha Revitalisasi Kebun Kelapa Sawit Plasma PT. Indosawit 2015". The evaluation document has explained the feasibility of replanting</p>	

`Criterion / Indicator		Assessment Findings	Compliance
		<p>in scheme smallholder plantation, particular attention given to economic feasibility. However the evaluation document has also explaining positive and negative impact from environmental and social-economic point of view.</p> <p>The feasibility study was conducted and covering 12 Koperasi Unit Desa/KUD (smallholder cooperative) with total coverage of 10,838 Ha for replanting program in 2015 – 2021. The study was conducted between PT. Inti Indosawit Subur – Buatan and “Kantor Jasa Penilai Publik Samsul Hadi-Wahyono Hadi, Hendragunawan &amp; Rekan (SAH &amp; Rekan)”.</p> <p><b>Minor Non-conformities:</b></p> <p>Company has conducted the SIA review in 2016 however the result is not covered the main issue according to Mitigation and management plan of SIA, the reviews only covered the economic condition monitoring of the surrounding community.</p>	
6.1.5	<p>Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).</p> <p>- Minor compliance –</p>	<p>In the SIA review process has involved the participation of surrounding communities through primary data collection (interviews, questionnaires) and secondary to the PIR / Non-PIR Community, local / transmigrate, original and transferable owners, private landowners, local contractors, Kelompok Tani and KKPA with Stratified Random Sampling method (as many as 110 respondents).</p> <p>The scope of the impact of the study includes tenurial conflicts, partnership legality, production, fruit sorting, road conditions and bridges, MCC capacity, FFB marketing, environmental pollution, community involvement in the garden, CSR / CD, plasma and corporate communications, health and safety impact as well as Training to Plasma Farmers.</p> <p>The assessment was evaluating social impact from scheme smallholder and KKPA development by PT. Inti Indosawit Subur - Buatan. The review process has involving stratified random sampling (110 samples) with local community through primary data collection (interview) and secondary data collection. All parties such as transmigrate communities, local communities, original oil palm blocks, new owners, communities with private oil palm block, local contractors, cooperative committees,</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p>smallholder/farmer groups – as sampled respondents. The scope of assessment covering tenurial conflict, legality of the scheme-nucleus partnership, production, FFB sortation, road and bridge condition, palm oil mill capacity, environmental pollution, local community participation for plantation activity, CSR/Community development impact for local community, occupational health and safety, training provision for scheme smallholders.</p> <p>The document has also explained the positive and negative impacts from operation of PT. Inti Indosawit Subur, as well as the supply base: scheme smallholders and KKPA, in appendix 7.</p> <p>Company currently start conducting replanting for scheme smallholder. Prior to the replanting activity, company has conducted evaluation in 2015, which presented in “Laporan Studi Kelayakan Usaha Revitalisasi Kebun Kelapa Sawit Plasma PT Inti Indosawit Subur 2015”. The evaluation document has explained the feasibility of replanting in scheme smallholder plantation, particular attention given to economic feasibility. However the evaluation document has also explaining positive and negative impact from environmental and social-economic point of view.</p> <p>The feasibility study was conducted and covering 12 Koperasi Unit Desa/KUD (smallholder cooperative) with total coverage of 10,838 Ha for replanting program in 2015 – 2021. The exercise was conducted between PT. Inti Indosawit Subur – Buatan and “Kantor Jasa Penilai Publik Samsul Hadi-Wahyono Hadi, Hendragunawan &amp; Rekan (SAH &amp; Rekan)”.</p>	
<p><b>Criterion 6.2</b> There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>			
6.2.1	<p>Communication and consultation procedures shall be documented. - Major compliance -</p>	<p><b>Buatan Estate and mill:</b> Company has developed a communication procedure under “Mekanisme Penanganan Permintaan Informasi Stakeholder “(No. SOP; AA-GL-5008.1-R1) dated 22<sup>nd</sup> August 2011, which explains the company responses against all information request sent by stakeholders including response time of 14 working days after information request</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p>accepted. In addition, record related to information request and company response kept and maintained for three (3) years.</p> <p>Based on public stakeholder consultation with KUD/cooperative chairman, local contractor, NGO and public official, it was revealed that company has communicating in good manner. Company also provide response to information request in accordance to authority and the communication SOP.</p> <p><b>Scheme smallholders:</b></p> <p>Scheme Smallholder, Pelalawan and Siak Regency has a consultation and communication procedures as documented in "Mekanisme Komunikasi, konsultasi dan keluhan, dated 3<sup>rd</sup> January 2011. The procedure covers mechanism to receive information request, receive complaint, request for consultation; handle information/consultation request and handle complaint; provide response to such requests in timely manner. The procedure also completed with flowchart for ease of use in farmer level.</p>	
6.2.2	<p>The company shall have official(s) who is responsible for consultation and communications with parties.</p> <p>- Minor compliance -</p>	<p>PT Inti Indosawit Subur (Buatan Group) has appointed Mr. Lindu Simatupang (10008604) as Secure, Social and Liason Officer (Public Relations) who responsible for communication with stakeholders through Appointment Letter from Head HR No. 226/HRD/AA/TL/XI/2014 dated 7<sup>th</sup> November 2014.</p> <p>Based on the Group Manager Memorandum No. 388/ES-KBN/Memo/06/2015 dated June 1<sup>st</sup>, 2015 indicates that the Secure, Social and Liason Officer has the duty and responsibility to conduct consultations and Communications with the community and to follow up on the results.</p> <p><b>Scheme Smallholders:</b></p> <p>Each KUD has appointed responsible person to conduct communication and consultation to stakeholders, as regulated in each KUD Appointment Letter, e.g. KUD Kebun Sawit Harapan letter No.60/Kpts/KUD-KSH/VII/2016, dated 10<sup>th</sup> January 2016.</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
6.2.3	<p>The company shall have a list of stakeholders, records of communications, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders.</p> <p>- Minor compliance -</p>	<p>The Company already have a Stakeholder List which is consistently updated annually, for example the 2017 Stakeholders List update consists of;</p> <ul style="list-style-type: none"> <li>a. List of contractors (3<sup>rd</sup> Party) in cooperation with PT IIS – Buatan II POM as many as 38 stakeholders e.g. Sudirga Wahyudi as a contractor transport of Housing Waste, Mr. Sunarto as a FFB supplier, Mr. Nariman as a FFB Supplier etc.</li> <li>b. List of NGOs that become stakeholders of PT IIS – Buatan consists of 3 parties namely WWF, Scale Up and LCKI.</li> <li>c. List of community / community leaders around the village consists of 15 stakeholders such as Mr. Sunarto Chairman of KUD Bhirawa Bhakti Desa Buana Bhakti (SP2), Br. Sudirman member of Plasma SP 9 Jatimulya Village, Mr. Walim Waluyan Chairman PUK SPSI PT IIS, etc.</li> <li>d. List of stakeholders from the government as much as 32 parties such as the surrounding Village Head, Head of School, BPN Pelalawan Regency, Department of Labor Pelalawan Regency etc.</li> <li>e. List of KUD of Smallholder and KKPA, consists parties such as Chairman KUD Delima Sakti – Delik Village, Chairman of KUD Kebun Sawit Harapan - Gabung Makmur Village, Chairman of KUD Buatan Jaya - Jati Mulya Village.</li> </ul> <p>Records of communication are documented in Log Out Mail where in 2017 (until August 2017) Administration Section documented 101 types of Outgoing Letter including the provision of routine information to the government, for example;</p> <ul style="list-style-type: none"> <li>a. Letter No 011 issued on January 11<sup>th</sup>, 2017 regarding Report of Quarter IV of hazardous Waste in 2016.</li> <li>b. Letter No 017 issued on January 27<sup>th</sup>, 2017 regarding Land Application Report of December 2016.</li> <li>c. Letter No. 067 issued on June 8<sup>th</sup>, 2017 regarding PT IIS – Buatan II POM Land Quality Report 2017.</li> <li>d. Letter No. 096 issued on August 3<sup>rd</sup>, 2017 regarding Application for Ratification of Safety Committee Organizational Structure.</li> </ul> <p>Public Relations Department also documented communication related to Social where in the year 2017 identified 9 types of incoming letters e.g..Letter submitted by</p>	Comply



`Criterion / Indicator	Assessment Findings	Compliance
	<p>Islamic University Riau on dated March 20<sup>th</sup>, 2017 about Application Permit for Research through letter No. 2587/E-UIR/27/FE/2017 and has been responded by management through letter No. 096.b/GM-IIS/Ext/04/2017 dated May 13<sup>th</sup>, 2017. Letter sent by the Delik Village apparatus through letter No. 100/PEM-DLK/V/2017/01 dated May 5<sup>th</sup>, 2017 and has been responded by management by granting Permission and timing for grass-seeking residents.</p> <p>Technically all documents requested for information are well documented by both the Administration and Public Relation sections and available in each Unit. Communication records are documented in the Request File and Information Request Feedback where in 2017 (until August 2017) 49 documented information requests have been documented.</p> <p>Based on document verification and interviews with stakeholders (Government, worker unions, local communities) shows that the company has established good communication with stakeholders including responding to information requests quickly in accordance with the mechanisms they possess.</p> <p><b>Scheme Smallholder</b></p> <p>Scheme Smallholder Management has a List of Stakeholders in 2017 consisting of 30 parties directly related to Scheme Smallholder Management consisting of Pangkalan Kerinci District, Delima Jaya Village, Kerinci Kanan, BRI Pangkalan Kerinci, Bank Mandiri Pangkalan Kerinci, Siak Regency Plantation Service, Department of Cooperation Siak, Plantation Service of Pelalawan Regency, etc. The list of Stakeholders is updated annually.</p> <p>The Plasma Management has published policies related to Document Type that are publicly accessible consisting of 7 types of documents:</p> <ol style="list-style-type: none"> <li>a. Legality documents such as Cooperative Establishment Certificate, Copy of SHM, NPWP KUD, SIUP KUD, SITU KUD.</li> <li>b. Production Data</li> <li>c. HCV Identification Documents and HCV Management / Monitoring Data</li> </ol>	

`Criterion / Indicator		Assessment Findings	Compliance
		d. Grievance Mechanism, Consultation and Communication with stakeholders e. Environmental Documents and Periodic Environmental Management Reports f. Social Activity Documents g. Document Fee Price  The Plasma Management already has a Plasma Consultation, Communication and Complaints Mechanism Mechanism in the form of a Flow Chart signed by the Plasma Manager on January 1 <sup>st</sup> , 2017.	
<b>Criterion 6.3</b> There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.			
6.3.1	The mechanism, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested, as long as that information is supported with adequate initial evidence.  - Major compliance -	<b>Buatan Estate and Buatan II POM</b> The Company has established a complaint handling mechanism consisting of External Grievance Procedure that is regulated by the Grievance Handling mechanism (Document No. SOP AA-GL-5005-RO 01) while the internal complaint handling is regulated through mechanism of Employee Complaint Submission and Settlement (Document No. SOP AA-HR-308 0.5-RO).  The Company has compiled a Mechanism of Information Delivery and Case Disclosure which describes the policy of maintaining the confidentiality of the complainant or disclosure (Wistleblowers) if requested.  It was noted that there was no complaint or grievance from external received in 2017. Complaint was just from internal which recorded in "Buku Keluhan Karyawan". There were several complaints received from employees in 2017 mostly regarding house condition, e.g. roof leakage. It was seen that all internal complaints have been responded in timely manner.  <b>Scheme Smallholder</b> The Smallholder Management has had a Consultation, Communication and Complaint Mechanism in the form of a Flow Chart signed by the Smallholder Manager on	Comply

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

`Criterion / Indicator		Assessment Findings	Compliance
		<p>January 10<sup>th</sup>, 2017 and has indicated the officer responsible for communication; Mr. Puji Astuti W (Krani Pembukuan), Harianto (Krani Administration Tanaman), Krisnowati (Krani Personalia) and David Sianipar (Warehouse and Document Section) as Public Relations and Data Collection who have the duty and responsibility to receive requests for information and complaints from stakeholders.</p> <p>Records of communication in Buatan Plasma was documented in the "Log Book", verification indicate that in 2017 there are 38 types of Consultation, Communication and Complaint, for example;</p> <ul style="list-style-type: none"> <li>• Letter from KUD SP V, No.50/KUD/SR/VII/17 dated July 21<sup>st</sup>, 2017 regarding replacement of FFB transport truck SP V; has been responded by Buatan Plasma management by forwarding the letter to Buatan II POM through letter No.589/ES-KIB/Memo/07/17 dated July 25<sup>th</sup>, 2017.</li> <li>• Letter from Penghulu Kampung SP IX, No.500/Pemkam/JTN/S5/33 dated May 20<sup>th</sup>, 2017 regarding propose for grass clearance permit in Buatan Estate area and Buatan Plasma SP IX; has been responded by Buatan Plasma management by forwarding the letter to HUMAS (Public Rrelation) of Buatan Estate through letter No.469/ES-KIB/Memo/05/2017 dated May 26<sup>th</sup>, 2017.</li> <li>• Letter from Penghulu Kampung SP IV, No.31/Kam-KU/IV/2017 dated April 10<sup>th</sup>, 2017 regarding propose of FFB sales to ndependent mill; has been responded by Buatan Plasma management by replying the through letter No.251/ES/KIB/Ext/04/10 dated April 18<sup>th</sup>, 2017.</li> </ul>	
6.3.2	<p>There shall be records of process and outcome of dispute resolution.</p> <p>- Major compliance -</p>	<p><b>Buatan Estate, KKPA and mill:</b></p> <p>The Company is recording each complaint and response provided in the Logbook "Buku Keluhan Karyawan (Internal) dan Buku Rekaman Proses Konsultasi Masyarakat Lokal".</p> <p>Based on public consultation with worker union, gender committee, NGO, local contractor and relevant government offices/agencies; it was known that company has responded all type of information request, communication, or complaint. However, no complaint from external parties so far.</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p><b>Scheme Smallholders:</b></p> <p>Complaint and grievance is recorded in "Komunikasi dan Aspirasi Anggota / Masyarakat, there were noted 6 communication and aspiration from meber in 2015 - 2016, e.g. from Sugianto (member) on 3<sup>rd</sup> April 2016, suggested to the KUD build "Minimarket-Building" in 2016.</p>	
<p><b>Criterion 6.4</b></p> <p>Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>			
6.4.1	<p>A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be available, referring to decision of the Constitution Court.</p> <p>- Major compliance –</p>	<p><b>Buatan Estate and Buatan II POM</b></p> <p>Based on the results of interviews with the Environment Agency (Dinas Lingkungan Hidup) and Plantation Agency (Dinas Perkebunan) of Pelalawan Regency, there is no land dispute between PT IIS – Buatan and the ownership of the surrounding community. However, the company has prepared a dispute resolution procedure in the form of Standard Operating Procedure (SOP) Handling of Land Conflict (AA-GL-5003.1-RI) endorsed by management on December 5<sup>th</sup>, 2009 and has been revised on August 22<sup>nd</sup>, 2011. In 2015 the company again revised the mechanism of conflict handling as outlined in Standard Operating Procedure (SOP) No. AA-GL-5003.1-R2 on Land Conflict Management endorsed by management on May 8<sup>th</sup>, 2015.</p> <p>The mechanism has adapted to FPIC Guide for RSPO Member 2015 wherein the SOP has arranged the submission of Information, Negotiation, Joint Measurement of boundaries etc. including involvement of other related parties, and parties whose land is adjacent to the conflicted land.</p> <p><b>Scheme Smallholder</b></p> <p>The Smallholder Area of PT IIS – Buatan Group is included in the PIR-Trans government program that in accordance with Minister of Transmigration Decree No.</p>	Comply

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

`Criterion / Indicator		Assessment Findings	Compliance
		<p>Kep.90/MEN/1990 dated 29 July 1991 on Izin Pelaksanaan Transmigrasi PIR-Trans kepada PT Inti Indosawit Subur I dengan komoditas kelapa sawit di Lokasi Pangkalan Kuras, Kabupaten Kampar dan Pasir Penyau, Kabupaten Indragiri Hulu, Provinsi Riau.</p> <p>This background shows that all Smallholder farmers of PT Inti Indosawit Subur – Buatan Smallholder land ownership rights derived from the government through the PIR-TRANS program, so that not through the process of land compensation to the previous traditional land owners, because the whole land is a state-owned land. Currently all members of the Smallholder farmers have obtained evidence of land tenure from the National Land Agency (BPN) in the form of Land Title (SHM).</p> <p>Based on the results of interviews with the surrounding village apparatus, the farmers' group leader, farmers and related agencies (Dinas Perkebunan of Pelalawan Regency) stated that there has never been a case of land dispute between the members of the smallholder farmers with other parties, however there is a mechanism of conflict handling of Smallholder area dated 1 August 2014, where in the mechanism explains the flow chart of land conflict resolution if it occurs, by involving the company and village government and related institutions.</p> <p>For handling of other conflicts, Smallholder Management already has a Communication, Consultation and Complaints mechanism which describes the flowchart of the process of delivering information from stakeholders including complaints handling and dispute resolution.</p>	
6.4.2	<p>A procedure for calculating and distributing fair compensation shall be established, implemented, monitored and evaluated in a participatory way. Corrective actions are taken as a result of this evaluation.</p> <p>- Minor compliance –</p>	<p><b>Buatan Estate and Buatan II POM</b></p> <p>The Company has established a land dispute resolution procedure in the form of Standard Operating Procedure (SOP) Handling of Land Conflict (AA-GL-5003.1-RI) endorsed by management on December 5<sup>th</sup>, 2009. The procedure has been first revised on August 22<sup>nd</sup>, 2011. In 2015 the company again revised the mechanism of conflict handling as outlined in Standard Operating Procedure (SOP) No. AA-GL-5003.1-R2 on Land Conflict Management endorsed by management on May 8<sup>th</sup>, 2015.</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p>The mechanism has adapted to FPIC Guide for RSPO Member 2015 wherein the SOP has arranged the delivery of information, negotiation, joint measurement of boundaries etc. including involvement of other related parties and parties whose land is adjacent to the conflicted land.</p> <p><b>Scheme Smallholder</b></p> <p>Based on interviews with surrounding village officials, farmer groups, farmers and related institutions (Dinas Perkebunan of Pelalawan Regency) stated that there has never been a case of land disputes between smallholder farmers and other parties. However there has been a mechanism of conflict management of smallholder area dated August 1<sup>st</sup>, 2014. The mechanism explains the flowchart of land conflict resolution if it occurs by involving the company and village government and related institutions.</p> <p>For the handling of other conflicts, Plasma Management already has a Communication, Consultation and Complaints mechanism which describes the flowchart of the process of delivering information from stakeholders including complaints handling and dispute resolution.</p>	
6.4.3	<p>Compensation claims, process and outcome of any negotiated agreements shall be documented, with evidence of the participation of affected parties.</p> <p>- Major compliance –</p>	<p><b>Buatan II POM and Buatan Estate</b></p> <p>Based on the results of interviews with related institutions and the surrounding community mentioned that PT IIS – Buatan Estate is no longer doing expansion of the plantation so that there is no longer process of compensation (land acquisition) and currently there is no land dispute between PT IIS – Buatan Group with other parties including the surrounding village community.</p> <p><b>Scheme Smallholder</b></p> <p>As described in indicator 6.4.1 which states that the Smallholder Area of PT IIS – Buatan Group is included in the PIR-Trans government program in accordance with</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p>the Minister of Transmigration Decree No. Kep.90/MEN/1990 dated 29 July 1991 on "Izin Pelaksanaan Transmigrasi PIR Trans kepada PT Inti Indosawit Subur I dengan komoditas kelapa sawit di Lokasi Pangkalan Kuras, Kabupaten Kampar dan Pasir Penyu, Kabupaten Indragiri Hulu, Provinsi Riau" (Permit of PIR-Trans program to PT Inti Indosawit Subur with oil palm commodity at location Pangkalan Kuras, Kampar regency and Pasir Penyu, Indragiri Hulu Regency, Riau Province).</p> <p>This background shows that all Smallholder farmers of PT Inti Indosawit Subur – Buatan Smallholder land ownership rights derived from the government through the PIR-TRANS program, so that not through the process of land compensation to the previous traditional land owners, because the whole land is a state-owned land. Currently all members of the Smallholder farmers have obtained evidence of land tenure from the National Land Agency (BPN) in the form of Land Title (SHM).</p>	
<p><b>Criterion 6.5</b> Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>			
6.5.1	<p>Documentation of pay and conditions for employees based on the existing manpower regulations shall be available.</p> <p>- Major compliance -</p>	<p>The Company already has Collective Work Agreement (PKB) which has been approved by the Direktur Jenderal Pembinaan Hubungan Industrial dan Jaminan Sosial Tenaga Kerja (Ministry of Labour) through Decision Letter No.88/PHIJSK-PKKAD/PKB/VI/2015 dated June 18<sup>th</sup>, 2015 concerning Registration of "PKB Badan Kerjasama Perusahaan Perkebunan Sumatera (BKS-PPS) dengan Pengurus Pusat Federasi Serikat Pekerja Pertanian dan Perkebunan – SPSI". PKB is binding for SKU-H and SKU-B levels. The PKB is valid for 2 years up to 20 April 2017. Up to now, the BKS-PPS and PP.FSP.PP-SPSI are in negotiation regarding the making of new PKB implemented;</p> <ol style="list-style-type: none"> <li>a. On August 1<sup>st</sup>, 2017 meeting held at BKS-PPS Office with meeting material regarding discussion of PKB renewal proposals in 2017 - 2019 (continuing article X until XXIV).</li> <li>b. On July 18<sup>th</sup>, 2017 meeting held at BKS-PPS Office with meeting material regarding discussion of PKB renewal proposals in 2017 - 2019.</li> </ol>	Comply

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

`Criterion / Indicator	Assessment Findings	Compliance
	<p>c. On May 15<sup>th</sup>, 2017 meeting held at BKS-PPS Office with meeting material regarding discussion of proposals from members of BKS-PPS and PP.FSP.PP-SPSI by the BKS-PPS Negotiation Team.</p> <p>Based on Article XXIV paragraph 3 states that if at the end of the PKB has not yet established a new PKB then the old PKB entirely valid until a new PKB come into force.</p> <p>Based on PKB article V paragraph 1 states that the wage of workers is determined by mutual agreement between BKS-PPS with PP.FSP.PP-SPSI relevant provinces in accordance with applicable laws and regulations.</p> <p>The company determines minimum wages based on the Government regulation every year, the minimum wages in 2017 as regulated in "Surat Keputusan Gubernur Riau No. Kpts.120/I/2017", dated January 26<sup>th</sup>, 2017 for Agriculture sector in Pelalawan Regency is IDR 2,516,812/month. Based on review of payments slip, there is no worker paid below minimum wages.</p> <p>Based on the Memorandum numbered 010/HR-AAS/MEMO/04/17 dated April 27<sup>th</sup>, 2017, the Company has determined daily wages for PHL (casual) workers to be IDR 100,672.48/manday or IDR 2,516,812/month and SKU-H (daily permanent) workers to be IDR 2,381,812/month. This value does not include Rice Allowance as stipulated in the PKB as part of the Basic Wage.</p> <p>Employees KUD Kebun Sawit Harapan as many as 3 people namely Mrs. Aryani Susilowati, Desi Cipta Lestari and Wiwik Junika. Salary for employees is determined by KUD board members through Annual Members Meeting of Rp. 2,395,000. Based on the verification of payment documents indicates that the cooperative has paid the salary of employees in accordance with the agreement in the Work Agreement Letter (SPK).</p> <p>Mrs. Desi Cipta Lestari already has a Work Agreement Letter (SPK) signed by both parties on January 6<sup>th</sup>, 2017 wherein the agreement has been arranged;</p> <ol style="list-style-type: none"> <li>a. Pay sallary</li> <li>b. Employee obligations</li> </ol>	



`Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>c. Employees' rights include wages, annual leave, menstruation and maternity leave, etc.</li> <li>d. Ban</li> <li>e. Sanctions</li> <li>f. Work termination</li> <li>g. Settlement and Dispute</li> <li>h. Agreement period: The Agreement is valid as of December 31, 2017.</li> <li>i. Additional Rules</li> </ul>	
6.5.2	<p>Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language; and explained by the management or Labor Union to the workers.</p> <p>- Major compliance -</p>	<p><b>Buatan II Mill and Estates:</b></p> <p>Collective Work Agreement (PKB) between company and labour union is referred in working regulation. Collective Work Agreement was registered by "Dirjen Pembinaan Hubungan Industrial dan Jaminan Sosial Tenaga Kerja" (Ministry of Labour) No. Kep.88/PHIJSK-PKKAD/PKB/VI/2015 dated June 18<sup>th</sup>, 2015 valid to April 20<sup>th</sup>, 2017 (See indicator 6.5.1).</p> <p>Based on document review, it was noted that term and condition, such as working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc, are covered in PKB and contracts which have been signed by all workers.</p> <p>Contract for Mill employee is available, e.g. Mrs. Kamsilah has an Employment Contract signed on June 30<sup>th</sup>, 2017 with validity period up to September 30<sup>th</sup>, 2017 (3 months), Mr. Anggun Pramono has an Employment Contract signed on June 30<sup>th</sup>, 2017 with validity period up to September 30<sup>th</sup>, 2017 (3 months), Mr. Asep Sulaiman has an Employment Contract signed on June 30<sup>th</sup>, 2017 with validity period up to September 30<sup>th</sup>, 2017 (3 months).</p> <p><b>Scheme Smallholder</b></p> <p>Based on document verification of Work Agreement (SPK) of Mrs. Desi Cipta Lestari signed by both parties on January 6<sup>th</sup>, 2017 indicates that the SPK is made by using</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		Indonesian language in which it has been regulated on the rights and obligations of each party including wages, leave, working hours, overtime etc.	
6.5.3	<p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where such public facilities are unavailable or inaccessible.</p> <p>- Minor compliance –</p>	<p><b>Buatan Estate:</b></p> <p>Based on field visit in E-2 workers housing in, the company provides housing, water source (water treatment), a source of electricity, polyclinic, daycare, office division, bus school.</p> <p>Based on the document of "Laporan Unit Kebun" period August 2017, the company providing facilities and infrastructure for the employees include: staff housing (49 units), residential non-staff (678 units), residential complex of nurseries (51 units), office and housing for security officer (152 units), Polyclinic (2 units), Mosque (4 units), Church (2 units), hazardous warehouse (1 unit), Babysitting (3 units), security post (6 units), the Afdeling office (6 units), estate agency (1 unit), fertilizer warehouse (4 units), materials warehouse (2 units), cooperatives (1 units), water tank (3 units).</p> <p><b>Buatan II POM:</b></p> <p>The company has prepared facilities for their workers, such as: Housing Mess (1 unit), type B (4 units), Type D (17 units), Type D1 (20 units), Type D2 (24 units), Type E (486 units), policlinic (2 units), mosque (2 units), church (1 unit), community hall (1 unit), sport facilities, school bus (5 units), kindergarden (1 units), electricity, water supply, etc.</p> <p><b>KKPA:</b></p> <p>Based on the document of "Laporan Unit Kebun" period August 2017 KBN-K this information is available in the Sub-Chapter III, the company has provided facilities and infrastructure for the employees include: Housing staff (5 units), residential non-staff (169 units), Polyclinic aids (1 units), Mosque (1 units), Church (1 units),</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		Babysitting (1 units), the estate office (1 unit), fertilizer warehouse (1 units), materials warehouse (1 units), football field, and cafetaria.	
6.5.4	There shall be demonstrable efforts to improve workers' access to adequate, sufficient and affordable food. - Minor compliance –	The traditional market is available surrounding company and scheme smallholder area, the location was near small town. For smallholder cooperative that has a store business unit, it was located near the market.	Comply
<b>Criterion 6.6</b>			
The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.			
6.6.1	A record of the company's policy in understandable language recognising freedom of association, shall be available. - Major compliance –	<p>Policy regarding Freedom of association was documented in "Kebijakan Perusahaan" dated 1<sup>st</sup> December 2014. The policy is written in Bahasa Indonesia as common language. Commitment covered in the policy are "Respect the right of every employee to form or join trade unions in accordance they want and to bargain collectively". The Organizations has understood that workers have the right to argued, associate and organize in a labour union. The Organization committed to provides opportunities for workers to organize in unions and express an opinion.</p> <p>There is one labor association at Buatan Group, namely PUK-SPPP SPSI PT IIS Buatan II POM established on December 29<sup>th</sup>, 2011 and had been registered on January 9<sup>th</sup>, 2012 at Labour Office of Pelalawan. The current structure was validated on January 18<sup>th</sup>, 2017 as the chairman was Mr. Siswanto and the Secretary Mr. A. Stenly Taju.</p> <p>The most recent meeting between association and management for exemple;</p> <ol style="list-style-type: none"> <li>a. Meeting on May 20<sup>th</sup>, 2017 attended by representatives of management (3 persons) and association (3 persons). The meeting discussed the "Rencana Kerja Pengurus PUK-SPSI" – Work Plan of labour union in 2017.</li> <li>b. May 30<sup>th</sup>, 2017 attended by representatives of management (5 persons) and association (4 persons). The meeting discussed the "Rencana Peringatan</li> </ol>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p>Hari Kemerdekaan RI” – Activity Plan on Indonesian Independence day 2017.</p> <p>This policy has been informed to all employees and being placed into notice board in public area, the recent dissemination was held on April 12<sup>th</sup>, 2017 attended 28 workers in Buatan Group Estate, and on February 7<sup>th</sup>, 2017 attended by 61 workers in Buatan II Mill.</p> <p><b>Scheme Smallholders:</b></p> <p>KUD Buatan Jaya: The Policy regarding Freedom of association documented in “Kebijakan Koperasi” signed in September 23<sup>rd</sup>, 2015 that stated “Memiliki kebebasan untuk berserikat sesuai UUD 1945 dan Pancasila” – Have freedom to associate according to the 1945 Constitution and Pancasila.</p> <p>KUD Kebun Sawit Harapan: The Policy regarding Freedom of association documented in “Kebijakan Koperasi” signed in August 1<sup>st</sup>, 2015 that stated “Memiliki kebebasan untuk berserikat sesuai UUD 1945 dan Pancasila” – Have freedom to associate according to the 1945 Constitution and Pancasila.</p> <p>KUD Mitra Usaha: The Policy regarding Freedom of association documented in “Kebijakan Koperasi” signed in August 1<sup>st</sup>, 2015 that stated “Memiliki kebebasan untuk berserikat sesuai UUD 1945 dan Pancasila” – Have freedom to associate according to the 1945 Constitution and Pancasila.</p>	
6.6.2	<p>Records of meetings with labor unions or workers representatives shall be available.</p> <p>- Minor compliance –</p>	<p>The most recent meeting between labour union and management was held on:</p> <p>(1) May 20<sup>th</sup>, 2017 attended by representatives of management (3 persons) and labour union (3 persons). The meeting discussed the “Rencana Kerja Pengurus PUK-SPSI tahun 2017” – PUK-SPSI Board Working Plan for 2017.</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		(2) May 30 <sup>th</sup> , 2017 attended by representatives of management (5 persons) and labour union (4 persons). The meeting discussed the "Rencana Peringatan Hari Kemerdekaan RI tahun 2017" – Plan of 2017 Indonesian Independence Day Festive.	
<b>Criterion 6.7</b> Children are not employed or exploited.			
6.7.1	There shall be documented evidence that minimum age requirements are met. - Major compliance –	<p>The company has own policy signed by Top Management on 1<sup>st</sup> December 2014 that stated: children is not allowed to work in every activities/processes in company. The company committed to not employ underage workers as required by national legislation.</p> <p>Review on employee database showed that all workers are above 18 years or born before year 1999 by the time of this surveillance audit. The youngest worker at the moment is Mr. Ahmat Badawi Siagian (PHL) who was born in 1997. Field observation and random interview at Buatan Estate and Buatan II mill found no workers under 18 years old.</p> <p><b>Scheme Smallholders:</b></p> <p>Child labour policy is documented in "Kebijakan Koperasi" dated 1 August 2013 which stated: "Melarang anak anak bekerja dalam setiap kegiatan KUD" (Prohibit children to work in every KUD activities). Sample taken e.g.: Desi Cipta Trisnaeni (21 years old), Aryani Susilowati (23 years old). At present time, those workers are still the youngest worker at KUD Kebun Sawit Harapan.</p>	Comply
<b>Criterion 6.8</b> Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.			

`Criterion / Indicator		Assessment Findings	Compliance
6.8.1	<p>A company's policy on equal opportunity and treatment for work shall be available and documented.</p> <p>- Major compliance –</p>	<p><b>Buatan II POM and Buatan Estate:</b></p> <p>The company has policy on Equal Opportunities as documented in “Kebijakan Perusahaan”, dated 1<sup>st</sup> December 2014: “Memperlakukan seluruh karyawan secara adil, baik dalam hal penerimaan, penilaian kondisi dan lingkungan kerja, serta keterwakilan tanpa memandang suku, kasta, asal Negara, agama/ kepercayaan, cacat, gender, keanggotaan serikat pekerja, afiliasi politik dan atau umur” – to treat all employees fairly, in the manner of recruitment, assessment of conditions and work environment, as well as the representation regardless of race, caste, country of origin, religion/belief, disability, gender, union membership, political affiliation and/or age.</p> <p>The company has communicated this policy trough dissemination, records shows that dissemination has been conducted on 30<sup>th</sup> October 2015, attended 67 workers, on 7<sup>th</sup> February 2016, attended 61 workers in Buatan II POM, and in 22<sup>nd</sup> January 2016, attended 35 workers in Buatan Estate. In 2017, the policy disseminated through notice board and morning briefing. During interview with workers on 4 and 5 September 2017 revealed that workers understood the policy on equal opportunity and treatment for work shall be available and documented.</p> <p><b>Scheme smallholder:</b> KUD Buatan Jaya, KUD Kebun Sawit harapan, KUD Mitra Usaha:</p> <p>Available in “Kebijakan Koperasi”, dated 1<sup>st</sup> August 2013 – to treat all member of cooperative in fair manner, and respect human rights, and representative without any discrimination on tribe, race, caste, country of origin, religion/belief, disability, gender, sexual orientation, union affiliation, political affiliation or age. The policy has been disseminated to smallholder members.</p>	Comply
6.8.2	<p>Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated.</p>	<p><b>Buatan Estate, Scheme smallholders and mill:</b></p> <p>Based on stakeholder consultation with worker union, gender committee and relevant government agency (Dinas Tenaga Kerja Kabupaten Pelalawan), it was noted that no indication of discrimination practised by the company towards its</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>employees.</p> <p>Based on document review there is no migrant worker in PT. Inti Indosawit Subur – Buatan Group.</p> <p>Based on interviews with male and female workers confirmed that the company anti-discrimination policy was strictly enforced. They have not heard or reports any cases of discrimination.</p>	
6.8.3	<p>Records of evidence that equal opportunity and treatment for work shall be available.</p> <p>- Minor compliance -</p>	<p>The company has procedure of Recruitment, which regulated that recruitment and promotion of workers are based on skill, work experiences, and job evaluation.</p> <p><b>Buatan II POM:</b></p> <p>It was available Program of Appointment PHL (casual worker) to be SKU-H (permanent worker) for the next 3 years (2018 – 2020) signed by Mill Manager on September 5<sup>th</sup>, 2017. The program detailed that the company within 3 years ahead will submitted promotion of PHL employees as 7 workers in 2018, 7 workers in 2019 and 7 workers in 2020.</p> <p>In 2017, it has been proposed the promotion of PHL employees as many as 7 workers to Pekanbaru Regional Office through Memorandum of Buatan II POM Manager No. 090/MI-PBD/Memo/07/2017 dated 29 July 2017 regarding Promotion of PHL to be SKU-H on behalf Suprpto, Yustejo Arif Saragih, Payber Silalahi, Parlingoman Siagian, Nislam, Asep Sulaeman and Tishen Parningotan. The letter has been responded by Pekanbaru RO by sending the Regional Head Plantation II Memorandum No. 215/HR-RO2/Memo/SK/08/2017 dated August 15<sup>th</sup>, 2017 regarding appointment of Mr. Tisen Parninggotan (Helper Operator Boiler) becomes SKU-H employee as of September 2017 and No. 214/HR-RO2/Memo/SK/08/2017 dated August 15<sup>th</sup>, 2017 regarding appointment of Mr. Suprpto (Operator Sterilizer) becomes SKU-H employee as of September 2017.</p> <p>Letter of Promotional Proposal were completed with documents of Employee assessment results dated July 25<sup>th</sup>, 2017, Medical Check Up Result dated July 26<sup>th</sup>, 2017.</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p><b>Scheme Smallholders:</b></p> <p>Based on document verification of Work Agreement (SPK) Ms. Desi Cipta Lestari signed by both parties on January 6<sup>th</sup>, 2017 indicates that the SPK was made in Indonesian language, describing rights and obligations of each party including wages, leave, working hours, overtime, duration of SPK etc.</p>	
<p><b>Criterion 6.9</b></p> <p>There is no harassment or abuse in the work place, and reproductive rights are protected.</p>			
6.9.1	<p>A policy to prevent sexual and all other forms of harassment and violence, shall be documented, implemented and communicated to all levels of the workforce.</p> <p>- Major compliance –</p>	<p>The company has prohibited sexual harassment and violence as committed and written in company policy dated 1 December 2014.</p> <p>This policy has been documented, implemented and communicated to all level workers. Communication was conducted by Afdeling Assistant to his team.</p> <p>In case there is any harassment and violence, it will be reported to Gender Committee to be followed up. Documented procedure has been established to describe handling mechanism of sexual harassment case - SOP AA-HR-309.01-R0.</p> <p>During the audit, there is no issue found regarding sexual harassment and violence to female worker.</p> <p><b>Scheme Smallholders:</b></p> <p>Scheme smallholder is adopting company policy, in term of Cooperative Policy "Kebijakan Koperasi" dated 1<sup>st</sup> August 2013 has stated: Prevention of sexual harassment and other violence against women and to protect reproductive rights. This policy has been disseminated by Chairman of KUD to the member of KUD (Farmer Group leader and farmers).</p>	<p>Non compliance Comply</p>



`Criterion / Indicator		Assessment Findings	Compliance
6.9.2	<p>A policy to protect the reproductive rights, shall be documented, implemented and communicated to all levels of the workforce.</p> <p>- Major compliance –</p>	<p><b>Buatan Estate and mill:</b></p> <p>As it found in the company policy that signed by Managing Director on 1<sup>st</sup> December 2014: “To prevent any sexual or physical abuses happen to women as well as to protect their reproductive rights”. The company has communicated this policy continuously through dissemination, e.g. done on 30<sup>th</sup> October 2015, attended by 67 workers, on 7<sup>th</sup> February 2016, attended by 61 workers in Buatan II POM and on 22<sup>nd</sup> January 2016, attended by 35 workers in Buatan Estate.</p> <p>Based on interviews with medical staff at Asian Agri Sehat and Gender Committee officials stated that every female worker who submits a menstrual leave gets a recommendation from a paramedic/doctor and should rest in the clinic until the end of working hours. This causes the female worker to be afraid to apply for menstruation leave</p> <p><b>Scheme Smallholders:</b></p> <p>KUD Buatan Jaya, KUD Kebun Sawit Harapan, KUD Mitra Usaha:</p> <p>The cooperative has policy to prevent sexual harassment and violence against women in “Kebijakan KUD” dated 1<sup>st</sup> August 2013, Point 6 which stated – prevent sexual harassment and violence as well as protect reproductive rights for women. The policy has been disseminated to smallholder members.</p>	<p>Non compliance Comply</p>
6.9.3	<p>A specific grievance mechanism which respects anonymity of complainants where requested, and as long as they are supported with adequate information, shall be documented, implemented, and communicated to all workforce.</p> <p>- Minor compliance –</p>	<p><b>Buatan Estate and mill:</b></p> <p>The Company has established procedure of Employees complaints: submission and settlement (SOP: AA-HR-3085.5 - R.0 dated 11<sup>th</sup> December 2009). The procedure described the process of complaint. Complaint process was not only reported to Supervisor, but can be others, such as Labour Union and Gender Committee.</p> <p>When it needed confidentiality of complainant can be protected, it was found in company policy’s that stated: “To provide appropriate information for those who inquiry it and to protect its confidentiality for whistleblower cases in accordance to</p>	<p>Comply</p>

`Criterion / Indicator		Assessment Findings	Compliance
		<p>law regarding environmental and social issue, food safety, health and safety work, so that it enables them to more participate to the decision making processes for improving company's performance...".</p> <p>Grievances/complaint procedures already communicated to all employees by the Estate and Mill Manager. The Company has appointed PR Officer as responsible persosn to receive and handle complaint. Until now there is no complaint regarding harassment or abuse received by the company. Policy regarding complaint handling related to harassment was reviewed once a year during management review meeting by the Sustainability Department.</p> <p><b>Scheme Smallholders:</b></p> <p>All KUD/Smallholder Managements are adopting company policy on the grievance mechanism which respects anonymity and protects complainants, stated in the Cooperative's Communication, Consultation, and Grievance.</p> <p>During the audit and confirmed during stakeholder consultation with local community and workers that there is no issue found.</p>	
<p><b>Criterion 6.10</b></p> <p>Growers and millers deal fairly and transparently with smallholders and other local businesses.</p>			
6.10.1	<p>Current and past prices paid for Fresh Fruit Bunches (FFB), shall be publicly available.</p> <p>- Minor compliance -</p>	<p>FFB from Scheme Smallholder:</p> <p>PT Inti Indosawit Subur use FFB price structure which set in the meeting of FFB pricing working group of Riau Province, conducted weekly in Plantation Agency of Riau Province (Kantor Dinas Perkebunan Provinsi Riau) involving government representative, oil palm company and farmers. Guidelines of FFB price calculation is Minister of Agriculture regulation - Permentan No. 14/Permentan/OT.140/2/2013 regarding Guidelines of Pricing on FFB produced by farmer.</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p>The Formula of FFB pricing based on Permentan No. 14/Permentan/OT.140/2/2013 is as follow:</p> $H\ TBS = K \{Hms \times Rms + His \times Ris\}$ <p>H TBS : Price of FFB received by farmer at palm oil level, measured in IDR/kg;            K : Proportion index that show part received by farmer, measured in %;            Hms : Average price of crude palm oil (CPO) weighted export sales (FOB) and local of each company at previous period, measured in IDR/kg;            Rms : Oil extraction rate (OER), measured in %;            His : Average of palm kernel (PK) price weighted export sales (FOB) and local of each company at previous period, measured in IDR/kg;            Ris : Kernel extraction rate (KER), measured in %.</p> <p>FFB from external (3<sup>rd</sup> party):</p> <p>The company has defined mechanism of external FFB pricing. Components that influence the price are CPO/PK price, competitor rice, distance between FFB source to the mill, FFB quality, OER &amp; KER ("K" Index), plantation agency (government) price. External FFB price are fluctuating according to change of price-forming factors. The price is always updated at Buatan II POM.</p>	
6.10.2	<p>Pricing mechanisms for Fresh Fruit Bunches (FFB) and inputs/services shall be explained and documented (where these are under the control of the mill or plantation).</p> <p>- Major compliance -</p>	<p>As previously mentioned, FFB pricing mechanism regulated independently by working group/committee. The meeting held on weekly basis involving government representatives, plantation companies' representative, and smallholders/cooperative members. The Guidelines of FFB price calculation is Minister of Agriculture regulation - Permentan No. 14/Permentan/OT.140/2/2013 regarding Guidelines of Pricing on FFB produced by farmer.</p> <p>Update of FFB price was informed to the FFB supplier via email and directly informed</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		by Mill through information board that placed in the front area of the mill. There were services rendered to the smallholder however there were no influence to the price of FFB. The services was spraying application. The value of the waste of FFB (as EFB nutrient) has been compensated in the pricing calculation. The price information from Plantation Agency can be accessed freely by public.	
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	The company has shown agreement of FFB purchasing with FFB supplier, e.g. "Surat Perjanjian Jual Beli TBS" No. 001/SPJB/IIS/CV. KB Buatan/IX/2017 dated 3 January 2017 between PT Inti Indosawit Subur Buatan Group with Mr. Djon Rinaldi (Local FFB Supplier). The agreement described as follows: <ul style="list-style-type: none"> <li>a. FFB is coming from surrounding community with plantation area ± 2.5 Ha.</li> <li>b. Article II (FFB handover) which mentioned that place of handover is at Buatan II POM weighbridge. FFB Supplier shall provide officer which completed with appointment letter to witness the truth about FFB weight and quality. FFB are sorted/graded with determined criteria, FFB which not comply to the criteria will be sent back to the supplier. Weighing performed twice, which is loaded and unloaded.</li> <li>c. Article III (FFB criteria), described criteria of ripe bunch is 1 loosefruit per kilogram FFB. Agreed sortation is based on FFB condition received at Mill. FFB quality that below criteria will be re-assessed by both party, and if there is a disagreement shall be written in minutes of FFB condition.</li> <li>d. Article IV (FFB price), described FFB price is based on evaluation of CPO and PK price that applied in international and local market. Every price change, PT Inti Indosawit Subur must make written announcement (SMS) to FFB supplier.</li> <li>e. Article V (Payment), described payment is done based on invoice which issued by FFB supplier. Payment will be transferred to bank account number written in invoice. Payment conducted at least 1 (one) week after invoice received by PT Inti Indosawit Subur.</li> <li>f. Article VI (Others), described that shell and empty fruit bunch will be regulated in separated provision. Settlement of dispute is done through deliberation, and if agreement is not reached it will be done through legal</li> </ul>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		<p>settlement (court) in PN Pekanbaru.</p> <p>Based on interview with one of local FFB supplier (Mr. Parauliyan Samosir), it shows that:</p> <ul style="list-style-type: none"> <li>a. Local FFB supplier has a copy of agreement/contract letter regarding FFB purchasing.</li> <li>b. There is regulation from PT Inti Indosawit Subur that FFB sent to the mill must not come from illegal land and traceability of FFB source has been conducted.</li> <li>c. Calculation of FFB volume sent by supplier is based on weighing at the mill.</li> <li>d. Announcement of price change done by SMS and email.</li> <li>e. Payment usually realized at 1 or 2 days after invoice received by PT Inti Indosawit Subur.</li> </ul> <p><b>Scheme Smallholder:</b> Interview with KUD leader reveals that all KUD and Farmer Groups (KT) understood the content of agreement between PT Inti Indosawit Subur and KUD. The contractual agreement is fair, legal and transparent, its stated Bahasa Indonesia. Agreement for all KUD and farmer group available under document: "Perjanjian PIR-Trans Tahun 1995" No.595/BT-IIS/IX/1995 dated 1 November 1995. The agreement contains arrangement of fair agreement such as: Plantation upkeep (article 2), pricing mechanism (article 5), Payment procedure (article 6), Dispute settlement (article 10), etc. The agreement signed by both parties and registered at public notary.</p>	
6.10.4	<p>Agreed payments shall be made in a timely manner.</p> <p>- Minor compliance -</p>	<p>Payment for FFB purchasing from farmer/kapling owner of scheme smallholders made through collective account in each cooperatives. The Cooperative management than will distribute to each farmer group (KT) and farmers group distribute the payment to each kapling owners.</p> <p>Based on interview with one of local FFB supplier (Mr. Parauliyan Samosir), it shows that payment usually realized at 1 or 2 days after invoice received by PT Inti Indosawit Subur. A review to several payment records in year 2017 demonstrated</p>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		that the payment has been made according to the agreement.	
<b>Criterion 6.11</b>			
Growers and millers contribute to local sustainable development where appropriate.			
6.11.1	Records of contributions to local development based on the results of consultation with local communities shall be available.  - Minor compliance -	<p>The CSR program for 2017 has been prepared. Based on interview with village officials of Gabung Makmur Village, Jati Mulya Village and Buatan Baru Village, it is known that company has consulted and communicated the program and budget with surrounding villages and communities.</p> <p>The existence of a plasma program is very helpful in rural development where every harvest of farmers / kapling is set aside for village development, for example;</p> <ul style="list-style-type: none"> <li>a. KT 143 (Pinggir Pematang) Jati Mulya Village set aside from the yield of oil palm IDR 30,000/Kapling/month for road maintenance, IDR 14,000/Kapling /month for village development, and IDR 25,000/Kapling/month for Mosque construction.</li> <li>b. KT 213 (Bukit Sawitri), Gabung Makmur village set aside from the yield of oil palm of IDR 2.5/Kg for village development, and IDR 10,000/Kapling/ month for Mosque construction.</li> </ul>	Comply
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve scheme smallholder productivity.  - Minor compliance -	<p>The Management of Buatan Scheme Smallholder has assist the scheme smallholders farmers, such as:</p> <ul style="list-style-type: none"> <li>- The Company has communicated and trained smallholder farmers regarding oil palm cultivation, health and safety, soil and water conservation;</li> <li>- The Company helps smallholder cooperative to conduct leaf analysis and soil analysis to prepare fertilizer recommendation;</li> <li>- The Company provided and guaranteed the fertilizer supplies for smallholder cooperatives;</li> <li>- The Company supports the implementation of best management practices for weed control – in form of spraying team for smallholder plantation;</li> <li>- Technical support, such as training, cooperative management and provide</li> </ul>	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		permanent resources (Scheme Manager, Assistant and supervisor in each cooperative); - The company has performed road maintenance in scheme smallholder area.	
<b>Criterion 6.12</b> No forms of forced or trafficked labor are used.			
6.12.1	There shall be evidence that no forms of forced or trafficked labor are used. - Major compliance -	<b>Buatan Estate and mill:</b> There is no form of forced labour and trafficked labour used in PT Inti Indosawit Subur. Collective Work Agreement or "Perjanjian Kerja Bersama/PKB" has been approved by company and all workers. All workers signed clear work agreement, explaining the right and obligation of the workers.  <b>Scheme smallholders:</b> KUD Buatan Jaya, KUD Kebun Sawit Harapan, KUD Mitra Usaha has a policy related to forced labour inside "Kebijakan Koperasi". Based on document verification and interview with worker shows no forced labour and/or migrant worker used in cooperative.	Comply
6.12.2	It shall be demonstrated that no contract substitution has occurred. - Minor compliance -	<b>Buatan Estate and mill:</b> Based on interview with Labour Agency of Pelalawan Regency, worker union representative and workers, following document review, there is no contract substitution. The Collective Work Agreement or "Perjanjian Kerja Bersama/PKB" has been communicated to workers. Work agreement has been explained and agreed by both parties. All workers are entitled with work agreement, understood the content of work agreement  <b>Scheme smallholders:</b> KUD Buatan Jaya, KUD Kebun Sawit Harapan, KUD Mitra Usaha has a policy related	Comply

`Criterion / Indicator		Assessment Findings	Compliance
		to work agreement inside "Kebijakan Koperasi". Based on document verification and interview with cooperative staff and worker, shows no contract substitution practised. See also 6.5.2.	
6.12.3	Where migrant/foreign/honorary workers are employed, a special worker policy and procedures and the evidence of implementation shall be available.  - Major compliance -	<p>No indication of trafficked labour nor forced labour in PT IIS – Buatan II POM. Interview with sample of workers (Mrs. Ivanali Ginting as Weighbridge Operator, Mr. Agustiar at Loading Ramp, Mr. Tohap Sianipar as Chief Security, Mr Jumadi at Processing station, etc) and representative of worker union (Mr. Stanly Taju) revealed that no indication of trafficked labor and forced labor. All employment arrangement has met requirement and applicable regulation.</p> <p>(see indicator 6.5.2)</p> <p>Sighted in Employee Register document, that total employee of PT Inti Indosawit Subur (Buatan II POM) is as follows:</p> <ul style="list-style-type: none"> <li>- 7 staffs</li> <li>- 95 Permanent workforce (45 SKU B and 50 SKU H)</li> <li>- 25 Non permanent workforce (PHL).</li> </ul> <p>Indosawit Subur (Buatan Estate) is as follows:</p> <ul style="list-style-type: none"> <li>- 27 staffs</li> <li>- 436 Permanent workforce (89 SKU B and 347 SKU H)</li> <li>- 586 Non permanent workforce (PHL).</li> </ul> <p>There is no migrant worker in PT IIS – Buatan II POM and its supply bases. All workers are Indonesian with clear identity. Based on interview and document verification in PHL employment documents in Buatan Estate Office, it's found that there are 5 PHL which exceed 21 working days in last 3 months, according to Permenaker No 100 tahun 2004 article 4-5 it supposed to be promoted as permanent workers (See indicator 2.1.1).</p>	<p><del>Non</del> compliance  Comply</p>

**Criterion 6.13**



`Criterion / Indicator		Assessment Findings	Compliance
Growers and millers respect human rights.			
6.13.1	<p>A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations.</p> <p>- Major compliance -</p>	<p>The company has established human rights policy, dated 1<sup>st</sup> December 2014, it has been communicated to all workforce, e.g.</p> <ul style="list-style-type: none"> <li>- Dissemination on 10<sup>th</sup> March 2015 for staff, attended 11 workers.</li> <li>- Dissemination on 2<sup>nd</sup> January 2015 for harvesters, attended 4 workers.</li> <li>- Dissemination on 5<sup>th</sup> March 2015 for staff, attended 6 workers,</li> <li>- Dissemination on 3<sup>rd</sup> June 2015 for afdeling 7 KBN-K, attended by 14 workers.</li> <li>- Dissemination on 2<sup>nd</sup> July 2015 for afdeling 8 KBN-K, attended by 69 workers.</li> </ul> <p>It was noted that there is no human rights violation until this surveillance audit including in scheme smallholder area.</p> <p><b>Scheme Smallholders:</b></p> <p>KUD Kebun Sawit Harapan, Buatan Jaya and Mitra Usaha:</p> <p>The cooperative is adopting Company policy on respect to human rights "Kebijakan koperasi" dated 1<sup>st</sup> August 2013. This policy has been communicated to smallholder member and made available in the notice board at the Cooperative office.</p>	Comply
<b>Principle 7: Responsible development of new plantings</b>			
<b>Criterion 7.1</b>			
A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.			
7.1.1	An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including	Note that there was no new planting in Buatan Estate. All of the immature area was	N/A

`Criterion / Indicator		Assessment Findings	Compliance
	<p>the relevant affected stakeholders, shall be documented.</p> <p>- Major compliance –</p>	<p>for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2</p> <p>PT. Inti Indosawit Subur – Buatan II POM, Estate and Smallholder demonstrate An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders. The document presented in Analisis Mengenai Dampak Lingkungan (AMDAL) consist of document ANDAL, RKL and RPL as approved through “Persetujuan Komisi Amdal Departemen Pertanian No. 013/ANDAL/BA/V/95, dated 3rd May 1995, tentang Studi Analisis Dampak Lingkungan (ANDAL) Perkebunan Kelapa Sawit Pola PIR-Transmigrasi dan Pabrik Minyak kelapa Sawit (PMKS) di Kab. Kampar, Indragiri Hulu dan Bengkalis, Propinsi Riau, mill capacity 30 tonnes FFB/hours.</p>	
7.1.2	<p>Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts.</p> <p>- Minor compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2</p> <p>PT. Inti Indosawit Subur – Buatan II POM, Estate and Smallholder has environmental management and monitoring plan in term of “Rencana Pengelolaan dan Pemantauan Lingkungan” under Section IV of EIA document. Plan has covered all significant impacts with detail activities programme, relevant regulation, person in charge, and time table. Review of record and field inspection found all activities plan have been implemented and reported in “Laporan RKL RPL”, it was reported regularly to the government.</p>	N/A
7.1.3	<p>Where the development includes an outgrower scheme (<i>skema kemitraan</i>), the impacts of the scheme and the implications of the way it is managed shall be given particular attention.</p> <p>- Minor compliance -</p>	<p>Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2</p> <p>PT. Inti Indosawit Subur – Buatan II POM, Estate and Smallholder has environmental management and monitoring plan in term of “Rencana Pengelolaan dan Pemantauan Lingkungan” under Section IV of EIA document. The management and monitoring to mitigate the negative impact has been include the smallholder scheme.</p>	N/A

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 7.2</b>			
Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.			
7.2.1	Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations. - Major compliance –	Planting year of Buatan Estate are from 1989 to 2017. All plantation area was opened before 1991. Planting year 2014 to 2017 is replanting. There is no activity of new development (new planting) in Buatan Estate.	N/A
7.2.2	Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available. - Minor compliance -	Planting year of Buatan Estate are from 1989 to 2017. All plantation area was opened before 1991. Planting year 2014 to 2017 is replanting. There is no activity of new development (new planting) in Buatan Estate.	N/A
<b>Criterion 7.3</b>			
New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.			
7.3.1	There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2). - Major compliance –	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2  HCV assessment was conducted by Bogor Agriculture University (IPB) in 2009 refer to the HCV Indonesian-Toolkit 2008 who have experience and approved by RSPO.	N/A
7.3.2	Reports of comprehensive HCV assessment, which involves stakeholder consultation and includes record of land-use change since November 2005, shall be available. This HCV assessment shall be conducted prior to any conversion or new planting.	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991. See 3.1.2  HCV assessment was conducted by Bogor Agriculture University (IPB) in 2009 refer	N/A

`Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance –	to the HCV Indonesian-Toolkit 2008 who have experience and approved by RSPO. HCV identification was consulted to the relevant stakeholder. All HCV areas was mapped and available in place.	
7.3.3	Records of land preparation and clearing dates shall be available. - Minor compliance –	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.	N/A
7.3.4	An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower’s relevant operational procedures. (see Criterion 5.2) - Major compliance –	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.  The company has established HCV management and monitoring plan as documented in “Conservation Management Plan (CMP) - Program Management and Monitoring 2017”.	N/A
7.3.5	Evidence of consultation with the affected community shall be available in order to identify the area required by such community to fulfill its basic needs, by considering the positive and negative changes to the livelihood as a result of plantation operations. Such matters shall be included in the HCV analysis and management plan (see Criteria 5.2). - Minor compliance –	Note that there was no new planting in Buatan Estate. All of the immature area was for replanting, for oil palm with planting year 1988, 1989, 1990, 1991.  HCV identification was consulted to the relevant stakeholder. All HCV areas was mapped and available in place. Evidence of consultation with the affected community were available in the HCV assessment report document.	N/A
<b>Criterion 7.4</b>			
Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.			
7.4.1	Indicative maps showing marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided.	Planting year of Buatan Estate are from 1989 to 2017. All plantation area was opened before 1991. Planting year 2014 to 2017 is replanting. There is no activity of	N/A

` Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance –	new development (new planting) in Buatn Estate.	
7.4.2	Where limited planting on fragile and marginal soils, including peat, is proposed, a documented plan shall be developed and implemented to protect them without incurring adverse impacts.  - Major compliance –	Planting year of Buatn Estate are from 1989 to 2017. All plantation area was opened before 1991. Planting year 2014 to 2017 is replanting. There is no activity of new development (new planting) in Buatn Estate.	N/A
<b>Criterion 7.5</b>			
No new plantings are established on local people’s land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.			
7.5.1	Evidence shall be available that affected local peoples understand they have the right to say ‘yes’ or ‘no’ to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the grower/miller is signed and ratified by these local peoples (see Criteria 2.2, 2.3, 6.2, 6.4 and 7.6)  - Major compliance –	Planting year of Buatn Estate are from 1989 to 2017. All plantation area was opened before 1991. Planting year 2014 to 2017 is replanting (see 3.1.2). There is no activity of new development (new planting) in Buatn Estate.	N/A
<b>Criterion 7.6</b>			
Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.			
7.6.1	Records of identification and assessment of legal, customary and user rights shall be available.  - Major compliance –	Planting year of Buatn Estate are from 1989 to 2017. All plantation area was opened before 1991. Planting year 2014 to 2017 is replanting (see 3.1.2). There is no activity of new development (new planting) in Buatn Estate.	N/A

`Criterion / Indicator		Assessment Findings	Compliance
7.6.2	A procedure for identifying people entitled to compensation shall be available. - Major compliance –	Planting year of Buatán Estate are from 1989 to 2017. All plantation area was opened before 1991. Planting year 2014 to 2017 is replanting (see 3.1.2). There is no activity of new development (new planting) in Buatán Estate.	N/A
7.6.3	Records of calculation system and distribution of fair compensation shall be available. - Major compliance –	Planting year of Buatán Estate are from 1989 to 2017. All plantation area was opened before 1991. Planting year 2014 to 2017 is replanting (see 3.1.2). There is no activity of new development (new planting) in Buatán Estate.	N/A
7.6.4	Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development. - Minor compliance –	Planting year of Buatán Estate are from 1989 to 2017. All plantation area was opened before 1991. Planting year 2014 to 2017 is replanting (see 3.1.2). There is no activity of new development (new planting) in Buatán Estate.	N/A
7.6.5	The process and outcome of any compensation claims shall be documented and made available to the affected communities and their representatives. - Minor compliance –	Planting year of Buatán Estate are from 1989 to 2017. All plantation area was opened before 1991. Planting year 2014 to 2017 is replanting (see 3.1.2). There is no activity of new development (new planting) in Buatán Estate.	N/A
7.6.6	Evidence shall be available that the affected communities and rights holders have access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands. - Minor compliance –	Planting year of Buatán Estate are from 1989 to 2017. All plantation area was opened before 1991. Planting year 2014 to 2017 is replanting (see 3.1.2). There is no activity of new development (new planting) in Buatán Estate.	N/A
<b>Criterion 7.7</b> No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN Guidelines or other regional best practice.			

`Criterion / Indicator		Assessment Findings	Compliance
7.7.1	Records of zero burning implementation on land clearing, referring to the ASEAN Policy on zero burning (2003) and recognised techniques based on the existing regulations shall be available. - Major compliance –	Planting year of Buatán Estate are from 1989 to 2017. All plantation area was opened before 1991. Planting year 2014 to 2017 is replanting (see 3.1.2). There is no activity of new development (new planting) in Buatán Estate.	N/A
7.7.2	In exceptional cases where fire has to be used for preparing land for planting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance –	Planting year of Buatán Estate are from 1989 to 2017. All plantation area was opened before 1991. Planting year 2014 to 2017 is replanting (see 3.1.2). There is no activity of new development (new planting) in Buatán Estate.	N/A
<b>Criterion 7.8</b>			
New plantation developments are designed to minimize net greenhouse gas emissions.			
7.8.1	The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated. - Major compliance –	Planting year of Buatán Estate are from 1989 to 2017. All plantation area was opened before 1991. Planting year 2014 to 2017 is replanting (see 3.1.2). There is no activity of new development (new planting) in Buatán Estate.	N/A
7.8.2	Records of a plan to minimize net GHG emissions shall be available. - Minor compliance –	Planting year of Buatán Estate are from 1989 to 2017. All plantation area was opened before 1991. Planting year 2014 to 2017 is replanting (see 3.1.2). There is no activity of new development (new planting) in Buatán Estate.	N/A
<b>Principle 8: Commitment to continuous improvement in key areas of activity</b>			
<b>Criterion 8.1</b>			

`Criterion / Indicator	Assessment Findings	Compliance
Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.		
8.1.1	<p>The action plan for monitoring shall be available, based on a consideration of the social and environmental impacts and routine evaluation of the plantation and mill operations. As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of certain chemicals (Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);</li> <li>• Optimising the yield of FFB production (Criterion 4.2)</li> </ul> <p>- Major compliance –</p> <p>Evidence of several improvements was shown, e.g.</p> <p>A. Best Agriculture Practices:</p> <ol style="list-style-type: none"> <li>1. Control of Erosion and Soil Degradation <ul style="list-style-type: none"> <li>• Development of terrace contour</li> <li>• Map and photograph of terrace</li> <li>• EFB Application</li> </ul> </li> <li>2. Integrated Pest Management (IPM) <ul style="list-style-type: none"> <li>• Replacement of barn owl</li> <li>• Planting host plant</li> </ul> </li> <li>3. Road Infrastructure <ul style="list-style-type: none"> <li>• Mechanical road maintenance</li> <li>• Road hardening</li> </ul> </li> <li>4. Water Management</li> <li>5. Reduce use of paraquat</li> </ol> <p>B. Environment</p> <ul style="list-style-type: none"> <li>• Segregation of domestic water run off with industrial waste water by building trench around shell storage area to prevent contaminated water to open drainage</li> <li>• Improvement in monitoring of fuel consumption by calibrating fuel injection pumps and check fuel nozzle pipe.</li> <li>• Improvement in monitoring of domestic water consumption by installing flow meter to monitor water consumption in housing</li> <li>• Recycle the water cooler turbine discharge water basin;</li> <li>• Recycle the condensate water discharge water dilution;</li> <li>• Minimize duration of mill cleaning to be every two weeks.</li> </ul> <p>C. Pollution and emissions:</p> <ul style="list-style-type: none"> <li>• Reduction of potential particulate release to the atmosphere by increase boiler ash capture by the chimney</li> </ul> <p>D. Biodiversity conservation</p>	Comply



`Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>• Planting riparian zone/river border with barrier to erosion plant and native species to conserve riparian zone</li> <li>• Monitoring of RTE species regularly to control the population dynamics of wildlife</li> <li>• Sign board installation for HCV protection and awareness to conserve biodiversity and HCV area</li> </ul> <p>E. Social impacts</p> <ul style="list-style-type: none"> <li>• Economic empowerment of the surrounding community, e.g. goods procurement using local supplier.</li> <li>• CSR program</li> </ul>	

**Appendix B: Approved Time Bound Plan**

Name of Mill	Address	Time bound for certification	Status as of September 2017
Buatan I	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Certified on 16 <sup>th</sup> September 2010
Buatan II	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Certified on 16 <sup>th</sup> September 2010
Ukui I	Ukui Village, Ukui District, Pelalawan Regency, Riau	2010	Certified on 1 <sup>st</sup> March 2011
Ukui II	Ukui Village, Ukui District, Pelalawan Regency, Riau	2010	Certified on 1 <sup>st</sup> March 2011
Tungkal Ulu	Pulau Pauh / Penyabungan / Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2011	Certified on 15 <sup>th</sup> August 2012
Muara Bulian	Singoan / Bukit Sari / Bulian Jaya Village, Muara Bulian / Pelayung District, Batang Hari Regency, Jambi	2011	Certified on 28 <sup>th</sup> August 2012
Topaz	Petapahan Village, Tapung District, Kampar Regency, Riau	2013	Certified on 30 <sup>th</sup> March 2015
Taman Raja	Lubuk Bernai / Kampung Baru / Pelabuhan Dagang / Pematang Pauh Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2013	Certified on 20 <sup>th</sup> February 2015
Segati	Langkan / Penarikan / Tambak / Sotol Village, Langgam District, Pelalawan Regency, Riau	2014	Moved to 2018
Tanah Datar	Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatera	Brought Forward from 2015 to 2013	Certified on 18 <sup>th</sup> May 2015
Aek Nabara	S1-S3 / Sukadame Village, Bilah Hulu / Kota Pinang District, Labuhan Batu Regency, North Sumatera	Brought Forward from 2015 to 2013	Certified on 6 <sup>th</sup> March 2015
Teluk Panjie	Teluk Panjie Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatera	Brought Forward from 2015 to 2013	Certified on 21 <sup>st</sup> April 2015
Peranap	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	Brought Forward from 2016 to 2013	Certified on 7 <sup>th</sup> January 2015
Bungo Tebo	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	2016	Certified on 3 <sup>rd</sup> December 2015
Tanjung Selamat	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera	2017	Certified on 26 <sup>th</sup> May 2015
Gunung Melayu I	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatera	2017	Certified on 7 <sup>th</sup> September 2015
Gunung Melayu II	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatera	2017	Certified on 8 <sup>th</sup> July 2015
Negri Lama I	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera	Brought Forward from 2018 to 2013	Certified on 6 <sup>th</sup> April 2015
Negri Lama II	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera	2018	Certified on 3 <sup>rd</sup> December 2015
Buatan	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Certified on 16 <sup>th</sup> September 2010
Ukui & Soga	Ukui Village, Ukui District, Pelalawan Regency, Riau	2011	Certified on 1 <sup>st</sup> March 2011
Buatan (Plasma)	Kerinci Kanan, Pangkalan Kerinci, Dayun Village, Siak & Pelalawan Regency, Riau	2011	Certified on 13 <sup>th</sup> March 2012
Ukui (Plasma)	Ukui & Lubuk Batu Jaya District, Pelalawan & Inhu Regency, Riau	Brought forward from 2012 to 2011	Certified on 11 <sup>th</sup> June 2012
Tungkal Ulu	Pulau Pauh/Penyabungan/Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2011	Certified on 15 <sup>th</sup> August 2012
Muara Bulian	Singoan/Bukit Sari/ Bulian Jaya Village, Muara Bulian/Pemayung District, Batang Hari Regency, Jambi	2011	Certified on 28 <sup>th</sup> August 2012
Buatan (KKPA)	Kerinci Kanan, Pangkalan Kerinci, Dayun District, Siak & Pelalawan Regency, Riau	2012	Certified on 17 <sup>th</sup> January 2013

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

<b>Name of Mill</b>	<b>Address</b>	<b>Time bound for certification</b>	<b>Status as of September 2017</b>
Tungkal Ulu (Plasma)	Renah Mendalo, Merlung, Muara Papalik District, Tanjung Jabung Barat Regency, Jambi	2012	Certified on 11 <sup>th</sup> July 2013
Muara Bulian (Plasma)	Maro Sebo Ilir District, Batanghari Regency, Jambi	2012	Certified on 12 <sup>th</sup> July 2013
Muara Bulian (KKPA)	Maro Sebo Ilir District, Batanghari Regency, Jambi	2012	Certified on 12 <sup>th</sup> July 2013
Topaz & Seed Garden	Petapahan Village, Tapung District, Kampar Regency, Riau	2013	Certified on 30 <sup>th</sup> March 2015
Taman Raja & Badang	Lubuk Bernai / Kampung Baru / Pelabuhan Dagang / Pematang Pauh Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2013	Certified on 20 <sup>th</sup> February 2015
Segati	Langkan / Penarikan / Tambak / Sotol Village, Langgam District, Pelalawan Regency, Riau	2014	Moved to 2018
Penarikan & Gondai	Pangkalan Sarik / Baru Village, Langgam / Siak Hulu District, Pelalawan Regency, Riau	2014	Moved to 2018
Penarikan (KKPA)	Pangkalan Sarik / Baru Village, Langgam / Siak Hulu District, Pelalawan Regency, Riau	2014	Moved to 2018
Gunung Sahilan (KKPA)	Gunung Sahilan Village, Lipat Kain District, Pelalawan Regency, Riau	2014	Moved to 2018
Bahilang	Bahilang Village, Tebing Tinggi District, Serdang Bedagai Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified 18 <sup>th</sup> May 2015
Tanah Datar	Tanah Datar Petatal Village, Talawi District, Asahan Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified 18 <sup>th</sup> May 2015
Aek Nabara	S1-S3 / Sukadame Village, Bilah Hulu / Kota Pinang District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified on 6 <sup>th</sup> March 2015
Teluk Panjie	Teluk Panjie Village, Kampung Rakyat District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2015 to 2013	Certified on 21 <sup>st</sup> April 2015
Peranap	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	Brought Forward from 2016 to 2013	Certified on 7 <sup>th</sup> January 2015
Bungo Tebo	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	Brought Forward from 2016 to 2014	Certified 3 <sup>rd</sup> December 2015
Peranap (Plasma)	Simelinyang / Pauh Ranap / Sengkilo Village, Peranap District, Indragiri Hulu Regency, Riau	2016	Certified 19 <sup>th</sup> August 2016
Bungo Tebo (Plasma)	Tuo Sumai / Sungai Rambai Village, PWK Sumai / Tebo Ulu District, Bungo Tebo Regency, Jambi	2016	Certified on 24 <sup>th</sup> September 2016
Tanjung Selamat	Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 26 <sup>th</sup> May 2015
Pangkatan	Sennah Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 26 <sup>th</sup> May 2015
Sentral & Batu Anam	Gonting Mahala Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 8 <sup>th</sup> July 2015
Pulau Maria	Rahuning Village, Bandar Pulau District, Asahan Regency, North Sumatra	Brought Forward from 2017 to 2014	Certified 7 <sup>th</sup> September 2015
Negri Lama	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2018 to 2013	Certified on 6 <sup>th</sup> April 2015
Aek Kuo	Aek Korsik Village, Aek Natas District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2016 to 2013	Certified on 6 <sup>th</sup> April 2015

**Appendix C: Certification Unit RSPO Certificate Details**

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

BSI RSPO Certificate No: RSPO 638947  
Date of Initial Certificate Issued: 16/09/2010  
Date of Expiry: 15/09/2020  
RSPO membership number: 1-0022-06-000-00  
Applicable Standards: **RSPO P&C INA NI 2016**; *RSPO Supply Chain Certification Standard November 2014*  
*Module E - CPO Mills: Mass Balance*

PT Inti Indosawit Subur - Buatan II Palm Oil Mill and Supply Base						
Location Address	Delik Village and Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau Province Indonesia					
GPS Location	101° 52' 08" E & 0° 27' 24" N					
CPO Tonnage Total	57,602 MT					
PK Tonnage Total	15,689 MT					
CPO Claimed for Certification*	39,733 MT					
PK Claimed for Certification *	10,534 MT					
Own estates FFB Tonnage	47,346 MT					
Scheme Smallholder FFB Tonnage	153,389 MT					
Estates	Production Area		Other use (ha)	HCV (Ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)				
Buatan Estate*)	2,396	1,110	134	35.40**)	3,640	47,346
KUD Mulus Rahayu	392	310	0	0	702	4,613
KUD Bhirawa Bhakti	984	0	0	0	984	13,839
KUD Tani Rukun	962	0	0	0	962	18,450
KUD Kebun Sawit Harapan	800	0	0	0	800	15,374
KUD Buatan Jaya	860	0	0	0	860	16,918
KUD Mitra Usaha	1,200	0	0	0	1,200	24,712
KUD Makarti Sawit	800	0	0	0	800	14,290

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

KUD Bina Mulia	872	0	0	0	872	15,793
KUD Delima Sakti	1,490	0	0	0	1,490	29,400
<b>TOTAL</b>	<b>10,756</b>	<b>1,420</b>	<b>134</b>	<b>35.40</b>	<b>12,310</b>	<b>200,735</b>

\*) Only Buatan Estate, Division IV, V, VI and 190 ha of Division III were supplied FFB to Buatan II Palm Oil Mill.

\*\*) HCV areas are include in planted area.

**Appendix D: Assessment Plan**

Date	Time	Subjects	Eko	Muji	Edy	Nanang	Aswan	
Monday, 04/09/2017	06.00 – 08.00	Flight Jakarta – Pekanbaru <i>(Flight GA170, ETD 06.00 – ETA 07.45)</i>	√	√	√	√		
		Flight Medan – Pekanbaru					√	
	08.00 – 10.00	Traveling Pekanbaru – Site	√	√	√	√	√	
	10.00 – 10.30	<b>Opening Meeting</b> Presentation by PT IIS – Buatan II POM, Estate and Smallholder Presentation by BSI Indonesia	√	√	√	√	√	
	10.30 – 12.00	<b>Buatan II POM:</b> Document Review: Best management practices Mill and EMS implementation			√			
		Social and Labour issue, Interview with worker					√	
		OHS implementation,						√
		Supply Chain Certification for CPO Mill Model MB	√					
	Interview with Local Government : BLH, Disbun, Disnakertrans, BPN Kab. Pelalawan				√			
12.00 – 14.00	<b>Break</b>	√	√	√	√	√		

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

Date	Time	Subjects	Eko	Muji	Edy	Nanang	Aswan
	14.00 – 17.00	<b>Buatan II POM</b> Field Visit: Weight bridge, Mill process from incoming FFB to CPO storage tank/PK, Clinic, PPE, safe working environment, walk ways, signs, EFB. POME treatment, emissions, diesel tanks, fire extinguishers, first aiders and boxes, workshop, storage, Worker and staff interviews (OHS, contract, salary), housing complex, etc Supply Chain Certification for CPO Mill Model MB	√	√			√
		Document Review: Social and Labour issue, Continual improvement, etc. Interview with workers, Gender committee, Union labor etc			√	√	
Tuesday, 05/09/2017	08.00 – 12.00	<b>Buatan Estate (Afd IV, V and VI)</b> Field Visit: Plantation upkeep (herbicide application programs, manual, etc), harvesting, fertilizer application, terracing, road maintenance, IPM implementation, etc. HGU pegs maintenance. Interview with Workers	√				
		Field Visit: OHS implementation : Workshop, Pesticide and agrochemical storage, Equipment storage, Diesel fuel storage, Clinic, Housing complex Interview with Workers					√
		EMS implementation : Workshop, Pesticide and agrochemical storage, Equipment storage, Diesel fuel storage, Clinic, Housing complex HCV MM implementation Interview with Workers		√			
		Field Visit: Public facility Interview with Local NGO, Local Contractor, Village head, Public figure, Local community, other interested party			√	√	
	12.00 – 14.00	<b>Break</b>	√	√	√	√	√
	14.00 – 17.00	<b>Buatan Estate (Afd IV, V and VI)</b> Document review Best management practices Agronomy, and Continual improvement.	√				

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

Date	Time	Subjects	Eko	Muji	Edy	Nanang	Aswan
		OHS implementation and Continual improvement.					√
		EMS implementation, HCV and Continual improvement.		√			
		Document Review: Land Legality, Social and Labour issue, Continual improvement, etc.  Interview with Gender committee, Union labor etc			√	√	
Wednesday 06/09/2017	08.00 – 12.00	<b>Scheme Smallholder (KUD Kebun Sawit Harapan)</b>  Field Visit : Field visit to Kavling/Block member of Smallholder to verify conformity with Certification Group Standard, BMP, OHS-EMS Implementation, HCV, Social and Labor, Continual improvement, etc. Document review at KUD Kebun Sawit Harapan	√	√	√	√	√
	12.00 – 14.00	<b>Break</b>	√	√	√	√	√
	14.00 – 17.00	<b>Scheme Smallholder</b>  Document Review:  Group manager and member requirement to demonstrate conformity/compliance with RSPO P & C INA NI 2016:  Legal requirement, Best management practice Agronomy, HCV, EMS, OHS implementation, Social and labor, Continual improvement, etc.	√	√	√	√	√
Thursday 07/09/2017	08.00 – 12.00	<b>Scheme Smallholder (KUD Buatan Jaya)</b>  Field Visit : Field visit to Kavling/Block member of Smallholder to verify conformity with Certification Group Standard, BMP, OHS-EMS Implementation, HCV, Social and Labor, Continual improvement, etc. Member document review at KUD Buatan Jaya	√	√	√	√	√
	12.00 – 14.00	<b>Break</b>	√	√	√	√	√

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

Date	Time	Subjects	Eko	Muji	Edy	Nanang	Aswan
	14.00 – 17.00	<b>Scheme Smallholder (KUD Buatan Jaya)</b> Document Review : Field visit to Kavling/Block member of Smallholder to verify conformity with Certification Group Standard, BMP, OHS-EMS Implementation, HCV, Social and Labor, Continual improvement, etc. Member document review at KUD Buatan Jaya	√	√	√	√	√
Friday 08/09/2017	08.00 – 12.00	<b>Scheme Smallholder (KUD Mitra Usaha)</b> Field Visit : Field visit to Kavling/Block member of Smallholder to verify conformity with Certification Group Standard, BMP, OHS-EMS Implementation, HCV, Social and Labor, Continual improvement, etc. Member document review at KUD Buatan Jaya	√	√	√	√	√
	12.00 – 14.00	<b>Break</b>	√	√	√	√	√
	14.00 – 15.30	<b>Scheme Smallholder (KUD Mitra Usaha)</b> Document Review : Field visit to Kavling/Block member of Smallholder to verify conformity with Certification Group Standard, BMP, OHS-EMS Implementation, HCV, Social and Labor, Continual improvement, etc. Member document review at KUD Buatan Jaya	√	√	√	√	√
	15.30 – 16.00	Report preparation	√	√	√	√	√
	16.00 – 17.00	Closing Meeting	√	√	√	√	√
	17.00 – 20.00	Traveling Site – Pekanbaru <i>(Stay at Pekanbaru)</i>	√	√	√	√	√
Saturday 09/09/2017	08.00 – 12.00	Flight Pekanbaru – Jakarta <i>(Flight GA173, ETD 08.30 – 10.20)</i>	√	√	√	√	
	08.00 – 12.00	Flight Pekanbaru – Medan					√



**Appendix E: Stakeholders Contacted**

<p><b>Internal Stakeholders</b> Workers (sprayers, harvesters, mill operators); Gender committee;</p>	<p><b>Union/Contractors/Local Communities</b> Serikat Pekerja PT. Inti Indosawit Subur – Buatan; Local contractor for electric installation; Local contractor for house repair;</p>
<p><b>Government Departments</b> Dinas Perkebunan Kabupaten Pelalawan; Dinas Tenaga Kerja Kabupaten Pelalawan; Dinas Koperasi Kabupaten Pelalawan; Badan Lingkungan Hidup Kabupaten Pelalawan;</p>	<p><b>NGO</b> Laskar Anti Korupsi Indonesia</p>

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

Requirements	Compliance
<b>E.1 Definition</b>	
<p>E.1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p>	<p>PT Inti Indosawit Subur – Buatan II POM holds current RSPO P&amp;C Certificate No.SPO 638947. In the current certificate, PT. Inti Indosawit Subur – Buatan II POM implemented Mass Balance supply chain system.</p> <p>PT. Inti Indosawit Subur only claimed the FFB proportion from certified supply bases which comprise of company-own estate, KKPA and scheme smallholder cooperatives. The other supply base, were come from third party contractors/collectors as non-certified FFB source.</p>
<b>E.2 Explanation</b>	
<p>E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p>	<p>PT Inti Indosawit Subur - Buatan II POM demonstrates the estimate of certified CPO and PK products. BSI verifies the estimate of CPO and PK products during each assessment. The estimated tonnage of CPO and PK products has been recorded in the public summary of the RSPO P&amp;C certification report. The 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 estimated of certified CPO and PK volume are as follows:</p> <ol style="list-style-type: none"> <li>1. ASA1: Estimated CPO: 49,132 MT, PK: 12,211 MT</li> <li>2. ASA2: Estimated CPO: 39,733 MT, PK: 10,534 MT</li> </ol> <p>Actual CPO and PK tonnage produced has also been recorded by the CB in each subsequent annual surveillance report. The actual of certified CPO and PK volume produced are as follows:</p> <ol style="list-style-type: none"> <li>1. ASA1: Actual CPO: 34,772 MT, Actual PK: 8,781 MT</li> <li>2. ASA2: Actual CPO: 44,436 MT, Actual PK: 12,041 MT</li> </ol>
<p>E.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>PT. Inti Indosawit Subur – Buatan II POM has been registered in RSPO IT Platform, with PalmTrace ID number RSPO_PO1000000382. PT Inti Indosawit Subur – Buatan II POM has meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>
<b>E.3 Documented procedures</b>	
<p>E.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall</p>	<p>Buatan II POM has a written documented procedure for the RSPO Supply Chain Certification with MB model covering certified and non-certified FFB. The company shows</p>

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

<p>include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</p>	<p>procedure:</p> <ul style="list-style-type: none"> <li>- AA-MPM-OP-1400.18-R4 (Book Keeping) dated 25 February 2015</li> <li>- AA-MPM-OP-1400.17.R4 (Traceability) dated 25 February 2015</li> </ul> <p>The marketing is responsible to create delivery order, identifying POM name and address, buyer name and address, contract number, product type, certified/non-certified status, date of shipping, product specification, supply chain model, etc.</p> <p>Mill managers have the responsibility to ensure implementation of supply chain procedure. PT Inti Indosawit Subur – Buatan II Mill has also determined the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements, which is the Mill KTU, evident by Memorandum from the Mill Manager No.102/MM-Kary/PBD/08/17 dated 4 August 2017.</p>
<p>E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBS.</p>	<p>The site has had documented procedures for receiving Certified and Non-certified FFBS in form of SOP AA-MPM-OP-1400.17-R4 "Traceability" and SOP for station of Receiving (AA-MPM-OP-1400.02-R1). The site also has documented procedures for processing Certified and Non-certified FFBS in form of SOP AA-MPM-OP-1400.17-R4 "Traceability", SOP of Production (AA-MPM-OP-1400.03 to 08-R1), SOP for Storing and Delivering (AA-MPM-OP-1400.14-R1)</p>
<p><b>E.4 Purchasing and goods in</b></p>	
<p>E.4.1 The site shall verify and document the volumes of certified and non-certified FFBS received.</p>	<p>Person who has responsibility for recording results weighbridge can demonstrate mechanism to verify and document the volumes of Certified and Non-certified FFBS received, among others regarding:</p> <ul style="list-style-type: none"> <li>• Name of Estate, Division and Block (Sources of certified FFB)</li> <li>• Date of harvesting</li> <li>• Certificate Number</li> </ul> <p>Document verified, i.e.:</p> <ul style="list-style-type: none"> <li>- SPB number 002345, Weighbridge ticket PBDA117109417, dated 25 August 2017, mention commodity is certified FFB from KKPA Block G01f (457 bunches) and G01i (431 bunches), nett weight 8,520 Kg, RSPO Certificate number RSPO-638947, transporter BM9214CI (internal), batch number 13-100-27362017061499.</li> <li>- SPB number KBNDT242017082307, Weighbridge ticket PBDA117109333, dated 23 August 2017, mention commodity is certified FFB from Buatan Estate, Afdeling 5 Block D91a (84 bunches), nett weight 2,110 Kg, RSPO Certificate number RSPO-638947, transporter BM8722TE (internal), batch number 13-100-1646216-10060881.</li> <li>- SPB number KBNDT252017082401, Weighbridge ticket PBDA117109337, dated 24 August 2017, mention commodity is certified FFB from Buatan Estate, Afdeling 5 Block D90ba (2 bunches), D90da (20 bunches), D91a (85 bunches), D91b (55 bunches) and E91c (48 bunches),</li> </ul>

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

	<p>nett weight 5,200 Kg, RSPO Certificate number RSPO-638947, transporter BM8723TE (internal), batch number 13-100-16462016-10060982.</p> <ul style="list-style-type: none"> <li>- SPB number 000045, Weighbridge ticket PBDA217109019, dated 31 August 2017, mention commodity is certified FFB from Smallholder KT Anugrah Sawit, ID P3085 (303 bunches), nett weight 6,648 Kg, RSPO Certificate number RSPO-638947, transporter BM8042SC (internal), batch number 13-100-24282017-10063595.</li> </ul> <p>SPB number 00001, Weighbridge ticket PBDA517105073, dated 29 August 2017, mention commodity is non certified FFB from third party CV Karya Bersama (PBD-A), ID ST00026 (200 bunches), nett weight 4,420 Kg, transporter BM9480SF.</p>
<p>E.4.2 The site shall inform the CB immediately if there is a projected overproduction.</p>	<p>PT Inti Indosawit Subur – Buatan II Palm Oil Mill has commitment to always keep in touch with CB to immediately inform if there is a projected overproduction of certified tonnage.</p>
<p><b>E.5 Record keeping</b></p>	
<p>E.5.1 a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p> <p>(b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)</p>	<p>The site has recorded and made balancing all receipts of RSPO certified FFB on a three-monthly basis. The site has also recorded and made balancing of all produced and delivered RSPO certified CPO and PK on a three-monthly basis.</p> <p>The entire amount or volume of CPO and PK have being deducted from the material (FFB) accounting system according to OER and KER defining on average of each process (i.e.: certified and non-certified).</p> <p>The Mill deliver certified CPO and PK to PT. Sari Dumai Sejati (Lubuk Gaung – Dumai), and sometime deliver PK to Buatan I KCP. There were found that the site has delivered the certified products from positive stocks. PT. Sari Dumai Sejati (Lubuk Gaung – Dumai) which has been RSPO SC certified model IP, SG and MB based on certificate number CU-RSPO SCC 821960 by Control Union, expired until 29 August 2022.</p> <p>The site has never practiced sell short.</p> <p>Document verified, i.e.:</p> <ul style="list-style-type: none"> <li>- Laporan Unit Pabrik July 2017</li> <li>- Laporan Unit Pabrik December 2016</li> <li>- Weighbridge ticket PBDC117200409 dated 10 March 2017, based on DO #03311/DC10/02/17, mention commodity is certified CPO from Buatan II Mill, nett weight 27,640 Kg, delivered to Lubuk Gaung Bulking Station, RSPO Certificate number RSPO-638947, transporter BM6619RO (CV Jasa Bersama).</li> <li>- Weighbridge ticket PBDC217200326 dated 18 June 2017, based on DO #06011/DC10/13/17, mention commodity is certified PK from Buatan II Mill, nett weight 28,270 Kg, delivered to Lubuk Gaung Bulking Station, RSPO Certificate number RSPO-638947, transporter BM8809RO (Buana Jaya Bersama).</li> <li>- Weighbridge ticket PBDC217200198 dated 04 April 2017, based on DO #03308/DC10/13/17, mention commodity is certified PK from Buatan II Mill, nett weight 20,050 Kg, delivered to Buatan I KCP, RSPO Certificate number RSPO-638947, transporter BM9544RC (Buana Jaya</li> </ul>

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

<p>E.5.2 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement</p>	<p>Bersama). The mill delivered palm kernel to palm kernel crushing plant (KCP) which has been separately certified by BSI. The KCP is Buatan I Kernel Crushing Plant which is still fall under PT Inti Indosawit Subur. The certificate ID is RSPO 638911 and the Supply Chain Model is Mass Balance. The certificate valid from 24 August 2015 until 23 August 2020, and last revision dated 18 July 2016. There is no outsourcing activity operated in PT Inti Indosawit Subur – Buatan II Palm Oil Mill.</p>
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**RSPO Public Summary Report**  
**Revision 4 (November /2016)**

**Actual Tonnage Certified Palm Production – September 2016 – August 2017 (MA)**

Mill	Capacity	CPO	PK
Buatan II	60 tons FFB/hour	44,436 MT	12,041 MT

**Actual Tonnage Sales of Certified Palm Products - September 2016 – August 2017**

Mill	Certified CPO Sales	Certified PK Sales	Remarks
Buatan II	6,912.31 MT	9,265.26 MT	-

**Actual Sales for other scheme - September 2016 – August 2017 :**

Mill	Certified CPO Sales	Certified PK Sales	Remarks
Buatan II	27,997 MT	0	ISCC

**Actual Sales for non certified - September 2016 – August 2017 :**

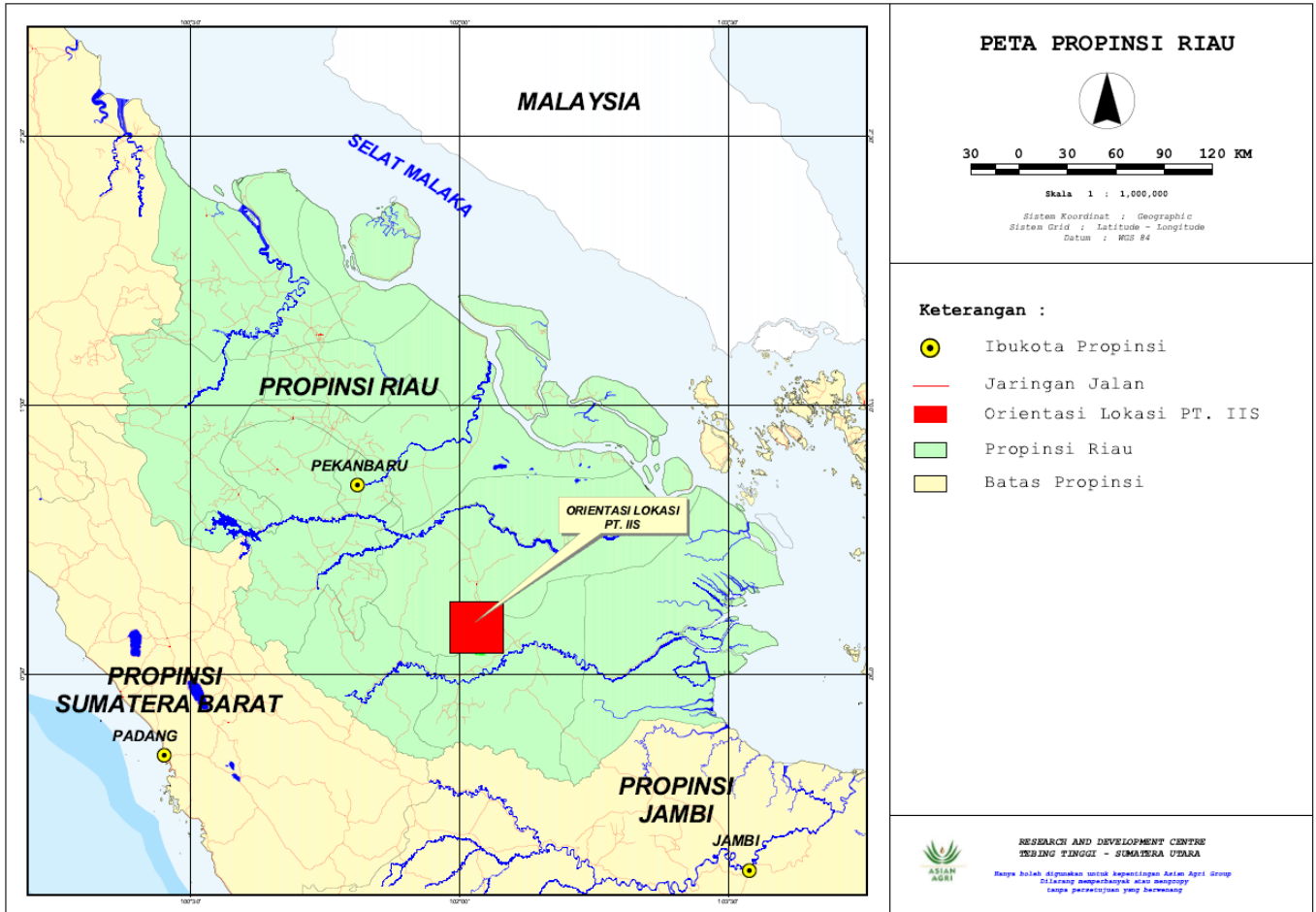
Mill	Non Certified CPO Sales	Non Certified PK Sales	Remarks
Buatan II	9,526.69 MT	2,775.74 MT	-

Month	Certified Supply Base (from own certificate scope) (mt)			Total FFB/Month (mt)
	Buatan Estate	Scheme Smallholders	Buatan KKPA	
Sept 2016	7,637	10,851	3,854	22,342
Oct 2016	8,657	11,421	3,400	23,478
Nov 2016	7,114	12,575	2,997	22,686
Dec 2016	7,157	12,401	2,087	21,645
Jan 2017	5,699	11,886	1,750	19,335
Feb 2017	4,831	11,174	1,674	17,679
Mar 2017	6,488	10,619	1,879	18,986
Apr 2017	5,117	7,477	1,615	14,209
May 2017	5,319	9,044	2,114	16,477
Jun 2017	4,209	10,108	2,373	16,690
Jul 2017	5,794	11,320	2,384	19,498
Aug 2017	4,720	8,839	2,537	16,096
<b>Total</b>	<b>72,742</b>	<b>127,715</b>	<b>28,664</b>	<b>229,121</b>

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

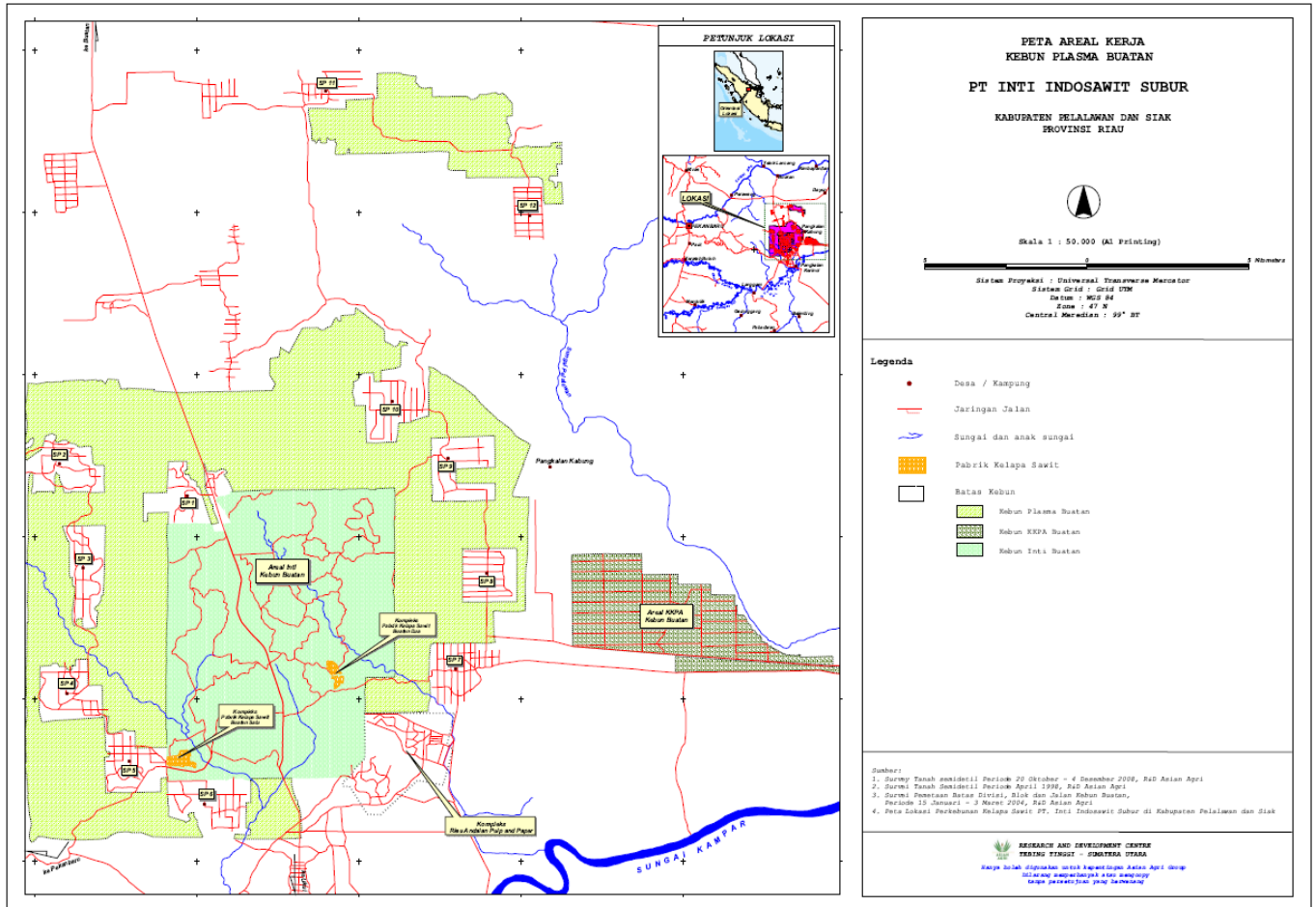


**RSPO Public Summary Report  
Revision 4 (November /2016)**





**Appendix H: Estate Field Map**



### Appendix I: List of Smallholder Sampled

Area	Smallholder Number	Smallholder Name
KUD Kebun Sawit Harapan	4062	Parji
KUD Kebun Sawit Harapan	4064	Kadar
KUD Kebun Sawit Harapan	4073	Parta Wirja
KUD Kebun Sawit Harapan	4119	Rusman
KUD Kebun Sawit Harapan	4153	Sardiyono
KUD Kebun Sawit Harapan	3745	Kasyanto
KUD Kebun Sawit Harapan	3826	Samsudin
KUD Kebun Sawit Harapan	3870	Sapin
KUD Kebun Sawit Harapan	3693	Sukirno 1
KUD Kebun Sawit Harapan	3717	Sardi SP9
KUD Kebun Sawit Harapan	3749	Suyoto
KUD Kebun Sawit Harapan	4107	Sardi
KUD Kebun Sawit Harapan	4108	Samingan
KUD Kebun Sawit Harapan	4164	Teguh
KUD Kebun Sawit Harapan	4165	H. Poniman
KUD Buatan Jaya	3574	Wita
KUD Buatan Jaya	3575	B. Haryono
KUD Buatan Jaya	3576	Sudirman
KUD Buatan Jaya	3579	Sarijo
KUD Buatan Jaya	3573	B. Sijabat
KUD Buatan Jaya	3580	Musadi
KUD Buatan Jaya	3601	Suradi
KUD Buatan Jaya	3609	Iswanto
KUD Buatan Jaya	3610	Sofian
KUD Buatan Jaya	3611	Mono
KUD Buatan Jaya	3531	Yudi
KUD Buatan Jaya	3532	Sujari
KUD Buatan Jaya	3533	Besari
KUD Buatan Jaya	3538	Sulistiono
KUD Buatan Jaya	3539	Kasno
KUD Mitra Usaha	2793	Junaidi
KUD Mitra Usaha	2792	Rustam
KUD Mitra Usaha	2783	Sujoyo
KUD Mitra Usaha	2794	Nurhadi
KUD Mitra Usaha	3303	Nurhadi
KUD Mitra Usaha	3304	Misrun
KUD Mitra Usaha	3357	Ngadino
KUD Mitra Usaha	3182	Tukimin Kismo Rejo
KUD Mitra Usaha	3181	Sobirin
KUD Mitra Usaha	3245	Mulyadi
KUD Mitra Usaha	3150	Carum
KUD Mitra Usaha	3151	Tirto Wonoto Gino
KUD Mitra Usaha	3154	Sunardi
KUD Mitra Usaha	3152	Nahim

**Appendix J: GHG Reporting Executive Summary**

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

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

The summary of the Nett GHG emitted in 2016 for PT Inti Indosawit – Buatan II Mill and supply base are as following:

Emission per product	tCO <sub>2</sub> e/tProduct
CPO	1.08
PK	1.08

Extraction	%
OER	19.08
KER	5.08

Production	t/year
FFB process	263,314
CPO Produced	50,247
PK Produced	13,382

Land use	Ha
OP Planted Area	12,176
OP Planted on peat	0
Conservation area (forested)	0
Conservation area (non forested)	27.78
<b>Total</b>	<b>12,310</b>

**Summary of Field Emission and Sink**

	Own Crop		Group		3 <sup>rd</sup> Party		Total	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e /FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e /FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e /FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e /FFB
<b>Emission</b>								
Land Conversion	0	0	14,716.18	0.08	0	0	14,716.18	0.080
CO <sub>2</sub> Emission from fertilizer	1,133.71	0.02	4,432.30	0.04	0	0	5,566.01	0.060
NO <sub>2</sub> Emission	3,058.49	0.04	5,281.65	0.04	0	0	8,340.14	0.080
Fuel consumption	919.12	0.02	145.49	0	8,180.10	0	9,244.71	0.020
Peat oxidation	0	0	0	0	0	0	0	-
<b>Sink</b>								
Crop sequestration	0	0	-13,948.98	-0.07	0	0	-13,948.98	-0.070
Conservation sequestration	0	0	0	0	0	0	0	-
<b>Total</b>	<b>5,111.32</b>	<b>0.08</b>	<b>10,626.64</b>	<b>0.09</b>	<b>8,180.1</b>	<b>0</b>	<b>23,918.06</b>	<b>0.017</b>

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

**Summary of Mill Emission and Credit**

	<b>tCO<sub>2</sub>e</b>	<b>tCO<sub>2</sub>e/tFFB</b>
Emission	59,541.97	0.23
POME	526.25	0
Fuel Consumption	0	0
Grid Electricity		
Utilisation		
Credit	-1,207.49	0
Export of Grid Electricity	-13,996.40	-0.05
Sales of PKS	0	0
Sales of FFB	<b>44,864.33</b>	<b>0.17</b>
<b>Total</b>		

**Summary of Kernel Crusher Emission and Credit (Not applicable)**

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

<b>POME Diverted to Anaerobic Digestion:</b>	
Divert to anaerobic diversion (%)	100
Divert to methane captured (flaring) (%)	0
Divert to methane captured (energy generation) (%)	0

**Appendix K: List of Abbreviations Used**

AN	Ammoniacal Nitrogen
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
GMP	Good Manufacturing Practice
HCV	High Conservation Value
IAV	Initial Assessment Visit
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
MSDS	Material Safety Data Sheet
O&G	Oil and Grease
PK	Palm Kernel
PPE	Personal Protective Equipment
PSQM	Plantation Sustainability and Quality Management
PQR	Performance Quality Rating
RC	Re-Certification
RED	Renewable Energy Directive
RSPO P&C	Roundtable on Sustainable Palm Oil Principle & Criteria
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SOU	Strategic Operating Unit
SS	Suspended Solids
TN	Total Nitrogen
TS	Total Solids
VFA	Volatile Fatty Acids