

**RSPO ANNUAL SURVEILLANCE ASSESSMENT (ASA - 2)**

<b>TANJUNG SELAMAT PALM OIL MILL (PT. INDO SEPADAN JAYA) AND ITS SUPPLY BASE</b>
<b>Office: JI MH Thamrin No 31 Jakarta 10330 Indonesia</b>
<b>Mill Location: Tanjung Selamat Mill Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera Mill Coordinate: 100° 00'32" E; 02° 07'44" N</b>

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## Section 1. Scope of the Certification Assessment

1. Company Details			
<b>RSPO Membership Number</b>	1-0022-06-000-00 (PT. Inti Indos)	<b>Date</b>	05 <sup>th</sup> February 2006
<b>Company Name</b>	PT Indo Sepadan Jaya		
<b>Address</b>	<b>Head Office:</b> Jl MH Thamrin No 31 Jakarta 10330  <b>Location:</b> Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera		
<b>Subsidiary of (if applicable)</b>	PT Inti Indosawit Subur		
<b>Contact Name</b>	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 2301119	<b>Facsimile</b>	+62-21 2301120

2. Certification Information			
<b>Certificate Number</b>	RSPO 620704	<b>Date</b>	26 <sup>th</sup> May 2015
<b>Scope of Certification</b>	Production of CPO and PK of PT. Indo Sepadan Jaya (Tanjung Selamat Palm Oil Mill) and its supply base. Mill capacity of Tanjung Selamat POM is 45 tonnes FFB/hour.		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
ID05/65250	ISO 14001	SGS Indonesia	10 May 2017
EU-ISCC-Cert-DE100-27272017	ISCC	SGS Indonesia	07 July 2018

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

<b>4. Description of Supply Base</b>							
Estate	Mature (ha)	Immature (ha)	Total Planted (ha)	HCV (ha)*	Infrastructure & Other (ha)	Total Ha	% of Planted
Tanjung Selamat	1,962.00	1,896.00	3,858.00	6.57	43.00	3,901.00	98.89 %
Pangkalan	2,688.00	952.00	3,640.00	110.91	696.00	4,336.00	83.95 %
<b>Total</b>	<b>4,650.00</b>	<b>2,848.00</b>	<b>7,498.00</b>	<b>117.48</b>	<b>739.00</b>	<b>8,237.00</b>	<b>91.03 %</b>

*\*) Immature area is replanting*

<b>5. Plantings &amp; Cycle</b>								
Estate	Age (Years)					Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (Previous Year)	Actual (This Year)	Forecast (Next Year)
Tanjung Selamat Estate	1,896	1,350	187	425	0	40,324	40,812	52,325
Pangkalan Estate	952	0	38	2,650	0	52,166	53,650	43,003
<b>Total Certified FFB</b>	<b>2,848</b>	<b>1,350</b>	<b>225</b>	<b>3,075</b>	<b>0</b>	<b>92,490</b>	<b>94,462</b>	<b>95,328</b>

<b>6. Certified Tonnage of FFB (Own Certified Scope)</b>			
Estate	Tonnage / year		
	Estimated (2016)	Actual (2016)	Forecast (2017)
Tanjung Selamat Estate	40,324	40,812	52,325
Pangkalan Estate	52,166	53,650	43,003
<b>Total Certified FFB</b>	<b>92,490</b>	<b>94,462</b>	<b>95,328</b>

<b>7. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable</b>			
Independent FFB Supplier	Tonnage / year		
	Estimated (2016)	Actual (2016)	Forecast (2017)
Third Party	40,000	79,083	100,000

<b>8. Certified Tonnage</b>									
Mill	Estimated (Previous Year)			Actual (This Year)			Forecast (Next Year)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
<b>Tanjung Selamat</b>	92,490	18,354	4,532	94,462	18,655	5,167	95,328	18,499	5,265

OER:19.4 %, KER 0.55%

## Section 2. Assessment Process

### 2.1. Certification Body:

**BSI Services Malaysia Sdn Bhd,**  
(ASI Accreditation Number: RSPO-ACC-19)  
Unit 10-03, Level 10, Tower A  
The Vertical Business Suites,  
Bangsar South  
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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (RSPO-ACC-19) since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Singapore, Jakarta, Bangkok and Australia which involve in RSPO Certification Program.

#### **Assessment Methodology, Program, Site Visits**

The objective of the assessment is to conduct a surveillance assessment and look for positive evidence to ensure the elements of the scope of certification and the requirements of the management standard are effectively addressed by the organisation's management system and that the system is demonstrating the ability to support the achievement of statutory, regulatory and contractual requirements and the organizations specified objectives, as applicable with regard to the scope of the management standard, and to confirm the on-going achievement and applicability of the forward strategic plan. Continuing Assessment (Surveillance) was conducted from 16<sup>th</sup> – 18<sup>st</sup> May 2017.

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

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

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

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

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

were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E.

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

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

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

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

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

**Tentative Date of Next Visit: 01/02/2018**

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

**BSI Assessment Team comprises of:**

**Aswan Hasibuan – Assessor (Lead Auditor)**

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 environment, OHS, Social, Legal and Smallholder audits. Fluently speaking in English and Bahasa Indonesia. During this assessment, assessed on the aspects of Environment and OHS and Supply Chain.

**Edy Widodo- Team member**

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

**Wahyu - Team member**

Graduated from Mechanical Engineering University of Indonesia, Post graduate of Magister Technical. He involved in RSPO certification since 2010 as a team member covering assessment against RSPO P&C in Indonesia. He completed the ISO 9001 Lead Auditor Course, Auditor ISO 14001, Indonesia OHSMS (SMK3)

Technical Training of HCV Assessment; ISPO Lead Auditor endorsed Course. During this assessment, he assessed on the aspects of Agriculture best practice and mill best practice & HCV.

**Accompanying person: None**

### Section 3. Assessment Findings

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

- Click here to enter name of certified organization. Time Bound Plan
- RSPO Group Certification Standard 2016 Checklist
- RSPO P&C for Smallholders TH-WG 2012 Checklist
- RSPO P&C GN-NIWG 2010 Checklist
- RSPO P&C INA-NIWG 2016 Checklist
- RSPO P&C PNG-NIWG 2016 Checklist
- RSPO P&C SI-NIWG 2010 Checklist
- RSPO P&C MY-NIWG 2014 Checklist
- RSPO P&C TH-WG 2011 Checklist
- RSPO Supply Chain Certification Checklist November 2014
- RSPO P&C 2013 Generic Checklist

**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?	Time Bound Plan include all subsidiaries, estates and mills	Yes
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>	Yes, challenging those.	
Have there been any changes since the last audit? Are they justified?	No, there is no changes	
If there have been changes, what circumstances have occurred?	No, there is no changes	
Have there been any stakeholder comments?	No, there is no changes	
Have there been any newly acquired subsidiaries?	No, there is no changes	
Have there been any isolated lapses in implementation of the plan?	No, there is no changes	
<b>Un-Certified Units or Holdings</b>		
Did the company conduct	Yes,	



an internal audit? If so, has a positive assurance statement been produced?		
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>	No	
Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	No New Plantings	
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	
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	No Labor disputes	
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Yes	
Any Legal non- compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	Yes	

### 3.3. Details of findings

During the Certification Assessment there were no Major & 1 (one) Minor nonconformities raised. The Tanjung Selamat Palm Oil Mill (PT Indo Sepadan Jaya) Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment

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

<p>1479188-201705-N1</p>	<p><b>Requirements:</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> Verified of SEIA (AMDAL) 1994 and monitoring social impact regularly reported through the RKL – RPL on period December 2016 and laboratory checking of domestic liquid waste.</p> <p><b>Statement of Nonconformity:</b> However the monitoring of social impact was performed, but company can not demonstrate that the SIA have reviewed at least on two years and the plan should be updated and also review process includes participation of all affected parties.</p> <p><b>Corrections:</b> 'Creating an Assessment SIA Report by adding unopened social impacts, negative impact mitigation plans and positive impact implementation for affected parties.</p> <p><b>Root Cause Analysis:</b> SIA document does not review activities does not documented properly.</p> <p><b>Corrective Actions:</b> EMS Team together with the CSR Team monitors the scope of social impacts in RKL / RPL and CSR Reports and ensures identification of social impacts in accordance with RSPO guidelines</p> <p><b>Assessment Conclusion:</b> Correction and corrective action accepted, implementation will be verified in next audit</p>	<p><b>Minor</b></p>
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Observation was identified during this surveillance audit (ASA-2):

Observation	
OBS #	Description
None	

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

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 Tanjung Selamat Palm Oil Mill (PT Indo Sepadan Jaya) Certification Unit's environmental and social performance, legal and any known dispute issues.</p> <p>Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. These have been incorporated into the assessment findings.</p> <p>Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix E.</p>	
IS #	Description
1	<p><b>Social issues:</b></p> <ul style="list-style-type: none"> <li>• Every year the company always has a CSR Program to the surrounding community.</li> <li>• In the past, incentives have been realized for the village head and ATK assistance for the village office but have now been discontinued.</li> <li>• During 2015 there are no reports of land disputes between the community and the company.</li> <li>• The absorption of local workforce to work in PT RSK is very minimal including BHL level and there has never been any job vacancy announcement in PT SRK submitted to the Tanjung Harapan village apparatus.</li> <li>• Until now communication between the village and the company has been running smoothly and stated that there has been a CSR program in the form of House Surgery 1 Unit, development assistance of 'MCK' for schools and help of Meubel for school library in 2013.</li> <li>• In the past there has been a land dispute, the last occurred in 2005) but until now it has not appeared again.</li> <li>• Communication between the village apparatus and the company is running well.</li> </ul>

	<p>Management Response: Some CSR programs, including:</p> <ol style="list-style-type: none"> <li>1. Business Partnership</li> <li>2. Economic Development</li> <li>3. Education</li> <li>4. Health</li> <li>5. Karikatif / Donation</li> </ol> <p>Realization CSR programmes in 2016, was shown, e.g:</p> <ul style="list-style-type: none"> <li>• On November 17, 2016; Building material assistance for the Church (HKBP) in Village Kampong Jawa Pasar.</li> <li>• On 24 December 2016; Assitence for Christian duafa aid package in the Village Sennah.</li> <li>• On 22 July 2016; Assistance in the form of home renovation (Bedah rumah) in Village Tanjung Harapan.</li> </ul> <p>Auditor Team Findings: Positive finding. CSR program owned by PT Indo Sepadan Jaya has been very good, based on interviews with some village heads to give the impression has been quite satisfied with the program.</p>
<p>2</p>	<p><b>Labour issues:</b></p> <ul style="list-style-type: none"> <li>- During 2016 there is no complaint of employees who complain that the nature is very basic if there is a report of the demand for repair facilities such as leaked housing etc.</li> <li>- CH has provided facilities for workers such as housing, clean water, electricity, facilities by sports, clinics, schools (kindergartens and elementary schools), religious facilities etc.</li> <li>- Has formed a Cooperation Institution (LKS) Bibartit which serves as a mediation between employees with the company.</li> <li>- All normative agreements have been set forth in the Joint Working Agreement (PKB: Perjanjian Kerja Bersama) including, Working Hours, Overtime, Wages, Leave Rights, etc. in accordance with applicable laws and regulations.</li> <li>- All members have been included in the BPJS program</li> <li>- Health checks are carried out to workers working in high risk places such as Boiler</li> </ul> <p>• Management Response:</p> <ul style="list-style-type: none"> <li>• filed in early 2017 as a Faskes I (Fasilitas Kesehatan) and are in process.</li> <li>• The Company has delineated the protection of women's rights such as menstruation rights, cuiti childbirth, checks for female laborers working in fertilizer and spray parts.</li> <li>• The Company has provided facilities for workers in the form of housing, clean water, electricity, means of worship, sports facilities, educational facilities etc.</li> <li>• Annual health checks are conducted to all employees.</li> </ul> <p>Auditor Team Findings:</p> <ul style="list-style-type: none"> <li>• The company's liability to employees has been made in accordance with applicable laws and regulations.</li> <li>• In general, employees claim that the company has been concerned about employees and pay attention to the rights of employees.</li> </ul>
<p>3</p>	<p><b>Environmental issues:</b></p> <ol style="list-style-type: none"> <li>a. PT Indo Sepadan Jaya (ISJ) and PT Rantau Sinar Karsa (RSK) have consistently submitted RKL-RPL Implementation Report every 6 months (last report of period December 2016) and hazardous waste (LB3) management report once every 3 months, last March 2017 period report.</li> <li>b. During the year 2015 there were no reports from the public related to environmental pollution caused by PT ISJ and PT RSK operational.</li> <li>c. The company has a plan to utilize the liquid waste applied to the Land (Land Applications) but still in the stage of study on 20% land.</li> <li>d. Liquid Waste Disposal Permits to river bodies in 2013 and ending in 2018. Quarter IV 2016 Report.</li> </ol>

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

Management Response:

- AMDAL (SEIA) - Studi Evaluasi Lingkungan (SEL), approved by Komisi Pusat AMDAL, Agriculture Ministry no. RC.220/385/B/II/94 dated 28th February 1994 for Tanjung Selamat Estate and no. RC.220/383/B/II/94, dated 26th February 1994 for Pangkatan Estate.
- The Company also has licenses related to hazardous waste, namely: B3 waste storage permit PT. Rantau Sinar Karsa from Labuhan Batu Regent no. 503/660/324 / BLH-LB / WAS / 2014, dated 30th December 2014 (Valid until 30th December 2019).
- The application of liquid waste (land Application/LA) is not good to be applied in the peat area located in PT Indo Sepadan Jaya

Auditor Team Findings:

- Environment-related permissions have been properly resolved.
- LB3 control has been well done by the company.
- Environmental control programs around the plantation area (surrounding villages) have been carried out to be continued.

4	<p><b>Legal issues:</b></p> <ul style="list-style-type: none"> <li>• The submission process of HGU PT Indo Sepadan Jaya is still in process at Tanah B Committee and not yet issued SK HGU.</li> <li>• During 2015 there are no land dispute reports from other parties including from the surrounding community.</li> <li>• PT RSK telah memiliki alas Hak atas tanah berupa HGU pada tahun 1990.</li> </ul>
	<p><b>Management Response:</b> Chronology of completion of PT Indo Sepadan Jaya HGU</p> <ol style="list-style-type: none"> <li>1) December 17, 2014; Field examination, research and field monitoring as well as the meeting of "Panitia Pemeriksaan Tanah B" on the application of HGU PT Indo Sepadan Jaya covering 3,347.01 Ha (Kampung Padang Village, Pangkat District, Labuhan Batu Regency) and 531.72 Ha (Tanjung Selamat Village, Kampong Rakyat Regency and Labuhan Batu District. , Based on letter dated December 17, 2014, No. 16 / BAPHTBH / HGU / XII / 2014</li> <li>2) Letter of application for follow-up of HGU, dated July 21, 2016, no. 084 / GL-AAS / EXT / 07/16 to Head of Regional Office of BPN Prov. North Sumatra.</li> <li>3) Signing of partnership partnership agreement in May 2017: Partnership Cooperation Agreement between PT Indo Sepadan Jaya and Gapoktan Sumber Rejeki, dated 30 September 2016, no. 03 / CSV-KTS / IX / 2016 covering 869.5 Ha covers 431 "Kepala Keluarga".</li> </ol>
	<p><b>Auditor Team Findings:</b> Should the company make the target and time line completion of HGU for land area of 3.347.01 Ha (Kampung Padang Village, Pangkat District, Labuhan Batu Regency) and 531.72 Ha (Tanjung Selamat Village, Kampong Rakyat Regency and Labuhan Batu District.</p>

5	<p><b>Operational issues:</b></p> <p>Changes in the management of the district, which had been now in the Province, for example: the Company has compiled and submitted P2K3 periodic reports to the Department of Manpower and must report the employment. The Company has compiled a document of Compulsory Report of Manpower conducted annually and submitted to the Manpower Office of Labuhan Batu Regency. Reporting also to the Manpower Office of Sumatera Utara Province, for example: Heavy equipment operator, transportation equipment, lever, steam vessel and others have licenses as operator (SIO) and also the Company has conducted periodic inspection of special equipment used Steam, Pressure Vessel) in accordance with applicable regulations.</p> <ol style="list-style-type: none"> <li>1. Working Norms;             <ol style="list-style-type: none"> <li>a. The company determines minimum wages based on the Government regulation every year, the minimum wages in 2014 as regulated in "Surat keputusan Gubernur of North Sumatera no. 188.44/44/KPTS/2017, dated 3th February 2017 for Agriculture sector in Labuhan Batu District is Rp 2,467,500,-/month.</li> <li>b. All employees have the status of permanent workers (SKUH and SKUB) were included in the program BPJS Ketenagakerjaan and BPJS Kesehatan, e.g: Tanjung Selamat Estate, period April 2017 as many as 873 employee workforce, Pangkatan Estate as much as 726 employees and Tanjung Selamat Mill 120 employees . Reporting Obligation of Manpower for the Period of 2017-2018 has been reported</li> <li>c. There are no reports related to neither the use of female laborers at night nor the use of child labor (The plantation sector is the worst sector against the use of female laborers at night and the use of child labor) and underage workers (18 years).</li> </ol> </li> <li>2. OHS Norms;             <ol style="list-style-type: none"> <li>a. The Company has established the P2K3 organizational structure and has been authorized by the East Kalimantan Provincial Manpower Office.</li> <li>b. The company has realized the provision of PPE for its employees but the consistency of the use of PPE by the workers needs to be improved.</li> <li>c. The Company has conducted periodic health checks for all workers, especially workers working at hazardous stations including sprayers and fertilizers.</li> <li>d. Labor Union, namely "Serikat Pekerja Pertanian dan Perkebunan - Serikat Pekerja Seluruh Indonesia" Indonesia Plantation and Agriculture Worker Union.</li> </ol> </li> </ol> <p><b>Management Response</b></p> <p>The Company has issued a Memorandum on the date 2 April 2017, no. 066/HR-RO1/MEMO/04/2017, regarding determination of wages of workers:</p> <ul style="list-style-type: none"> <li>- Wages of employees PHL as Rp 98.680 per hari</li> <li>- Wages of employees SKU-H as Rp 2.369.255</li> <li>- Wages of employees SKU-B as Rp 2,467,500,-/month.</li> </ul> <p>Circular letter of BKS-PPS (Badan Kerjasama – Perusahaan Perkebunan Swasta) dated 27<sup>th</sup> February 2017 prov. Sumatera Utara is Rp. 1.952,640 + Rice allowance 15 kg + 9 kg (wife) and 7.5 kg (for 3 children) for permanent workers</p> <p><b>Taken sample:</b></p> <p>The youngest worker in Pangkatan estate is Amos Tampubolon; date of birth 18th July 1998 and hired on 10st January 2016 (18 years, 6 months) and the youngest workers in Tanjung Selamat Estate is Boy Sahat; date of birth 5 January 1996 and hired on 13th January 2014 (18 years), the youngest workers in Tanjung Selamat Mill is Frenky Sael Priadi Saragih; date of birth 13th April 1996 and hired on 1st April 2017 (21 years)</p>
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- Auditor Team Findings: The Company has taken action in accordance with well-defined procedures and persuasive approach, so there is no turmoil.
- With respect to wages, the use of APD and SIO, the company has implemented in accordance with relevant regulations and regulations.
- Dispute settlement has been done well with persuasive approach by guaranteeing employees' rights.

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

Non-Conformity		
NCR No.	Description	Category (Major / Minor)
1307239N1	<b>Requirements:</b> RSPO Generic Standard 2013 – Indicator 4.8.2 Records of training for each employee shall be maintained.	Minor
	<b>Evidence of Nonconformity:</b> Employee Training record	
	<b>Statement of Nonconformity:</b> Training record of each employee is not updated	
	<b>Corrective Action:</b> Up-dating training record for each employees for Mill, estate, TUS, since joining company till current day.	
	<b>Assesment Conclusion :</b> All employee training record has been updating with the newest training they attended, For example Personal Data training on behalf of Torang Nainggolan, unit kerja Pangkatan Estate; title Mandore I; training attended : Basic Fire, handling limited pesticide, HCV, hazardous waste handling, refresh SOP of fertilizer and integrated pest management, sustainability awareness in February 11 <sup>th</sup> , 2017 <b>Closed? Yes on 16/05/2017</b>	

Non-Conformity		
NCR No.	Description	Category (Major / Minor)
1307239N2	<b>Requirements:</b> RSPO Generic Standard, 2013 – Indicator 4.7.6 All workers shall be provided with medical care, and covered by accident insurance	Minor
	<b>Evidence of Nonconformity:</b> Employee medical record	
	<b>Statement of Nonconformity:</b> Pangkalan Estate has not carried out general medical checkup for all workers once a year at minimum	
	<b>Corrective Action:</b> to arrange medical examination program general by company doctor for all employee and staff 2016	
	<b>Assesment Conclusion :</b> General medical examination by company doctor for all employees done. The last annual medical surveillance was conducted on November 28 to December 03, 2016. Examples records of annual medical surveillance of pesticides	



operators/workers are available, i.e: Helmina Rumahorbo, Ernamawati Br Hasibuan, Hati Jernih and Leni Farida.  
**Closed on 16/05/2017**

Non-Conformity		
NCR No.	Description	Category (Major / Minor)
1307239N3	<b>Requirements:</b> RSPO Generic Standard, 2013 – Indicator 2.2.2 Legal boundaries shall be clearly demarcated and visibly maintained	Minor
	<b>Evidence of Nonconformity:</b> 1. Monitoring legal boundaries in February 2016 2. It was not found a legal boundary in Afdeling III (Blok C14f). 3. Legal boundaries in Block D13K and C14K is not visibly maintained	
	<b>Statement of Nonconformity:</b> The company is conduct monitoring of legal boundary at least once a year, however based on field verification, it was found that legal boundaries is not visibly maintained in Tanjung Selamat Estate.	
	<b>Corrective Action:</b> determine schedule for legal boundary inspection/monitoring once a year	
	<b>Assesment Conclusion :</b> legal boundary inspection/monitoring once a year, found legal boundary on visit. Based on the results of the field in the boundary markers as visiting to section III, Block C14f indicate that these markers already available. Pole number 23, and number 24. Blok c14Q Afdelin III, pole number 26. <b>Closed on 16/05/2017</b>	

Observation	
OBS #	Description
1	RSPO P & C Generic Standard, 2013 – Indicator 4.7.2: The company need to consider: 4. Determine type of gum-boot using by harvester based on HIRADC. 5. Monitor eye wash and fire-hose regularly. 6. Placing PPE in front of chemical storage. Corrective Action: 1. Determine type of gum-boot for harvester, as high boot 2. Monitor eyewash fire-hose regularly on monthly based 3. Placing PPE near by Chemical storage
2	RSPO P & C Generic Standard 2013 – Indicator 5.2.4: It is nice to consider controlling invasive species ( <i>Mucuna bracteata</i> ) in HCV areas – Tanjung Selamat Estate. Corrective Action: - Controlling invasive species ( <i>Mucuna bracteata</i> ) in HCV areas, monitoring and upkeep as needed.

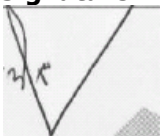

3	<p>RSPO P &amp; C Generic Standard 2013 – Indicator 6.9.3: The company need consider improving understanding grievance mechanism of sexual harassment and violence to Gender Committee in Pangkatan Estate. Corrective Action: - Retraining gender committee members regarding complaint mechanism, sexual harassment complaint mechanism.</p>
4	<p>RSPO P &amp; C Generic Standard 2013 – Indicator 6.10.3: The company nice to consider evaluating of obedience contractor against the contract related the social insurance (BPJS Ketenagakerjaan). Corrective Action: - Company strongly recommend contractor to meet the contract related the social insurance (BPJS Ketenagakerjaan).</p>

**3.3.2 Summary of the Nonconformities and Status**

CAR Ref.	CLASS	ISSUED	STATUS
1128962M1	Major NC	08/12/2014	23/03/2015
1128962M1	Major NC	08/12/2014	23/03/2015
1128962M1	Major NC	08/12/2014	23/03/2015
1307239N3	Minor NC	31/03/2016	16/05/2017
1307239N2	Minor NC	31/03/2016	16/05/2017
1307239N1	Minor NC	31/03/2016	16/05/2017
1479188-201705-N1	Minor NC	18/05/2017	Open

**Assessment Conclusion and Recommendation:**

Based on the findings during the assessment Tanjung Selamat Palm Oil Mill and its supply base Certification Unit and supply base complies with the RSPO P&C 2013 INA NI 2016 and the RSPO Supply Chain Certification Standard (Nov 2014) for CPO Mill. It is recommended that the certification of Tanjung Selamat Palm Oil Mill and its supply base Certification Unit is approved and continued.

<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
<b>Name:</b> Mr. Welly Pardede	<b>Name:</b> Aswan Hasibuan
<b>Company name:</b> PT. Indo Sepadan Jaya (Tanjung Selamat POM)	<b>Company name:</b> PT. BSI Indonesia
<b>Title:</b> Head of Environment & Sustainability	<b>Title:</b> Lead Auditor
<b>Signature:</b>  <b>Date:</b> 31 May 2017	<b>Signature:</b>  <b>Date:</b> 30 <sup>th</sup> April 2017

**Appendix "A"  
Summary of Finding**

Criterion / Indicator	Assessment Findings	Compliance
<b>Principle 1: Commitment to Transparency</b>		
<b>Criterion 1.1:</b> Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
1.1.1	<p>There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.</p> <p>- Minor compliance -</p> <p>Documents accessible to the stakeholders, consist of legal documents, such as:</p> <ul style="list-style-type: none"> <li>- Izin Usaha Budidaya Perkebunan (Operational Plantation Permit),</li> <li>- Izin Lokasi (Location Permit),</li> <li>- HGU (Land Title Rights),</li> <li>- Environmental documents (AMDAL (SEIA),</li> <li>- Program Keselamatan dan Kesehatan Kerja (OHS), Laporan Pelaksanaan RKL/RPL (Environmental Management and Monitoring Report),</li> <li>- Penilaian Nilai Konservasi Tinggi (HCV),</li> <li>- Prosedur Ganti Rugi Lahan (Land Compensation Mechanism),</li> <li>- Rencana Pengelolaan Limbah (Waste Management Plan), complaint and grienaceis from internal dan external parties, and continuous improvement.</li> </ul> <p>Documents related financial can only be shared upon discretion of General Manager, Group policies and procedures are available in public area in estates and mill.</p>	Yes
1.1.2	<p>Records of requests for information and responses to</p> <p>Requests for information are responded by the department concerned in accordance with their authority. The company has</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>the information requested shall be available.</p> <p>- Major compliance -</p>	<p>developed a matrix describing the status of each information request and responsible/authorized department to respond into. Records of response of request information documented in the same book, consist of person handle the request, information given and acknowledgement from the person in-charge and signature.</p> <p><b>Tanjung Selamat Estate and Mill and Pangkatan Estate:</b> Request Information record from Stakeholder has been documented into "Agenda Surat Masuk" log book, it was noted, there were 31 letters/information from Stakeholder and in 2016, there were 9 letters/information was received. All information/incoming letters from stakeholder has been responded timely manner, For example:</p> <ol style="list-style-type: none"> <li>1. Visiting DPRD Komisi "B" on 01 March 2016 related labor situation and it has been response by the company.</li> <li>2. Permohonan bantuan pertemuan dandin pada tanggal 1 February 2017 dan telah direspon/tanggapi pada tanggal 1 February 2017</li> <li>3. Proposal kegiatan lomba Islam dari Desa Tanjung Selamat kampung Rakyat pada tanggal 13 February 2017 dan telah direspon pada tanggal 15 February 2017</li> <li>4. Permohonan Pemakaian Bus Sekolah PT RSK oleh Kepala Desa Sennah pada tanggal 7 Maret 2017</li> </ol>	
<p><b>Criterion 1.2:</b> Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p>			
1.2.1	<p>Publicly available documents shall include, but are not necessarily limited to:</p> <p>a) Land titles/user rights (Criterion 2.2)</p>	<p>The company has list of documents can access by public, such as: legal permits, SEIA (AMDAL), RKL / RPL (Management and Monitoring Plan), water management plan, waste management plan, water and air monitoring, OHS, hazardous waste management plan, CSR, employment documents, etc.</p>	<b>Yes</b>

Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> <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>- Major compliance –</p>	<p>All documents refer to the ratified International Regulation, National Regulation and local regulation, e.g. OHS documents refer to the Act 1, year 1970.</p>	

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 1.3:</b>			
Growers and millers commit to ethical conduct in all business operations and transactions.			
1.3.1	<p>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.</p> <p>- Minor compliance –</p>	<p>The company has code ethical conduct policy that has been published “Company policy” dated 01<sup>st</sup> December 2014 which also covering ethics in business that stated that “ethical behaviour, prohibition of all forms of corruption, bribery in the conduct or transaction of business practices and fraudulent use of funds”.</p> <p>Dissemination on code of ethical conduct policy: on 27 April 2017 to operations 14 contractors and 25 April 2017 to all level workers (230 workers) in Tanjung Selamat Estate and on Pangkatan Estate to operations as many 5 contractors and 25 April 2017 to all level workers (224 workers).</p> <p>Based on discussion with worker union, interview with employee and local contractors, they have understood the message in code of ethical conduct policy.</p> <p>Mill:</p> <p>Company socialized code of conduct on February 10<sup>th</sup>, 2017 to all employee/workers in BM Mil</p> <p>The company has communicated to the workforce and contractor, e.g. the socialization to the workforce on 17/01/2017, attended 48 workers and socialization to the contractor on 17//03/2016 and attended 27 contractor’s workers.</p>	<b>Yes</b>
<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	There is no update or renewal legal permit during 2015. All legal requirement comply with the regulations and laws, including those related to land status, occupational health and safety,	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>shall be available.</p> <p>- Major compliance –</p>	<p>environmental, labour, agricultural practice, and mill operation. such as:</p> <ol style="list-style-type: none"> <li>1. Izin Lokasi (<i>Location Permit</i>) from North Sumatera Governor no. 7550/Sekr/Tahun 1988 (<math>\pm</math> 3,885 Ha) and no. 593.41/2834/K, year 1989, dated 8 November 1989 (<math>\pm</math> 4,500 ha) for Tanjung Selamat estate and no,593.41/2834/K, year 1989, dated 8 November 1989 (<math>\pm</math> 4,500 Ha) for Pangkatan Estate.</li> <li>2. Izin Lokasi (<i>Location permit</i>) from Bupati Labuhan Batu SK No. 503.593/35/Ptnh/2014, dated 14 February 2014 tentang Pemberian Ijin Lokasi Penggunaan Tanah untuk keperluan usaha perkebunan kelapa sawit kepada PT Indo Sepadan Jaya yang terletak di desa Kampung Padang Kecamatan Pangkatan, Kabupaten Labuhan Batu dengan luas <math>\pm</math> 118,4 H</li> <li>3. Keputusan Menteri Kehutanan on 1 October 1993, no. 578/Kpts-II/1993, related "Pelepasan Sebagian Kelompok Hutan S. Bilah – S. Kelundang" yang terletak di Kabupaten Labuhan Batu Propinsi Sumatera Utara seluas 3.475,6 Ha.</li> <li>4. Izin Usaha Perkebunan (<i>Operational Business Permit</i>) from Agriculture Ministry No. HK.350/E4.242/03.89, dated 28<sup>th</sup> March 1989, renewal no. HK.350/M4.338/04.90, dated 10<sup>th</sup> April 1990 "Perubahan dan Perpanjangan Persetujuan Prinsip Usaha Perkebunan" become oil palm plantation as <math>\pm</math> 3,500 Ha in location Bilah Hilir Regency, District Labuhan Batu, Province Sumatera Utara" for Tanjung Selamat Estate and No. HK.350/ E4.236/03.89, dated 23 March 1989 and renewal IUP from rubber to oil palm plantation no. HK.350/E4.329/04/90 dated 10 April 1990 related renewal "Perubahan dan Perpanjangan Persetujuan Prinsip Usaha Perkebunan" becomes oil palm plantation as <math>\pm</math> 3,150 Ha di Bilah Hilir Regency, District Labuhan Batu, Sumut" for Pangkatan estate.</li> <li>5. Renewal IUP in 2013 for Tanjung Selamat estate from Governor of North Sumatera no. 522.2/87/BPPTSU/</li> </ol>	



Criterion / Indicator	Assessment Findings	Compliance
	<p>2/1.3/IX/2013, dated 9<sup>th</sup> September 2013 for ± 3,885 Ha dan Mill capacity 45 tonnes FFB/hour.</p> <p>6. IUP no. 522.2/186/BPPTSU/2/1.2/X/2015, dated 30<sup>th</sup> October 2015 regarding Izin Perluasan Usaha Perkebunan PT. Indo Sepadan Jaya for area 118.4 ha.</p> <p>7. Risalah Pemeriksaan Tanah "B" No. 67/PPT/a/1989, dated on 24<sup>th</sup> November 1989, issued by "Kanwil BPN" North Sumatera Province (± 3,885 Ha) for Tanjung Selamat Estate; and re-cadastral in 2014 with "Peta Bidang Tanah" no. 12/12/2014, August 2014 (3,347.01 ha) and no. 12A/12/2014, August 2014 (531.72 ha).</p> <p>8. Hak Guna Usaha (HGU)/Land title SK BPN no. 5/HGU/BPN/90, dated 13 March 1990 (4,336 Ha) with land certificate no. 3, year 1993 for Pangkatan estate.</p> <p>9. Renewal Hak Guna Usaha (HGU) from Kepala BPN no. 125/HGU/BPN/2004, tentang Pemberian Perpanjangan Jangka Waktu dan Pembaharuan HGU Atas Tanah Terletak di Kabupaten Labuhan Batu, Propinsi Sumatera Utara (4,336 ha) with Land Certificate (Sertifikat) no. 3, year 1993 (Valid until 31 December 2080)</p> <p>10. AMDAL (SEIA) - Studi Evaluasi Lingkungan (SEL), approved by Komisi Pusat AMDAL, Agriculture Ministry no. RC.220/385/B/II/94 dated 28<sup>th</sup> February 1994 for Tanjung Selamat Estate and no. RC.220/383/B/II/94, dated 26<sup>th</sup> February 1994 for Pangkatan Estate.</p> <p>11. Discharge effluent into the watercourse permit from Bupati Labuhan Batu no. 503.660/279/BLH/WAS/2013, dated 17<sup>th</sup> September 2013, valid until 17 September 2018.</p> <p>12. Ground water usage permit from Bupati Labuhan Batu no. 503.547/185/DBM-IV/2012, dated 18<sup>th</sup> June 2012 and no. 503.547/ 184/DBM-IV/2012, dated 18<sup>th</sup> June 2012.</p> <p>13. Surface water usage permits from "Badan Pelayanan Perijinan terpadu Prov. Sumatera Utara no. 610/115/BPPTSU/2/12.1/X/2014, dated 14<sup>th</sup> October</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>2014 (valid until 14<sup>th</sup> October 2017).</p> <p>14. Izin Penyimpanan Limbah B3 PT. Rantau Sinar Karsa from Bupati Labuhan Batu no. 503/660/324/BLH-LB/WAS/2014, dated 30<sup>th</sup> December 2014 (Valid until 30<sup>th</sup> December 2019)</p> <p>15. Izin Penyimpanan Limbah B3 PT. Rantau Sinar Karsa from Bupati Labuhan Batu no. 503/660/323/BLH-LB/WAS/2014, dated 30<sup>th</sup> December 2014 (Valid until 30<sup>th</sup> December 2019)</p> <p><b>PKS Tanjung Selamat :</b>            PKS has obtained HGB (Hak Guna Bangunan), covering area of 21.7599 Ha, including:</p> <ol style="list-style-type: none"> <li>1. HGB no 1 on 22 July 1996 as 43.012 M<sup>2</sup></li> <li>2. HGB no 2 on 22 July 1996 as 39.544 M<sup>2</sup></li> <li>3. HGB no 3 on 22 July 1996 as 41.583 M<sup>2</sup></li> <li>4. HGB no 4 on 22 July 1996 as 15.732 M<sup>2</sup></li> <li>5. HGB no 5 on 22 July 1996 as 19.527 M<sup>2</sup></li> <li>6. HGB no 6 on 22 July 1996 as 19.394 M<sup>2</sup></li> <li>7. HGB no 7 on 22 July 1996 as 19.104 M<sup>2</sup></li> <li>8. HGB no 8 on 22 July 1996 as 19.703 M<sup>2</sup></li> </ol> <p>Chronology of completion of PT Indo Sepadan Jaya HGU</p> <ol style="list-style-type: none"> <li>1. December 17, 2014; Field examination, research and field monitoring as well as the meeting of "Panitia Pemeriksaan Tanah B" on the application of HGU PT Indo Sepadan Jaya covering 3,347.01 Ha (Kampung Padang Village, Pangkat District, Labuhan Batu Regency) and 531.72 Ha (Tanjung Selamat Village, Kampong Rakyat Regency and Labuhan Batu District. , Based on letter dated December 17, 2014, No. 16 / BAPHTBH / HGU / XII / 2014</li> <li>2. Letter of application for follow-up of HGU, dated July 21, 2016, no. 084 / GL-AAS / EXT / 07/16 to Head of Regional Office of BPN Prov. North Sumatra.</li> </ol>	

Criterion / Indicator		Assessment Findings	Compliance
		3. Signing of partnership agreement in May 2017: Partnership Cooperation Agreement between PT Indo Sepadan Jaya and Gapoktan Sumber Rejeki, dated 30 September 2016, no. 03 / CSV-KTS / IX / 2016 covering 869.5 Ha covers 431 "Kepala Keluarga".	
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained.  - Minor compliance –	List of laws are available and being evaluated regularly. Last updated on 02 <sup>nd</sup> february 2017.	Yes
2.1.3	A mechanism for ensuring compliance shall be implemented.  - Minor compliance –	List of laws are available and being evaluated regularly, last updated on 02 <sup>nd</sup> February 2017 as documented in "Status Evaluasi kepatuhan Hukum per tanggal February 2017"	Yes
2.1.4	A system for tracking any changes in the law shall be available and implemented.  - Minor compliance –	Legal requirement-evaluation and fulfilment mechanism regulated under "SOP Pemenuhan Peraturan Perundang-undangan dan Perubahannya" (No. SOP; AA-GL-5001.1-RO) dated 5 <sup>th</sup> December 2009. The procedure explains the stages for evaluation applicable legal requirements, person in charge for evaluation and ensures implementation of such requirement.  Legal requirement has been implemented, such as: 1. Permenaker no. 9, year 2016 tentang K3 di "Pekerjaan Ketinggian". 2. SK. Gubernur Sumatera Utara No. 188.44/69/KPTS/2015 tentang UMSP Labuhan Batu Sektor Kelapa sawit.	Yes
<b>Criterion 2.2</b> The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.			

Criterion / Indicator	Assessment Findings	Compliance
<p>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.</p> <p>- Major compliance -</p>	<p>PT Indo Sepadan Jaya (Tanjung Selamat Estate) is in the process of obtaining land use rights/land title (HGU) which starts from:</p> <ol style="list-style-type: none"> <li>1. Initially, PT Indo Sepadan Jaya has got Location Permit issued by the Governor of North Sumatra No. 7550/Sekr/1988; about: Determination of Location and area for business requirements in Development of Rubber, Chocolate and Coconut Plantation in May 1988 covering an area of 3,885 hectares in the district of Labuhan Batu.</li> <li>2. In 1989, PT Indo Sepadan Jaya has done <i>Risalah Pemeriksaan Tanah "Panitia B"</i> No. 67 / PPT / a / 1989 dated 24 November 1989 by BPN Regional Office of North Sumatra Province on the land area of 3,885 Ha.</li> <li>3. After that period, the filing of the concession can not be processed due to claims from other companies (PT Cipta Jaya Raya) on the land in question until the settlement in court. The Court's decision last received from the Supreme Court of Cassation PT Cipta Jaya Raya, in accordance with the contents of the Decision of the Supreme Court No. 2236K/Pdt/2007 by Medan District Court, dated 8 May 2009: states that the Supreme Court Refuses Request Cassation PT Cipta Jaya.</li> <li>4. In processing of the concession after the Supreme Court decision, the company has to obtain a location as follows;               <ul style="list-style-type: none"> <li>- Location Permit issued by the Regent of Labuhan Batu accordance with Decree No. 503 593/34 / Ptnh / 2011, dated February 10, 2011: on the Issuance of Land Use Permit Area for the purpose of oil palm plantations to PT Indo Sepadan Jaya is located in the village of Kampung Padang District of Pangkatan, Labuhan Batu District with an area of ± 3,358 Ha.</li> </ul> </li> </ol>	<p>Yes</p>
<p>2.2.2 Legal boundaries are demonstrated clearly and maintained.</p>	<p>Companies already have documents and Care Inspection Report Stakes Limit created in February 2016 of the report showed that all measurement results cadastral boundary markers be in place in 2014. Based on the results of the field in the boundary markers as visiting to section III, Block C14f</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	indicate that these markers already available.	
2.2.3	<p>Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).</p> <p>- Minor compliance -</p>	<p><b>Tanjung Selamat Estate</b></p> <p>Based on information management, verification of documents "Risalah Panitia B" No. 67/PPT/a/1989 dated 24 November 1989 by BPN Regional Office of North Sumatra province and also Hectare Statement mentions an indication that there is no land dispute between the company and the community. The last land disputes have occurred between PT Indo Sepadan Jaya with another company (PT Cipta Jaya Raya) that have been resolved through legal channels in accordance with the contents of the Decision Notice Relas Supreme Court No. 2236K/Pdt/2007 by Medan District Court dated 8 May 2009 stating that the Supreme Court Refuses Request Cassation PT Cipta Jaya Raya. On period 2016-2017 there is no dispute occurs at Tanjung Selamat Estate.</p> <p><b>Pangkalan Estate</b></p> <p>Based on the results of the public consultation with the Land Office-BPN of Labuhan Batu Regency stated that there is a community claim on the area of HGU PT. Rantau Sinar Karsa conducted by the Teluk Lesung Farmers Group which claimed 2,000 ha of land within the HGU area of PT. Rantau Sinar Karsa and there has been a decision of Medan State Administrative Court in 1994 with the issuance of Decision Case No. 39/Bdg-G.Mdn/PT.UN-MDN/1994 dated March 23, 1995.</p>	Yes
2.2.4	<p>There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by</p>	<p>Based on the verification of documents and interviews with stakeholders showed that there is currently no land dispute at PT Indo Sepadan Jaya and PT Rantau Sinar Karsa however, the company has a good record of land dispute resolution recordings in previous years, for example:</p> <p>a. Land dispute between PT Indo Sepadan Jaya and PT Cipta Jaya Raya is resolved through legal avenues and has</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>the parties involved.</p> <p>- Major compliance –</p>	<p>received Court Decision of Cassation Court of Agus on PT Cipta Jaya Raya in accordance with the contents of the Decision Notice Supreme Court RI No. 2236K/Pdt/2007 by Medan District Court dated 8 May 2009 stating that the Supreme Court Refuses Request Cassation PT Cipta Jaya Raya.</p> <p>b. Land dispute between PT RSK Farmers Group Teluk Lesung which claims an area of 2,000 ha located in the concession area of PT RSK and has no administrative court ruling Medan in 1994 with the issuance of Decision on Case No. 39/Bdg-G.Mdn/PT.UN-MDN/1994 dated 23 March 1995 (Appeal Decision).</p>	
2.2.5	<p>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.</p> <p>- Minor compliance –</p>	<p>Base on interview with local community around the plantation both of PT Indo Sempadan Jaya dan PT Rantau Sinar Perkasa, Currently, no any land dispute was noted.</p>	Yes
2.2.6	<p>To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and/or planned operations.</p> <p>- Major compliance –</p>	<p>Base on interview with local community around the plantation both of PT Indo Sempadan Jaya dan PT Rantau Sinar Perkasa, Currently, no any land dispute was noted.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance	
<p><b>Criterion 2.3:</b>            Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.</p>			
<p>2.3.1</p>	<p>Maps with appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighboring communities where applicable, and relevant authorities).</p> <p>- Major compliance -</p>	<p>Tanjung Selamat Estate            Based on the verification of legal documents and the results of public consultation with BPN and Communities around the state that no traditional rights in the work area of Tanjung Selamat Estate.            In 2014 cadastral measurements have been carried out by Badan Pertanahan Kanwil Sumatera Utara and recorded on the Peta Bidang Tanah/Land Area Map;</p> <ul style="list-style-type: none"> <li>a. Land Area Map No. 12/12/2014, scale 1:20.000; on August 2014, covering area 3.347,01 Ha, location at Labuhan Batu Regency on the location permit No. 503.593/79/Ptnh/2014, dated 20 March 2014.</li> <li>b. Land Area Map No. 12A/12/2014, scale 1:10.000; on August 2014, covering area 531,72 Ha, location at Labuhan Batu Regency on the location permit No. 503.593/79/Ptnh/2014, dated 20 March 2014.</li> </ul> <p>Pangkalan Estate: Based on Land Title / HGU map, it was noted no any customary rights or user rights within Pangkatan Estate.</p>	<p>Yes</p>
<p>2.3.2</p>	<p>Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p> <ul style="list-style-type: none"> <li>a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the</li> </ul>	<p>Based on the management's statement and the "Risalah panitia B" document in 1989, it is stated that there is no traditional rights of the people in PT Indo Sepadan Jaya (Tanah Negara Bebas) working area so there is no compensation process to other parties including the community.</p> <p>Based on the results of interviews with the surrounding community states that the company does not make land compensation because it is considered the land of the Free State so no compensation is required.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
	<p>communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</p> <p>b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</p> <p>c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</p> <p>- Minor compliance -</p>	<p>In the work area of PT Rantau Sinar Karsa, land acquisition is not carried out because based on management's statement and the Committee's Proceed Document B 1989 stated that there is no traditional rights of the community in PT Rantau Sinar Karsa (Tanah Negara Bebas) working area so there is no compensation process to other parties Including to the community.</p>	
2.3.3	<p>All 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>	<p>It was noted that no any land compensation was made due to no customary land or legal rights within the company areas. There is claimed from Farmer group "TL" and it has been solved by the Court decision (see 2.2.3)</p>	Yes
2.3.4	<p>Evidence shall be available to</p>	<p>It was noted that no any land compensation was made due to</p>	Yes



Criterion / Indicator		Assessment Findings	Compliance																																																						
	show that communities are represented through institutions or representatives of their own choosing, including legal counsel.  - Major compliance -	no customary land or legal rights within the company areas. There is claimed from Farmer group "TL" and it has been solved by the Court decision (see 2.2.3)																																																							
<b>Principle 3: Commitment to long-term economic and financial viability</b>																																																									
<b>Criterion 3.1</b>																																																									
There is an implemented management plan that aims to achieve long-term economic and financial viability.																																																									
3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.  - Major compliance -	<p>A business plan was available in document "Mill Projection" PMKS Tanjung Selamat for period 6 (six) years (2016 – 2021). The document was covering FFB production projected per each estate, OER, KER, CPO and PK pricing and cost projection per tonnes FFB, CPO and PK. The company was defined detail budget annually, such as:</p> <table border="1"> <thead> <tr> <th>Description</th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>87,609</td> <td>92,664</td> <td>114,442</td> <td>136,111</td> <td>166,636</td> </tr> <tr> <td>CPO</td> <td>17,886</td> <td>19,493</td> <td>24,550</td> <td>29,593</td> <td>38,102</td> </tr> <tr> <td>OER (Own)</td> <td>20.42</td> <td>21.04</td> <td>21.45</td> <td>22.01</td> <td>22.87</td> </tr> <tr> <td>OER (Third party)</td> <td>18.00</td> <td>18.00</td> <td>18.00</td> <td>18.00</td> <td>18.00</td> </tr> <tr> <td>KER (Own)</td> <td>4.90</td> <td>4.90</td> <td>4.90</td> <td>4.90</td> <td>4.90</td> </tr> <tr> <td>KER (Third party)</td> <td>4.90</td> <td>4.90</td> <td>4.90</td> <td>4.90</td> <td>4.90</td> </tr> </tbody> </table> <p>Monitoring of yields and expenses for 2016 is also available, and the data as table below:</p> <table border="1"> <thead> <tr> <th>Description</th> <th>Budget 2016</th> <th>Actual 2016</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>90,130</td> <td>94,461 tonne</td> </tr> <tr> <td>CPO</td> <td>18,354</td> <td>17,735 tonne</td> </tr> <tr> <td>PK</td> <td>4,532</td> <td>5,290 tonne</td> </tr> </tbody> </table>	Description	2017	2018	2019	2020	2021	FFB	87,609	92,664	114,442	136,111	166,636	CPO	17,886	19,493	24,550	29,593	38,102	OER (Own)	20.42	21.04	21.45	22.01	22.87	OER (Third party)	18.00	18.00	18.00	18.00	18.00	KER (Own)	4.90	4.90	4.90	4.90	4.90	KER (Third party)	4.90	4.90	4.90	4.90	4.90	Description	Budget 2016	Actual 2016	FFB	90,130	94,461 tonne	CPO	18,354	17,735 tonne	PK	4,532	5,290 tonne	Yes
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Criterion / Indicator		Assessment Findings			Compliance																																																											
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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>The company has set a replanting program of Pangkatan Estate and Tanjung Selamat Estate for Year 2017-2021. Some documents were reviewed such as document "<i>Peta Rencana Replanting KPT 2015 – 2020 (Revisi) – PT Rantau Sinar Karsa – Kebun Pangkatan , Peta Rencana Tumbang Chipping OP 2017, and etc.</i>"</p> <p>Plan and realization of replanting 2012 until 2016 and replanting plan for period 2017 until 2021 presented as below :</p> <table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Tanjung Selamat Est.</th> <th colspan="2">Pangkalan Estate</th> </tr> <tr> <th>Plan</th> <th>Real</th> <th>Plan</th> <th>Real</th> </tr> </thead> <tbody> <tr> <td>2012</td> <td>464</td> <td>464</td> <td>-</td> <td>-</td> </tr> <tr> <td>2013</td> <td>985</td> <td>985</td> <td>-</td> <td>-</td> </tr> <tr> <td>2014</td> <td>826</td> <td>826</td> <td>-</td> <td>-</td> </tr> <tr> <td>2015</td> <td>475</td> <td>475</td> <td>293</td> <td>293</td> </tr> <tr> <td>2016</td> <td>591</td> <td>597</td> <td>659</td> <td>659</td> </tr> <tr> <td>2017</td> <td>-</td> <td>-</td> <td>710</td> <td>117*</td> </tr> <tr> <td>2018</td> <td>-</td> <td>-</td> <td>699</td> <td>-</td> </tr> <tr> <td>2019</td> <td>-</td> <td>-</td> <td>704</td> <td>-</td> </tr> <tr> <td>2020</td> <td>-</td> <td>-</td> <td>575</td> <td>-</td> </tr> <tr> <td>2021</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>Remark: unit in ha            *117 ha has been toppled and chopped and not yet planted</p> <p>Replanting program in 2017 is still in progress clearing (felling and clearing of old plants). Stages of work carried out on replanting activities are:</p> <ul style="list-style-type: none"> <li>- Blocking</li> <li>- Toppling / Chipping / stacking / hole</li> </ul>			Year	Tanjung Selamat Est.		Pangkalan Estate		Plan	Real	Plan	Real	2012	464	464	-	-	2013	985	985	-	-	2014	826	826	-	-	2015	475	475	293	293	2016	591	597	659	659	2017	-	-	710	117*	2018	-	-	699	-	2019	-	-	704	-	2020	-	-	575	-	2021	-	-	-	-	Yes
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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Close the hole</li> <li>- Road construction</li> <li>- Making the trenches</li> <li>- Wash trench</li> <li>- Pancang point of planting</li> <li>- Hole palm seedlings</li> <li>- Planting palm seedlings</li> </ul> <p>Based on fields observation to replanting areas, found that the replanting processes has no using fire</p>	
<b>Principle 4: Use of appropriate best practices by growers and millers</b>			
<b>Criterion 4.1</b>			
Operating procedures are appropriately documented, consistently implemented and monitored.			
4.1.1	<p>Standard Operating Procedures (SOPs) for estates and mills are documented</p> <p>- Major compliance -</p>	<p>The organization has established a set of documented procedures (SOP) for estate (from land clearing to harvesting and FFB transported) and mill (FFB from receiving to dispatch). Herewith list of procedures that the company established.</p> <p><b><u>Tanjung Selamat Estate and Pangkatan Estate</u></b></p> <p>Document Agricultural Policy Manual (APM) that endorsed by Dy. Managing Director, dated February 01, 2013, contained procedures as below:</p> <ol style="list-style-type: none"> <li>1. SOP AA-APM-OP-1100.01- R4 (Seedling).</li> <li>2. SOP AA-APM-OP-1100.02-R3 (Penanaman Areal Baru).</li> <li>3. SOP AA-APM-OP-1100.03- R2 (Pembuatan dan Perawatan Jalan dan Jembatan).</li> <li>4. SOP AA-APM-OP-1100.04-R3 (Pembuatan dan Perawatan Parit)</li> <li>5. SOP AA-APM-OP-1100.05-R3 (Soil &amp; Water Conservation)</li> <li>6. SOP AA-APM-OP-1100.06.-R5 (Planting Legium Cover Crops)</li> </ol>	Yes

Criterion / Indicator	Assessment Findings	Compliance
	<p>7. SOP AA-APM-OP-1100.07-R6, last revision no. 02/HP/MEMO/FEB/13, (Planting).</p> <p>8. SOP AA-APM-OP-1100.08- R6 (Weeding control)</p> <p>9. SOP AA-APM-OP-1100.09-R5 (Fertilization)</p> <p>10. SOP AA-APM-OP-1100.10-R6 (Pests &amp; Disease Control)</p> <p>11. SOP AA-APM-OP-1100.11-R1 (Pesticide Control)</p> <p>12. SOP AA-APM-OP-1100.12-R3 (Kastrasi)</p> <p>13. SOP AA-APM-OP-1100.13-R3 (Tunas Pokok)</p> <p>14. SOP AA-APM-OP-1100.14. R3 (Census and Identification of Palm)</p> <p>15. SOP AA-APM-OP-1100.15-R2 (Census of Production)</p> <p>16. SOP AA-APM-OP-1100.16-R1 (Konsolidasi)</p> <p>17. SOP AA-APM-OP-1100.17-R1 (Water Management)</p> <p>18. SOP AA-APM-OP-1100.18. R3 (Harvesting)</p> <p>19. SOP AA-APM-OP-1100.19. R1 (FFB Transport)</p> <p>20. SOP AA-APM-OP-1100.20-R6 (Replanting)</p> <p>21. SOP AA-APM-OP-1100.21-R1 (Riparian)</p> <p>22. SOP AA-APM-OP-1100.22-R0 (Pengelolaan Areal NKT)</p> <p><b>Tanjung Selamat Mill</b>            Mill Policy Manual – Asian Agri Group, consist of:</p> <ul style="list-style-type: none"> <li>- AA-MPM-OP-1400.01-R1 Pengantar</li> <li>- AA-MPM-OP-1400.02-R2 Stasiun Penerimaan</li> <li>- AA-MPM-OP-1400.03-R1 Stasiun Rebusan</li> <li>- AA-MPM-OP-1400.04-R1 Stasiun Pemisahan Brondolan</li> <li>- AA-MPM-OP-1400.05-R1 Stasiun Pengadukan dan Pengempaan</li> <li>- AA-MPM-OP-1400.06-R1 Stasiun Pemurnian</li> <li>- AA-MPM-OP-1400.07-R1 Stasiun Pemisahan Nut dan Fibre</li> <li>- AA-MPM-OP-1400.08-R1 Stasiun Kernel</li> <li>- AA-MPM-OP-1400.09-R1 Stasiun Boiler</li> </ul>	

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- AA-MPM-OP-1400.10-R1 Stasiun Engine Room</li> <li>- AA-MPM-OP-1400.11-R1 Stasiun Water Treatment</li> <li>- AA-MPM-OP-1400.12-R1 Stasiun Laboratorium</li> <li>- AA-MPM-OP-1400.13-R1 Stasiun Pengelolaan Limbah</li> <li>- AA-MPM-OP-1400.14-R2 Stasiun Penimbunan &amp; Pengiriman CPO &amp; Kernel</li> <li>- AA-MPM-OP-1400.15-R1 Perawatan</li> <li>- AA-MPM-OP-1400.16-R1 Keamanan</li> <li>- AA-MPM-OP-1400.17-R4 Traceability</li> <li>- AA-MPM-OP-1400.18-R4 Book Keeping</li> <li>- AA-MPM-OP-1400.19-R1 Manajemen dan Metode Menghitung Emisi Gas Rumah Kaca</li> </ul> <p>Some of the above procedures has been revised as described on Email dated March 21, 2017 from Estate Manager in HO - Medan (Karunia Indah Tarigan), Subject: Revision APM I year 2017. Based on the email, some procedures was revised, i.e:</p> <ul style="list-style-type: none"> <li>- APM Pembibitan, SOP AA-APM-OP-1100.01- R4</li> <li>- APM Konservasi Tanah dan Air, SOP AA-APM-OP-1100.17-R1</li> <li>- APM Menanam Kacangan, SOP AA-APM-OP-1100.06.-R5</li> <li>- APM Menanam Kelapa Sawit, SOP AA-APM-OP-1100.07-R6,</li> <li>- APM Pengendalian Gulma, SOP AA-APM-OP-1100.08- R6</li> <li>- APM Pengendalian Hama dan Penyakit, SOP AA-APM-OP-1100.10-R6</li> <li>- APM Kastrasi, SOP AA-APM-OP-1100.12-R3</li> <li>- APM Sensus dan Identifikasi Pokok, SOP AA-APM-OP-1100.14. R3</li> <li>- APM Replanting, SOP AA-APM-OP-1100.20-R6</li> </ul>	
4.1.2	A mechanism to check consistent implementation of procedures shall be in place.	The company has well implemented checking and monitoring of operation procedures implementation both of estates and mill. Based on interview with managenent of company, checking and monitoring performed once a year aat minimal, namely	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>- Minor compliance -</p>	<p>Visiting Audit (VA) Agronomy for estate and VA engineering for mill. VA conducted by independent persons who assigned by Managing Director of company. Some documents were reviewed both of Tanjung Selamat estate, Pangkatan estate and Tanjung Selamat Mill. Information obtained as follows:</p> <ul style="list-style-type: none"> <li>- Tanjung Selamat Mill: Document of VA Report – Inti PT Indo Sepadan Jaya – Kebun Tanjung Selamat document No. KTS/VA/FULL 01-16, date of visit 30 May – 3 June 2016, reported by Sinnaiha G. (independent auditor).</li> <li>- Pangkatan Estate: Document of VA Report – Inti - PT Rantau Sinar Karsa Kebun Pangkatan document No. KPT/VA/FULL 02-16, date visit 19-23 Desember 2016, reported by Ngu Heng Shioh (independent auditor).</li> </ul> <p>Following issues was reported in the above documents of each estate respectively, i.e:</p> <ul style="list-style-type: none"> <li>- Outstanding issues arising from previous report</li> <li>- Key performance index</li> <li>- Main issues affecting performance</li> <li>- Current issues and recommendations</li> <li>- Assessment on yield reducing / loss factors</li> <li>- FFB Production Map</li> <li>- Areal statement</li> <li>- Manpower</li> <li>- Production and quality</li> <li>- Cost of production</li> <li>- Unkeep of mature oil palm</li> <li>- Harvesting</li> <li>- Immature palms</li> <li>- Replanting 2016</li> <li>- Nursery</li> <li>- Others</li> <li>- General</li> <li>- Action plan VA visit</li> </ul>	

Criterion / Indicator		Assessment Findings	Compliance
		<p><b>Tanjung Selamat Mill</b>  Documents VA Report PT Indo Sepadan Jaya, Pabrik Tanjung Selamat (PTS), document No.PTS-VE-FULL 01-17, date of visit 20 – 23 Februariy 2017, reported by TCJ Thomas (independent auditor). Summary of report as below:</p> <ul style="list-style-type: none"> <li>- Outstanding issue raising from previous visit</li> <li>- Mill Key Performance Indicators</li> <li>- Key issues affecting Mill performance</li> <li>- Current key issue &amp; recommendation</li> <li>- Assessment of overall mill operations</li> <li>- Comment on key area</li> <li>- Concluding comments</li> </ul> <p>In other hand, the company also conducted internal audit once a year periodically. Internal audit scopes are mill and estates, audit standards was ISCC, RSPO, ISPO and SMK3 (Indonesian OHS management system). Last internal audt ws performed on April 04-07, 2017. The internal audit conducted by competent personnel. Attendance list and report of internal audit are available.</p>	
4.1.3	<p>Records of monitoring and any actions taken shall be maintained and available, as appropriate.</p> <p>- Minor compliance -</p>	<p>Records of the results of the visit in the form of internal audit reports Agronomy Visit to visit to the Estates and Visit Reports Engineering for a visit to the Mill. The records were reviewed as follows:</p> <p><b>Tanjung Selamat and Pangkatan Estates</b></p> <ul style="list-style-type: none"> <li>- Based on VA-Audit results, the organization established Resume and Action Plan of VA Visit to Tanjung Selamat Estate, date May 30 to June 03, 2016. The document has contain issues and recommendation from auditors, has follow up and completed by root causes and action taken will taken.</li> <li>- Minute of Closing Meeting (including Action Plan) Pangkatan Estate, contain issues, action plan and who responsible for.</li> </ul>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p><b>Tanjung Selamat Mill</b> Follow up from VA – visit report – namely action plan of “Laporan Visiting Engineer”, Report No. I/II/2016 (visited date February 20-22, 2017).</p>	
4.1.4	<p>The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -</p>	<p>The record of FFB from outgrower receipt is recorded in “Laporan Harian PKS” and resume in document Mill Summary Operation. The FFB from third party coming from collectors, cooperative farmers association and outgrower. List of FFB third party supplier to Tanjung Selamat Mill as below:</p> <ol style="list-style-type: none"> <li>1. Roma</li> <li>2. Wan Juma Sari</li> <li>3. UD Ula Tersia</li> <li>4. UD Sahabat</li> <li>5. Soo Boon Pin</li> <li>6. Al-Muh TS</li> <li>7. Tan Ing Sing</li> <li>8. Mitra Langgeng Sukses</li> <li>9. Gapoktan Sumber Rejeki</li> <li>10. Kopkun Anug Jaya Mandiri</li> </ol> <p>Based on document Mill Operation Summary 2016, records of the origins of all third-party FFB sources are available. FFB received from own and third-party during 2016, as below:</p> <ul style="list-style-type: none"> <li>- Own estate: 94,461 tonne</li> <li>- Third party: 79,083 tonne</li> <li>- Total: 173,544 tonne</li> </ul> <p>FFB received data until April 2017 as follow:</p> <ul style="list-style-type: none"> <li>- Own Estates: 7,039 tonne</li> <li>- Third-party: 7,900 tonne</li> </ul>	Yes



Criterion / Indicator		Assessment Findings	Compliance																																								
		- Total: 14,939 tonne																																									
<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	<p>There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible.</p> <p>- Minor compliance -</p>	<p>The company has established procedure soil fertility in "SOP AA-APM-OP-1100.09. R1" - SOP Pemupukan, consist of type and recommendation of fertilizer for immature and mature areas, cycle, dosage and when fertilizer is applied.</p> <p>To maintain soil fertility inorganic fertilizer companies perform regularly (annually), and it is also carried out by using organic fertilizer, that is by placing midrib on path and mechanisms set up in the harvest procedure.</p> <p>Fertilizer is applied to maintain and increase soil fertility, fertilizer applied follow the fertilizer recommendation which created based on soil and leaf analysi. Fertlizing record in "Monthly Manuring Program".</p>	Yes																																								
4.2.2	<p>Records of fertiliser inputs shall be maintained.</p> <p>- Minor compliance -</p>	<p><b>Tanjung Selamat Estate</b></p> <p>Records of fertilizer input available on document Laporan Unit Kebun, for example 2017 fertilizer recommendation and realization until April 2017 data as follows:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Fertilizer</th> <th>Recommend (Kg)</th> <th>Realized (Kg)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>ZA</td> <td>270,924</td> <td>135,613</td> </tr> <tr> <td>2</td> <td>RP</td> <td>70,313</td> <td>-</td> </tr> <tr> <td>3</td> <td>MOP</td> <td>363,210</td> <td>159,151</td> </tr> <tr> <td>4</td> <td>Cu-EDTA</td> <td>5,426</td> <td>5,424</td> </tr> <tr> <td>5</td> <td>Zn-EDTA</td> <td>5,426</td> <td>-</td> </tr> <tr> <td>6</td> <td>HGFB</td> <td>27,129</td> <td>13,566</td> </tr> <tr> <td>7</td> <td>Dolomite</td> <td>192,643</td> <td>88,393</td> </tr> <tr> <td>8</td> <td>EFB Ash</td> <td>406,938</td> <td>-</td> </tr> <tr> <td>9</td> <td>Kieserite</td> <td>2,509</td> <td>-</td> </tr> </tbody> </table>	No	Fertilizer	Recommend (Kg)	Realized (Kg)	1	ZA	270,924	135,613	2	RP	70,313	-	3	MOP	363,210	159,151	4	Cu-EDTA	5,426	5,424	5	Zn-EDTA	5,426	-	6	HGFB	27,129	13,566	7	Dolomite	192,643	88,393	8	EFB Ash	406,938	-	9	Kieserite	2,509	-	Yes
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		<p><b>Pangkalan Estate</b>                      Recommendation and realization of Fertilizer for Mature (TM), realization until April 2017 at Afdeling IV, i.e.:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Fertilizer</th> <th>Recommend (Kg)</th> <th>Realized (Kg)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Hi-Key Plus</td> <td>237,234</td> <td>79,887</td> </tr> <tr> <td>2</td> <td>Dolomite</td> <td>23,451</td> <td>-</td> </tr> <tr> <td>3</td> <td>HGFB</td> <td>7,035</td> <td>3,519</td> </tr> <tr> <td>4</td> <td>CuSO4</td> <td>9,380</td> <td>-</td> </tr> <tr> <td>5</td> <td>ZnSO4</td> <td>8,315</td> <td>4,689</td> </tr> <tr> <td colspan="2"><b>Total</b></td> <td><b>285,416</b></td> <td><b>88,095</b></td> </tr> </tbody> </table> <p>Recommendation and realization of Fertilizer for Mature (TM),</p> <p>Realization until March 2017, as follow:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Fertilizer</th> <th>Recommend (Kg)</th> <th>Realized (Kg)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>ZA</td> <td>208,903</td> <td>20,931</td> </tr> <tr> <td>2</td> <td>RP</td> <td>78,794</td> <td>-</td> </tr> <tr> <td>3</td> <td>MOP</td> <td>213,353</td> <td>38,010</td> </tr> <tr> <td>4</td> <td>HGFB</td> <td>-</td> <td>-</td> </tr> <tr> <td>5</td> <td>Dolomite</td> <td>-</td> <td>-</td> </tr> <tr> <td>6</td> <td>Bunch Ash</td> <td>-</td> <td>-</td> </tr> <tr> <td>7</td> <td>Zn-EDTA</td> <td>561</td> <td>-</td> </tr> <tr> <td colspan="2"><b>Total</b></td> <td><b>505,611</b></td> <td><b>58,941</b></td> </tr> </tbody> </table> <p>Recommendation and realization of Fertilizer for Immature (TBM),</p>			No	Fertilizer	Recommend (Kg)	Realized (Kg)	1	Hi-Key Plus	237,234	79,887	2	Dolomite	23,451	-	3	HGFB	7,035	3,519	4	CuSO4	9,380	-	5	ZnSO4	8,315	4,689	<b>Total</b>		<b>285,416</b>	<b>88,095</b>	No	Fertilizer	Recommend (Kg)	Realized (Kg)	1	ZA	208,903	20,931	2	RP	78,794	-	3	MOP	213,353	38,010	4	HGFB	-	-	5	Dolomite	-	-	6	Bunch Ash	-	-	7	Zn-EDTA	561	-	<b>Total</b>		<b>505,611</b>	<b>58,941</b>	
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4.2.3	<p>There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.</p> <p>- Minor compliance -</p>	<p>The organization has maintained records of periodical leafs. Soils, and visual analysis accordingly. The records are:</p> <p><b><u>Pangkalan &amp; Tanjung Selamat Estates</u></b></p> <ul style="list-style-type: none"> <li>- Record of leaf analysis, Foliar Analysis Report - Research &amp; Development Center – PT Nusa Pusaka Kencana Analytical &amp; Laboratory, dated Juni 02, 2016; Ref. No: 038/INT/RR&amp;D/JUN/L/16.</li> </ul>	Yes																																																																					

<b>Criterion / Indicator</b>		<b>Assessment Findings</b>	<b>Compliance</b>
		<ul style="list-style-type: none"> <li>- Soil analysis, sample was taken on some locate on within company area, i.e: Division IV at block D91j, D91a/1991, C91a/1991, G92h/1992 and J93c/1993 on April 26, 2013</li> <li>- Soil analysis from - Research &amp; Development Asian Agri Group, dated April 26, 2013; Written by Gunawan Kristiyanto; Pangkatan District; Division IV; Block D9Ij; planted year 1991; Main material Alluvium Riverine; Fisiografi of land; Tofographi: slope 0-3% Flat; effective depth 120 cm; ground water depth &gt; 120 cm</li> </ul> <p><b>Full Compliance</b></p>	
4.2.4	<p>A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting.</p> <p>- Minor compliance -</p>	<p><b>Tanjung Selamat and Pangkatan Estates:</b></p> <p>There is no manuring by application of empty bunch and effluent. In addition the company also made observations concerning the application of organic fertilizer using a bunch ash (abu janjang) and palm residues after replanting.</p> <p><b>Full Compliance</b></p>	Yes
<p><b>Criterion 4.3</b></p> <p>Practices minimise and control erosion and degradation of soils.</p>			
4.3.1	<p>Maps of any fragile soils shall be available.</p> <p>- Major compliance -</p>	<p><b>Tanjung Selamat Estate</b></p> <p>There is no any revised or changes data on Map, that is based on soil survey, it was found that mostly PT Indo Sepadan Jaya areas is peat soil, Map of peat soil is available in place with scale 1 : 20.000, including:</p> <ol style="list-style-type: none"> <li>1. Peta kerja kebun Pangkatan dan Tanjung Selamat, contained no. block, afdeling, wide, road, river and housing complex net.</li> <li>2. Peta citra landsat tahun 2002.</li> <li>3. Peta kelerengan: 0 – 8% (3.855 ha)</li> </ol>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>4. Peta topografi/Ketinggian dari muka laut: 2,5 meter – 12,5 meter</p> <p>5. Peta Tanah dan Kesesuaian Lahan;</p> <ul style="list-style-type: none"> <li>a. Gambut &lt; 1 meter: 1.602 ha</li> <li>b. Gambut 1 – 3 meter: 2.101 ha</li> <li>c. Gambut &gt; 3 meter: 152 ha</li> </ul> <p>Total: 3,855 ha</p> <p>6. Peta Seri Tanah</p> <p><b>Pangkalan Estate</b></p> <ul style="list-style-type: none"> <li>- Peta Citra Landsat Band 543, PT Rantau Sinar Karsa Kebun Pangkatan, tahun 2002, scale 1:20.000</li> <li>- Peta Sebaran Seri Tanah (luas 3,855 ha), scale 1:20.000 <ul style="list-style-type: none"> <li>a. Typic Endoaquults seri Pangkatan</li> <li>b. Typic Haplohemist seri Pangkatan</li> </ul> </li> <li>- Peta Tanah dan Kesesuaian Lahan, scale 1:20.000; <ul style="list-style-type: none"> <li>- Typic Endoaquults – Lereng: 0-3% (856 ha)</li> <li>- Typic Haplohemist Gambut &lt; 1 m; Lereng 0-3% (746 ha)</li> <li>- Typic Haplohemist 1-3 m; Lereng: 0-3% (2,101 ha)</li> <li>- Typic Haplohemist Gambut &gt; 3m; Lereng 0-3% (152 ha)</li> <li>- Areal Sesuai Marjinal (S3): ± 746 ha (19,4%)</li> <li>- Areal Tidak Sesuai Bersyarat (N1): ± 3,109 ha (80,6%)</li> </ul> </li> <li>- Map of slope class, scale 1:20.000; Lereng Datar (0-8%): 3,855 ha.</li> </ul> <p><b>Full Compliance</b></p>	
4.3.2	<p>A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific).</p> <p>- Minor compliance -</p>	<p><b>Tanjung Selamat and Pangkatan Estate:</b></p> <p>All of area on Tanjung Selamat and Pangkatan estate has slope 0-3 %, so the organization has no defined a management strategy for planting on slope a certain limit.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<b>Full Compliance</b>	
4.3.3	<p>A road maintenance program shall be in place.</p> <p>- Minor compliance –</p>	<p>The organization has defined a road maintenance and maintain related records appropriately. Records of road maintenance program as follows:</p> <p><b>Tanjung Selamat Estate</b></p> <ol style="list-style-type: none"> <li>1. Work Plan year 2017 – Afdeling II : Manual maintenance of road               <ul style="list-style-type: none"> <li>- Plan: 118.496 km</li> <li>- Real: 26.422 km (until April 2017)</li> </ul> </li> <li>2. Work Plan year 2017 – Afdeling II : Mechanic maintenance of road               <ul style="list-style-type: none"> <li>- Plan: 14.812 km</li> <li>- Real: 0 km (until April 2017)</li> </ul> </li> <li>3. Work Plan year 2017 – Afdeling III : Manual maintenance of road               <ul style="list-style-type: none"> <li>- Plan: 100.188 km</li> <li>- Real: 31,112 km (until April 2017)</li> </ul> </li> <li>4. Work Plan year 2017 – Afdeling III : Mechanic maintenance of road               <ul style="list-style-type: none"> <li>- Plan: 22.194 km</li> <li>- Real: 0 km (until April 2017)</li> </ul> </li> </ol> <p><b>Pangkalan Estate:</b></p> <p>Document of Report of Pangkatan Pangkatan Unit, March 2017, maintenance of road and bridge until March 2017 as follow:</p> <ul style="list-style-type: none"> <li>- Road maintenance manually: realization 65,330 meter (budget: 72,945 meter)</li> <li>- Road maintenance mechanically (grading): realization 13,450</li> </ul>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>m (budget: 24,027 m)</p> <ul style="list-style-type: none"> <li>- Road hardeness: realization 26,260 m (budget: 1,596 m)</li> <li>- Road hoarding: 0/0</li> <li>- Realization of road maintenance mechanically on Pangkatan estate for period 2016 is 104,900 metre.</li> </ul> <p><b>Full compliance</b></p>	
4.3.4	<p>Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.</p> <p>- Major compliance –</p>	<p>The company has established a documented water management programme to ensure that subsidence of peat soils are minimized and monitored. There is sufficient evidence that the defined programme was implemented. Some records were reviewed e.g.:</p> <p><b><u>Tanjung Selamat and Pangkatan Estates</u></b></p> <p>The company has a set of procedure for water management (for peat soil), in line with Indonesia’s guideline for peat management.</p> <p>Water management procedure for peat land is available in implemented, the company has installed water gate, main drain gate, peat subsidence monitoring, and washing drainage regularly, also monitoring of water level, main gate water lever, peat subsidence level.</p> <p>The organization has documented water and ground cover management programme and maintained records of monitoring subsidence of peat soils, i.e.:</p> <ul style="list-style-type: none"> <li>- Water Level Monitoring</li> <li>- Monitoring Subsidence Gambut</li> <li>- Pengukuran Air Tanah Dangkal</li> </ul> <p>It was found that water level in maintained in 50 – 70 cm. Actual water level on January – April 2017: Tanjung Selamat Estate</p>	Yes

<b>Criterion / Indicator</b>		<b>Assessment Findings</b>	<b>Compliance</b>
		<ul style="list-style-type: none"> <li>- Afdeling I: date 20/4/2017, blok M2 in level 75/70 cm</li> <li>- Afdeling II: date 24/3/2016, blok F14c in level 60 cm</li> <li>- Afdeling III: date 26/3/2016, blok A14f in level 55 cm</li> <li>- Afdeling IV: date 26/3/2016, blok B13i in level 60 cm</li> </ul> <p>Some documents were reviewed at Pangkatan Estate, e.g.:</p> <ul style="list-style-type: none"> <li>- Data Pemeriksaan Water Level Januari – Desember 2016. Contoh data bulan Nopember 2016, hasil pengukuran minggu ke-4, rata-rata 50 – 85 cm</li> <li>- Tabel Pengukuran Subsistensi Lahan Gambut, Tabel Pengukuran Subsistensi Lahan Gambut</li> </ul> <p><b>Full compliance</b></p>	
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>Both of Tanjung Selamat and Pangkatan Estate implemented water management and has done well, i.e. by making the water gate, groundwater level monitoring (every month) and subsidence of peat (every 6 months)and also monitoring of flood areas by creating a map and setting the floodgates/water gate in the area.</p> <p><b>Pangkatan Estate</b></p> <p>Some documents were reviewed, i.e.:</p> <ul style="list-style-type: none"> <li>- Map of Blood Control Zone, zone defined as below,               <ul style="list-style-type: none"> <li>a. Zone 1 height 2.70 – 1.60: 364 ha</li> <li>b. Zone 2 height 2.70 – 1.80: 930 ha</li> <li>c. Zone 3 height 3.60 – 2.70: 1.600 ha</li> <li>d. Zone 4 height 3.80 – 3.30: 961 ha</li> </ul> </li> </ul> <p>The map was describing water management plan to manage water level and flows, and also to avoid water flood. Location of water gates, water pumps, and etc also available on the map.</p> <ul style="list-style-type: none"> <li>- Meeting minute dated June 24, 2016, subject replanting program and trench maintenance.</li> <li>- SOP AA-SOP-OP-1100.17 – R1, Pengelolaan Air (Water Management). The procedure describe water management</li> </ul>	Yes



Criterion / Indicator		Assessment Findings	Compliance
		<p>plan to control water level at drainage cannal at optimum levels. The water level maintained to minimize subsidence, to maintain carbon stock, to prevent fire and etc.</p> <p><b>Full compliance</b></p>	
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><b>Tanjung Selamat and Pangkatan Estates</b></p> <p>There is no other fragiles soil within the Tanjung Selamat Estate area, except peat soil.</p>	Yes
<p><b>Criterion 4.4</b>            Practices maintain the quality and availability of surface and groundwater</p>			
4.4.1	<p>An implemented water management plan shall be in place.</p> <p>- Minor compliance -</p>	<p><b>Tanjung Selamat &amp; Pangkatan Estate:</b></p> <p>Water management plan is documented in "<i>Praktek praktek Mempertahankan Kualitas dan Ketersediaan Air permukaan dan Air tanah – Water Sustainable</i>" covering: water sources (Surface and ground water sources), monitoring of efficiency (install flow meter, retribusi pemakaian and monitoring of water usage), renewable water sources, avoidance of contamination)</p>	Yes
4.4.2	<p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated.</p> <p>- Major compliance -</p>	<p>The water used for domestic purposes comes from the "reservoir" then pumped into the tank and supplied to the employee residences. To maintain the water source, the company have been planted the native trees around the "reservoir" and along rivers.</p> <p>SOP for maintaining riparian zone is under SOP AA-APM-OP-1100.05. R1 "Konservasi Tanah dan Air", it is stated that at during land clearing area along the river shall be conserved</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance																																
4.4.3	<p>Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6).</p> <p>- Minor compliance -</p>	<p>Based on these test results of BOD parameters are still below the quality standard in accordance PERMEN-LH No. KEP-51 / MENLH / 10/1995, Appendix B IV (100 mg / L). The BOD level in effluent is monitored monthly. Records for monitoring of effluent especially BOD for year 2016 available as below:</p> <table border="1"> <thead> <tr> <th>2016</th> <th>July</th> <th>Aug</th> <th>Sept</th> <th>Oct</th> <th>Nov</th> <th>Dec</th> </tr> </thead> <tbody> <tr> <td><b>BOD</b> in ml/L &lt;5000</td> <td>96.6</td> <td>91.99</td> <td>46.59</td> <td>86.77</td> <td>91.67</td> <td>91.7</td> </tr> </tbody> </table> <p>This measure conducted by accredited laboratory Balai Teknik Kesehatan Lingkungan dan Pengendalian Penyakit (BTKLPP) Kelas I-Medan</p>	2016	July	Aug	Sept	Oct	Nov	Dec	<b>BOD</b> in ml/L <5000	96.6	91.99	46.59	86.77	91.67	91.7	Yes																		
2016	July	Aug	Sept	Oct	Nov	Dec																													
<b>BOD</b> in ml/L <5000	96.6	91.99	46.59	86.77	91.67	91.7																													
4.4.4	<p>Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored.</p> <p>- Minor compliance -</p>	<p>Perlabian POM: BM POM recording the mill water use per tonne FFB. The record of water use available in "Pemakaian air dan HSD Oil per metrik FFB". The budget of water use for FFB process sets at 1 m<sup>3</sup>/ton FFB processed. Record for year 2016 seen:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Water usage (m<sup>3</sup>/ton FFB)</th> <th>Month</th> <th>Water usage (m<sup>3</sup>/ton FFB)</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>0.93</td> <td>Jul</td> <td>0.91</td> </tr> <tr> <td>Feb</td> <td>1.21</td> <td>Aug</td> <td>0.94</td> </tr> <tr> <td>Mar</td> <td>1.04</td> <td>Sep</td> <td>0.89</td> </tr> <tr> <td>Apr</td> <td>1.08</td> <td>Oct</td> <td>0.91</td> </tr> <tr> <td>May</td> <td>1.26</td> <td>Nov</td> <td>0.93</td> </tr> <tr> <td>Jun</td> <td>1.05</td> <td>Dec</td> <td>0.84</td> </tr> <tr> <td><i>Average</i></td> <td><b>1.10</b></td> <td><i>Average</i></td> <td><b>0.91</b></td> </tr> </tbody> </table>	Month	Water usage (m <sup>3</sup> /ton FFB)	Month	Water usage (m <sup>3</sup> /ton FFB)	Jan	0.93	Jul	0.91	Feb	1.21	Aug	0.94	Mar	1.04	Sep	0.89	Apr	1.08	Oct	0.91	May	1.26	Nov	0.93	Jun	1.05	Dec	0.84	<i>Average</i>	<b>1.10</b>	<i>Average</i>	<b>0.91</b>	
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<p><b>Criterion 4.5:</b> Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>																																			

Criterion / Indicator		Assessment Findings	Compliance
4.5.1	<p>Implementation of Integrated Pest Management (IPM) plans shall be monitored.</p> <p>- Major compliance -</p>	<p><b>Tanjung Selamat Estate</b>            The company has Integrated Pest Management and its implemented, such as: Planting "Beneficial Plant" such as: Cassia cobanensis, Antigonon leptosus and Tunera subulata were recorded every month in the "Monitoring Host plant", Install barn owl and barn owl census every month, Census of nettle worm (caterpillar fire) , Census of Leaf Eating Caterpillar conducted every month.            Based on document Summary of pests and diseases April 2017, was reported that there is no Ganoderma, Molusca and Oryctes attack. Number of barn owl at April 2017 is 139 units (rasio 1:25.</p> <p><b>Pangkalan Estate</b>            Documents were reviewed. e.g.:</p> <ul style="list-style-type: none"> <li>- Plan and realization of Leaf Eating Caterpillar Metisa control. The documents contained afdeling data, planted year, area, number of census sample, number of attacked plants, control plan, and control realized, ant etc.</li> <li>- Recapitulation Census of Leaf Eating Caterpillar at November 2016, the results show that population of attack, still under threshold value. However, observation to be continued. Type of pests such as setora nitens, callitiera H, and Metisa plana.</li> <li>- Recapitulation Census of Leaf Eating Caterpillar at November 2016, at afdeling III. The results show that population of attack, still under threshold value. However, observation to be continued.</li> <li>- Pest Census Summary Form A2, Maret 2017</li> </ul>	Yes
4.5.2	<p>Training of those involved in IPM implementation shall be demonstrated.</p> <p>- Minor compliance -</p>	<p><b>Tanjung Selamat and Pangkatan Estate</b>            Training records of Plant Pests and Diseases Control (IPM) is as follows:</p> <ol style="list-style-type: none"> <li>1. Records and certificates owned by employees of "pelatihan penyemprotan herbisida terbatas" November 2015, followed</li> </ol>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>by all sprayer employees of Tanjung Selamat and Pangkatan Estate.</p> <ol style="list-style-type: none"> <li>2. Training of Handling of Spray Equipment and Pesticides, on 23 November 2015 Pangkatan Estate and dated December 10, 2015 in Tanjung Selamat Estate.</li> <li>3. Refresh Training OPT (Silkworm Pockets and Oryctes), dated 24 April 2015, attended by 14 participants</li> <li>4. Fogging The use training tool, dated 12.03.2016, followed by 56 employees.</li> <li>5. Training of Use of Herbicides Limited, on 07.10.2014, followed by 131 employees</li> <li>6. Limited Herbicides Handling Training , dated 21.08.2015, followed by 25 participant, provided by Syngenta.</li> <li>7. List of attendance tanggal 29 Juli 2016 – 29 Juli 2016 – Refresh SOP HPT (pest &amp; disease of plant) Code (163), provided by Learning &amp; Development Departement, followed by 31 participants</li> <li>8. Attendance List of Limited Pesticide Training, dated September 14, 2016, Instructor by Sygenta Team &amp; KP3 Province of Sumatera Utara, Provider PT Sygenta Indonesia. Training was followed by 39 participants from Pangkatan, Aek Nabara, Teluk Panji, and Tanjung Selamat estates.</li> </ol>	
<p>Criterion 4.6</p> <p>Pesticides are used in ways that do not endanger health or the environment.</p>			
4.6.1	<p>Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available.</p>	<p><b>Tanjung Selamat and Pangkatan Estate</b></p> <p>The use of pesticides has been described in the pest control procedures, including the type of target (pests and weeds) that corresponds to the type of active ingredient and the dosage that has been done justification by R&amp;D.</p> <p>Agrochemicals use was well recorded in "Recapitulation of agrochemical use" including active ingredients used, area treated, amount applied per ha and number of applications. The</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	documents were also recorded dosage of agrochemical use, target species. It was noted that dosage applied and application rotation was in accordance to budget. Justification doses of pesticides and other toxic materials recorded in SOP Pest and Disease (AA-APM-OP-1100.10-R4).	
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>Records of pesticides usage both of on Tanjung Selamat and Pangkatan Estates are available and maintained. The records show active ingredients used, LD50 data, area treated, and amount of active ingredients per ha and number of applications.</p> <p><b>Tanjung Selamat Estate:</b>            List of some of pesticides usage of December 2016, as below:</p> <ul style="list-style-type: none"> <li>- Agronil 75 WP (a.i. Klorotatonil 75%), number of usage 10.0 litre; a.i. per ha 0.2 litre per ha; valid up to December 30, 2021</li> <li>- Elang 480 SL (ai. Glyphosat), number of usage: 0, valid up to September 25, 2018.</li> <li>- Gramoxone (a.i. ion Paraquat 200 gr/l), number of usage: 1,231 litre; a.i per ha: 0,1 l/ha; Valid up to December 10, 2020.</li> <li>- Metsulindo 20 WP (ai. Metil Metsulfuron), number of usage 84 kg; a.i per ha: 0.4 kg/ha – valid up to May 11, 2021</li> <li>- And etc</li> </ul> <p>Based on document verification resultsshowed that all of pesticides has been registered and still valid.</p> <p><b>Pangkalan Estate</b>            List of pesticides usage during year 2017 on Pangkatan estate as below:</p> <ul style="list-style-type: none"> <li>- Agronil 75 WP (a.i. Klorotatonil 75%), number of usage 76.0 litre;</li> <li>- Elang 480 SL (ai. Glyphosat), number of usage: 2,700 litre</li> <li>- Gramoxone (a.i. ion Paraquat 200 gr/l), number of usage: 6,699 litre;</li> <li>- Metsulindo 20 WP (ai. Metil Metsulfuron), number of usage 269 kg;</li> </ul>	Yes

Criterion / Indicator		Assessment Findings	Compliance																																																				
		- And etc																																																					
4.6.3	Any use of pesticides shall be minimized as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in Indonesia Best Practice guidelines.  - Major compliance -	The organization is not used prophylactic use of pesticides within all areas.	Yes																																																				
4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances.  - Minor compliance -	The company is not use pesticides categorized in Class 1A or 1B by WHO, and still used pesticide with active ingredient ion paraquat (Gramoxone). However, the organization has established a policy to reduce pesticides that containing paraquat as stated on Memorandum No. 001/HP/INT/IX/2009, date September 01, 2009. The organization also monitoring paraquat usage periodically. Herewith, monitoring of Gramoxone consumption (in iters) at Pangkatan estate for year 2015, 2016 and 2017: <table border="1" data-bbox="965 1007 1659 1444"> <thead> <tr> <th>Bulan</th> <th>2015</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr><td>Januari</td><td>58</td><td>86</td><td>59</td></tr> <tr><td>Februari</td><td>132</td><td>164</td><td>437</td></tr> <tr><td>Maret</td><td>245</td><td>175</td><td>503</td></tr> <tr><td>April</td><td>183</td><td>119</td><td>211</td></tr> <tr><td>Mei</td><td>249</td><td>155</td><td></td></tr> <tr><td>Juni</td><td>64</td><td>144</td><td></td></tr> <tr><td>Juli</td><td>205</td><td>125</td><td></td></tr> <tr><td>Agustus</td><td>271</td><td>157</td><td></td></tr> <tr><td>September</td><td>307</td><td>184</td><td></td></tr> <tr><td>Oktober</td><td>180</td><td>120</td><td></td></tr> <tr><td>Nopember</td><td>336</td><td>134</td><td></td></tr> <tr><td>Desember</td><td>207</td><td>77</td><td></td></tr> </tbody> </table>	Bulan	2015	2016	2017	Januari	58	86	59	Februari	132	164	437	Maret	245	175	503	April	183	119	211	Mei	249	155		Juni	64	144		Juli	205	125		Agustus	271	157		September	307	184		Oktober	180	120		Nopember	336	134		Desember	207	77		Yes
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Criterion / Indicator		Assessment Findings				Compliance
		Jumlah	2,437	1,640	1,211	
4.6.5	<p>Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>- Major compliance -</p>	<p>Herewith, list of trained persons who handling application of pesticides at Pangkatan estate:</p> <ul style="list-style-type: none"> <li>- Mina Gea (employee code 01057); training date March 19, 2014; certificate no. 521.4/53.36/PLA/III/2014.</li> <li>- Medi Dakhi (employee code 02384); training date March 19, 2014; certificate no. 521.4/53.36/PLA/III/2014.</li> <li>- Helmina Rumahorbo (employee code 02389); training date September 03, 2015; certificate no. 521.4/68.68/UPTTPH/IX/2015.</li> <li>- Ernawati Br Hasibuan (employee code 02394); training date October 14, 2014; certificate no. 521.4/191.02/PLA.S/IX/2014.</li> <li>- Hati Jernih (employee code 02588); training date March 19, 2014; certificate no. 521.4/53.36/PLA/III/2014.</li> <li>- Leni Farida (employee code 02602); training date September 03, 2015; certificate no. 521.4/68.68/UPTTPH/IX/2015.</li> <li>- Lestari Lase (employee code 02651); training date September 03, 2015; certificate no. 521.4/68.68/UPTTPH/IX/2015.</li> </ul> <p>Based on fields observation of spraying activities on Kebun Selamat dated May 16, 2017 at Afdeling III, Block J12E and Pangkatan estate dated May 17, 2017 at Afdeling III Block C91R, evidenced that all spraying workers provided appropriate PPE such as, mask, rubber glove, apron, safety shoes, safety glasses, and etc.</p> <p>MSDS and safety precaution are available on place. Based on interview with the sprying workers, they are able to demonstrated their knowledge about the type of pesticides used, OHS in practices, and how to application.</p>				Yes
4.6.6	<p>Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion</p>	<p>The company has a license for temporary storage of hazardous waste including pesticides containers. All pesticides and used containers are storage and disposed in a accordance with best practices and law and regulations prevailing in Indonesia.</p> <p>For detail please refer to indicator 5.3.</p>				Yes

Criterion / Indicator		Assessment Findings	Compliance
	5.3). - Major compliance -		
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	Based on fields observation of spraying activities on Kebun Selamat dated May 16, 2017 at Afdeling III, Block J12E and Pangkatan estate dated May 17, 2017 at Afdeling III Block C91R, evidenced that all spraying workers provided appropriate PPE such as, mask, rubber gloves, apron, safety shoes, safety glasses, and etc.  MSDS and safety precaution are available on place. Based on interview with the sprying workers, they are able to demonstrated their knowledge about the type of pesticides used, OHS in practices, and how to application.  To minimize negative impact, the organization also put temporary precaution signboard on the pesticides applied area.	Yes
4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance -	There is no any applied pesticides aerially.	Yes
4.6.9	Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8).	Formal training on handling pesticides for workers has provided, some documents were reviewed, among others: - Mina Gea (employee code 01057); training date March 19, 2014; certificate no. 521.4/53.36/PLA/III/2014. - Medi Dakhi (employee code 02384); training date March 19, 2014; certificate no. 521.4/53.36/PLA/III/2014. - Helmina Rumahorbo (employee code 02389); training date September 03, 2015; certificate no. 521.4/68.68/UPTTPH/IX/2015.	Yes



Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	<ul style="list-style-type: none"> <li>- Ernawati Br Hasibuan (employee code 02394); training date October 14, 2014; certificate no. 521.4/191.02/PLA.S/IX/2014.</li> <li>- Hati Jernih (employee code 02588); training date March 19, 2014; certificate no. 521.4/53.36/PLA/III/2014.</li> <li>- Leni Farida (employee code 02602); training date September 03, 2015; certificate no. 521.4/68.68/UPTTPH/IX/2015.</li> <li>- Lestari Lase (employee code 02651); training date September 03, 2015; certificate no. 521.4/68.68/UPTTPH/IX/2015.</li> </ul> <p>The company also has established regular training program, that cover all aspects of plantations, including safety handling of pesticides, and etc.</p>	
4.6.10	<p>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>- Minor compliance -</p>	<p>Based on fields observation of spraying activities on Kebun Selamat dated May 16, 2017 at Afdeling III, Block J12E and Pangkatan estate dated May 17, 2017 at Afdeling III Block C91R and interview with the spraying workers, the workers has been understood how to handled pesticides waste, including how to wash their equipments after using.</p>	Yes
4.6.11	<p>Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.</p> <p>- Major compliance -</p>	<p>The last annual medical surveillance was conducted on November 28 to December 03, 2016. Records of annual medical surveillance of pesticides operators/workers are available, i.e: Helmina Rumahorbo, Ernamawati Br Hasibuan, Hati Jernih and Leni Farida. Based on report of Doctor Conclusion, there was found that all workers are normal conditions.</p>	Yes
4.6.12	<p>No work with pesticides shall be undertaken by pregnant or breast-feeding women.</p> <p>- Major compliance -</p>	<p>Pesticide female workers are prohibited to do their job during pregnancy or breast-feeding as stated in company policy. Based on interview with female worker on Kebun Selamat dated May 16, 2017 at Afdeling III, Block J12E and Pangkatan estate dated May 17, 2017 at Afdeling III Block C91R, its confirmed that</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance	
	no pregnant and/or breast-feeding involved in chemical/pesticides.		
<b>Criterion 4.7</b> An occupational health and safety plan is documented, effectively communicated and implemented.			
4.7.1	<p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p>- Major compliance -</p>	<p>Occupational health and safety policy has been established by respective Mill Manager and Estate Managers. The policy was displayed at strategic locations of Mill and Estates and communicated to employees including contractor workers. The company has "Health and Safety", OHS plan is implemented where the company has OHS committee, Ahli K3 (OHS trained).</p> <p>The procedure for critical activities was established, SOP/PSMK3/SMART/LH-21. The procedure was covering OHS control for working in confined space (e.g. cleaning of storage tank), working at height and welding. Work permit system was established and implemented for these works. It was noted that measurement of adequacy of oxygen and availability of dangerous gas were required before entering confined space and it was mentioned in the work permit; the portable gas detector was sighted during this audit.</p> <p>In general, housekeeping at Mill and Estates (office estate, storage, and workshop) was good. Access for workers to workplace in general also good e.g. stair was provided with hand rail and platform at height was provided with border to prevent fall risk. Vertical stair in general has been provided with cover as well, e.g. chimney vertical stairs at mill and water torn vertical stair at estates.</p>	Yes
4.7.2	<p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues.</p>	<p>Company has document risk assessment, including for boiler operation, sterilizer operation, generator set operation, loading ramp activity, cleaning of CPO storage tank, chemical mixing, fertilizer warehouse, herbicide and pesticide sprayer, harvesting, road maintenance, waste water treatment, etc. The company has conducted HIRADC for all areas and it was</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>All precautions attached to products shall be properly observed and applied to the workers.</p> <p>- Major compliance -</p>	<p>observed that the workers understood MSDS. Engineering control was implemented to prevent hearing loss, e.g. install noise reduction agent and administrative by erected signboard of noise area, as described in Risk Assessment, updated February 20<sup>th</sup>, 2017.</p>	
4.7.3	<p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Minor compliance -</p>	<p><b>Tanjung Selamat Estate</b> Records of Occupational Health and Safety (OHS) program available in objective and program 2017, including to reducing working accident, OHS campaign, meeting of OHS committee, medical surveillance to certain workers. Training regarding PPE usage has conducted in accordance to risk Assessment conducted as recorded on April 23<sup>rd</sup>, 2017.</p> <p><b>Pangkalan Estate</b> Records of Occupational Health and Safety (OHS) program available in objective and program 2017, including to reducing working accident, OHS campaign, meeting of OHS committee, medical surveillance to certain workers. Training record available for personnel including for chemical handling available.</p>	Yes
4.7.4	<p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>- Major compliance -</p>	<p><b>Tanjung Selamat Estate</b> Company assigned Mr. Jhoni Yusuf Manurung as responsible person for occupational Health and safety implementation for Tanjung Selamat Estate. Periodical meeting conducted on monthly base regularly. Minutes of meeting are evident.</p> <p><b>Pangkalan Estate</b> Mr. Firmansyah Harahap assigned as OHS Specialist who responsible for OHS implementation in pangkatan estate. Record of periodical meeting available, for example meeting on March 15<sup>th</sup>, 2017 discussion regarding accident recording, updating PPE Checklist, monitoring of PPE handover to workers.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p><b>Tanjung Selamat Mill</b></p> <p>Ms. Anisah assigned as responsible person for OHS implementation. Record of periodical meeting available, for example meeting on March 15<sup>th</sup>, 2017 discussion regarding accident recording, updating PPE Checklist, monitoring of PPE handover to workers.</p>	
4.7.5	<p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>- Minor compliance -</p>	<p>Accident and emergency procedures no. AA-EMS-446-PR (operation control), AA-EMS-447-PR (Emergency preparedness), AA-EMS-001-FM (Emergency plan), AA-EMS-003-FM (Emergency incident), and AA-EMS-004-FM (Emergency incident Reporting). Those procedures is socialized and available in notice board in site, during interviewed with workers, it was seen that they understood the emergency and accident procedures. Emergency call phone also is available in all site operation. Assigned trained in First Aid sighted present with First Aid Kit available in various workplace. Records of accidents were found well-kept and presented to the board during the monthly notice board. First aid training conducted to all field mandore as recorded on July 14<sup>th</sup>, 2017. In Tanjung Selamat Estate</p>	Yes
4.7.6	<p>All workers shall be provided with medical care, and covered by accident insurance.</p> <p>- Minor compliance -</p>	<p>All workers provided with medical care, and covered by accident insurance (BPJS Kesehatan). Example Mr. Efiktor Lase clerck helper pembantu krani kantor sudah memiliki BPJS Kesehatan</p>	Yes
4.7.7	<p>Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.</p> <p>- Minor compliance</p>	<p><b>Tanjung Selamat Estate</b></p> <p>Lost time injuries recorded and reported to authorized party, as defined in OHS Committee report three monthly period. During year 2016 total lost time injuries about 83 days. During year 2017 until April 2017 only 2 days.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p><b>Pangkalan Estate</b></p> <p>During year 2016 there was 5 accident with 9 days lost day by injuries..</p> <p><b>Tanjung Selamat Mill</b></p> <p>During year 2016 there was 7 accident with 91 days lost day by injuries.</p>	
<p><b>Criterion 4.8</b></p> <p>All staff,workers, smallholders and contract workers are appropriately trained.</p>			
4.8.1	<p>A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme.</p> <p>- Major compliance -</p>	<p><b>Tanjung Selamat &amp; Pangkatan Estate</b></p> <p>Training program 2016 and 2017 related to the environmental and sustainability is documented in "Program pelatihan Environment and Sustainability – Kalender pelatihan Tahun 2017, such as:</p> <ul style="list-style-type: none"> <li>- Sustainability Awereness RSPO P &amp; C</li> <li>- Traceability and Mass Balance</li> <li>- UKL &amp; UPL (environmental management and monitoring) Reporting</li> <li>- Basic Fire</li> <li>- OHS</li> <li>- HCV</li> <li>- Chemical and Hazardous Waste Handing</li> <li>- Dasar – dasar AMDAL (basic of environmental impact assessment)</li> <li>- First Aid</li> <li>- OHS Management System (SMK3).</li> </ul> <p><b>Tanjung Selamat Mill</b></p> <p>On "Kalender pelatihan tahun 2016 and 2017" defined training program related to the aspect of RSPO Principles and Criteria, such as Awareness of RSPO Principles and Criteria, and RSPO SCCS</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		refreshment training.	
4.8.2	Records of training for each employee shall be maintained.  - Minor compliance -	Training record for all employees is available, for example Ahmad Tauhid a Spraying Mandore in tanjung Selamat Estate and Pelita Sembiring a store keeper in Pangkatan Estate and also Ms. Rotua Br Saragi in Tanjung Selamat Mill. For example Personal Data training on behalf of Torang Nainggolan, unit kerja Pangkatan Estate; title Manodre I; training attended : Basic Fire, handling limited pesticide, HCV, hazardous waste handling, refresh SOP of fertilizer and integrated pest management, sustainability awareness, and etc.	Yes
<b>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity</b>			
<b>Criterion 5.1</b>			
Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			
5.1.1	An environmental impact assessment (EIA) shall be documented.  - Major compliance -	Environmental impact assessment document(s) are available, last updated May 10 <sup>th</sup> , 2017, in accordance with procedure "Identifikasi & Evaluasi Aspek Lingkungan" (AA-EMS-431-PR) covering technical, period, and determining level of impact and it's mitigation, for all activities in estates and mill, since replanting until CPO dispatching.	Yes
5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify	<b>Tanjung Selamat Estate</b> Company has prepared report on Environmental Management and Monitoring implementation (Laporan RKL-RPL) and submit to the government regularly (per semester), e.g RKL-RPL report semeseter II 2016 (Period June – December 2016) "Laporan Pelaksanaan Izin lingkungan". Report submitted to Head of Environmental and Forestry Officer Labuhan Batu District on February 2017.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>the responsible person/persons.</p> <p>- Minor compliance -</p>	<p>Company assigned Estate/mill Manager as responsible person for the implementation of the document.</p> <p><b>Tanjung Selamat Estate &amp; Tanjung Selamat mill</b> Company PT Rantau Sinar Karsa has prepared report on Environmental Management and Monitoring implementation (Laporan RKL-RPL) and submit to the government regularly (per semester), e.g RKL-RPL report semeseter II 2016 (Period June – December 2016) "Laporan Pelaksanaan Izin lingkungan". Report submitted to Head of Environmental and Forestry Officer Labuhan Batu District on February 2017.</p>	
5.1.3	<p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>- Minor compliance -</p>	<p><b>Tanjung Selamat Estate</b> Company has prepared report on Environmental Management and Monitoring implementation (Laporan RKL-RPL) and submit to the government regularly (per semester), e.g RKL-RPL report semeseter II 2016 (Period June – December 2016) "Laporan Pelaksanaan Izin lingkungan". Report submitted to Head of Environmental and Forestry Officer Labuhan Batu District on February 2017.</p> <p>Company assigned Estate/mill Manager as responsible person for the implementation of the document.</p> <p><b>Tanjung Selamat Estate &amp; Tanjung Selamat mill</b> Company PT Rantau Sinar Karsa has prepared report on Environmental Management and Monitoring implementation (Laporan RKL-RPL) and submit to the government regularly (per semester), e.g RKL-RPL report semeseter II 2016 (Period June – December 2016) "Laporan Pelaksanaan Izin lingkungan". Report submitted to Head of Environmental and Forestry Officer Labuhan Batu District on February 2017.</p>	Yes
<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</p>			

Criterion / Indicator	Assessment Findings	Compliance
<p>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>		
<p>5.2.1</p>	<p>Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>- Major compliance -</p> <p>The organization both of Tanjung Selamat and Pangkatan estates has conducted HCV assessment included both of planted area and the relevant wider landscape. The HCV assessment was conducted by the competent HCV assessors. There is no any revisions on HCV assessment and HCV areas since the last audit. Short explanation of HCV assessment documents as below:</p> <p><b><u>Tanjung Selamat Estate(under PT Indo Sepadan Jaya)</u></b>  The company has conducted HCV identification with collaborated IPB (Bogor Agriculture University) in 2013 as documented in "Laporan Akhir Kajian Penuh (Full Assessment) Identifikasi dan Analisis Keberadaan Nilai Konservasi Tinggi (NKT) di Areal PT Indo Sepadan Jaya – Kebun Tanjung Selamat Tahun 2014".</p> <p>Assessor team consist of Dr. Ir. H. Nyoto Santoso, MS (Team Leader/RSPO HCV Assessor), Ahmad Faisal, S.Hut, MSI (Member /RSPO HCV Assessor), Eko Adhiyanto, S.Hut (Member); Sutopo S.Hut (Member /RSPO HCV Assessor); Rae Birumbo (Member), Arif Prasetyo, S.Hut (Member).</p> <p>Peer Review by Mr Dr. Jarwadi Budi Hernowo (Independent Consultant/RSPO HCV Assessor) in January 2014.</p> <p>Based on the assessment report, it was identified HCV area, such as: HCV 1.3: 1.24 ha and HCV: 5,33 ha (total HCV area 6.57 ha). It means HCV area was 0.16% from total area of Tanjung Selamat Estate (3.977 ha).</p> <p><b><u>Pangkalan Estate (under PT Rantau Sinar Karsa)</u></b>  The company has conducted HCV identification with collaborated IPB (Bogor Agriculture University) in 2013 as</p>	<p>Yes</p>



Criterion / Indicator		Assessment Findings	Compliance
		<p>documented in "Laporan Akhir Kajian Penuh (Full Assessment) Identifikasi dan Analisis Keberadaan Nilai Konservasi Tinggi (NKT) di Areal PT Rantau Sinar Karsa – Kebun Pangkatan tahun 2014.</p> <p>Assessor team consist of Dr. Ir. H. Nyoto Santoso, MS (Team Leader/RSPO HCV Assessor), Ahmad Faisal, Shut, MSI (Member /RSPO HCV Assessor), Eko Adhiyanto, S.Hut (Member); Sutopo S.Hut (Member /RSPO HCV Assessor); Rae Birumbo (Member), Arif Prasetyo, S.Hut (Member). Peer Review by Mr Rachmad Hermawan (Independent Consultant/RSPO HCV Assessor) in January 2014</p> <p>Based on the assessment report, it was identified HCV area, such as: HCV 1.3 and HCV 4.1 (110,87 Ha) as well as HCV 6 (0,04 Ha). So, total HCV area at Pangkatan estate was 110.91 ha.</p> <p>Therefore, total HCV area within Tanjung Selamat and Pangkatan estates was <b>117.48 ha</b></p>	
5.2.2	<p>Where rare, threatened or endangered (RTE) species and or other HCVs are present or affected by the plantation and mill operations, an appropriate measures that are expected to maintain or enhance them shall be implemented through a management plan.</p> <p>- Major compliance -</p>	<p>The company has established "Conservation Management Plan" to manage and to monitor of RTE's. There was found RTEs as per PP No. 7, year 1999, such as: Kucing kuwuk (<i>Prionailurus Bengalensis</i>), Burung Madu kelapa (<i>Anthreptes Malacensis</i>), Elang Brontok (<i>Nisaetus Cirrhatus</i>), Kuntul kecil (<i>Egretta garzeta</i>) and etc.</p> <p><b>Tanjung Selamat and Pangkatan Estate</b>            Based on document "Laporan Monitoring Areal Konservasi" for period July – December 2016, there is no found and reported any RTE species (flora and fauna) within areas.</p>	Yes
5.2.3	<p>There shall be a programme to regularly educate the workforce about the status of</p>	<p>The company has defined a programme to socialize the status of RTE's to all workers. Socialization of RTE's status is done by installation of signboards on easily accessible</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance -</p>	<p>area and providing awareness training of RTE' status to all workers.</p> <p>Fields observation during this surveillance audit has done and founds that the Signboards of RTE's status still available and maintained. Some records were reviewed and found socialization of HCV to employee was done on November 18, 2016, attended by 25 employee from Tanjung Selamat and Pangkatan estates.</p>	
5.2.4	<p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> <li>• The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>• Outcomes of monitoring shall be fed back into the management plan.</li> </ul> <p>- Minor compliance -</p>	<p>The company has conducted monitoring of HCV, i.e. monitoring of wild animal / RTEs every six months, e.g. report of RTEs monitoring in July – December 2016, based on this monitoring, it was no found RTEs.</p> <p>There is evidence that the organization has reported the results of HCV monitoring for periods the first and second semester of 2016 to the authorized institution, i.e: Balai Besar Konservasi Sumber Daya Alam (BKSDA) of Sumatera Utara province.</p>	Yes
5.2.5	<p>Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>- Minor compliance -</p>	<p>There is no Company's HCV area overlap with an identified local community's land. All of HCV area both in Tanjung Selamat and Pangktan Estates are within the company area.</p>	Yes
<b>Criterion 5.3</b>			

Criterion / Indicator	Assessment Findings	Compliance	
Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.			
5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>The company has identified waste of product and source of pollutions then documented it into "Identifikasi Aspek dan Dampak Lingkungan", updated on May 2017 in each unit operation, such as: estate and mill, this document covering all operation in Estates and mill.</p>	Yes
5.3.2	<p>All chemicals and their containers shall be disposed of responsibly.</p> <p>- Major compliance -</p>	<p>The company has obtained for hazardous waste temporary storage from Bupati Labuhan Batu no. :</p> <ol style="list-style-type: none"> <li>1. 503/660/324/BLH-LB/WAS/2014, dated 30<sup>th</sup> December 2014 (Valid until 30<sup>th</sup> December 2019) for PT. Indo Sepadan Jaya (Tanjung Selamat Estate and Mill) and</li> <li>2. 503/660/323/BLH-LB/WAS/2014, dated 30<sup>th</sup> December 2014 (Valid until 30<sup>th</sup> December 2019) for PT. Rantau Sinar Karsa (pangkalan Estate).</li> </ol> <p>Hazardous waste disposed to licensed collector PT Shali Riau Lestari from <b>Tanjung Selamat Mill &amp; Estate</b> as evidence :</p> <ol style="list-style-type: none"> <li>3. Manifest number AAO 0008418 dated on 22/12/2016 for solid waste qty 0.5 drum</li> <li>4. Manifest number AAO 0008419 dated on 22/12/2016 for used accu qty 140 kg</li> <li>5. Manifest number AAO 0008420 dated on 22/12/2016 for used oil filter qty 188 pcs</li> <li>6. Manifest number AAO 0008421 dated on 22/12/2016 for used oil qty 277 liters</li> </ol> <p>From <b>Pangkalan Estate</b> as evidence:</p> <ol style="list-style-type: none"> <li>7. Manifest number AAO 0008469 dated on 23/12/2016 for used oil qty 400 liters</li> <li>8. Manifest number AAO 0008470 dated on 23/12/2016 for used oil qty 200 liters</li> <li>9. Manifest number AAO 0008463 dated on 23/12/2016 for used accu qty 16 pcs</li> </ol>	Yes
5.3.3	<p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p>	<p>Waste management plan is documented in "Rencana pengelolaan Limbah". Waste management consists of medical waste, domestic waste, and hazardous waste to reduce pollution into the environment.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	Hazardous and medical waste is disposed to the register collector; while domestic waste disposed to the landfill, organic and anorganic waste is separated in linesite, organic waste to the landfill and some of an-organic waste is collected for re-cycle. This management plan accordance with Memorandum number 120/ES-KTS/MEMO/05/17 regarding "Mekanisme Pengelolaan Sampah Perumahan"	
<b>Criterion 5.4</b> Efficiency of fossil fuel use and the use of renewable energy is optimized.			
5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimize renewable energy shall be in place and monitored.  - Minor compliance –	<p>The company has calculated formula of comparing using fossil fuel and renewable energy in "All energy used in "Analisa perbandingan biaya pengolahan TBS kapasitas 45 ton/jam dengan menggunakan fossil fuel versus renewable energy.</p> <p>Fossil fuel and renewable energy is monitored and recorded under document of "Pemakaian Energi 2016". Energy use records include accurate measurements of renewable energy use per tonne of FFB processed. Company already maximized the renewable energy use. All the shell and fiber is consumed internally as boiler fuel.</p> <p>The company uses fibre and other material to power the boiler which produces steam Which drives electricity-generating turbines - the use of renewable energy is consistent in the percentage against non – renewable energy. Records of both monitoring of kilowatt hours per tonne of palm product (FFB and CPO)</p> <p>Calorie value fibre: 2,710 Kcal/kg (13.2% of FFB processed)            Calorie value Shell: 4,120 Kcal/kg (7.6 % of FFB processed)</p> <p>Detail of efficiency renewable energy in 2016 as below:            FFB processed: 178,319 tonnes</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>CPO produced: 32,584 tonnes            Fossil fuel usage: 50,233 litres            KWh turbine: 2,858,251 KWh            KWh Genset: 109,290 KWh            KWh turbine/ton FFB: 19.85 KWh/tones FFB (96 %)            KWh Genset/ton FFB: 0.76 KWh/tones FFB (4 %)</p> <p>Fossil fuel usage is recorded for operational purpose, including the efficiency analysis. Some of shell sell to the other party as biomass.</p>	
<p>Criterion 5.5</p> <p>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>There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>- Major compliance -</p>	<p><b>Tanjung Selamat Estate</b>            Records of land clearing with zero burning are available as Replanting plan, Map of uprooted and chipping plan, time schedule and heavy equipment requirement plan and realization for 710 ha in Tanjung selamat estate</p> <p><b>Pangkalan Estate:</b>            Records of land clearing with zero burning are available as Replanting plan, Map of uprooted and chipping plan, time schedule and heavy equipment requirement plan and realization for 710 ha in Pangkatan estate</p>	Yes
5.5.2	<p>Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in</p>	<p>There is no fire used during replanting in Tanjung Selamat Estate and Pangkatan Estate</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	other regions. - Minor compliance -		
<b>Criterion 5.6</b>			
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	<p>Based on Significant pollution and GHG emission was identified, for Mill comes from waste pond, reducing program has been implemented by using methane trap and for estates comes from using of pesticides, action plan to reducing pesticide was made such as program of integrated pest control where minimize to use chemical/pesticides, . Graph of emission and pollutant were provided to monitor trend of them in monthly basis.</p> <ol style="list-style-type: none"> <li>1. Using EFB as organic fertilizer.</li> <li>2. Planting beneficial plant</li> <li>3. Efficiency of fossil fuel.</li> <li>4. Increasing renewable energy usage.</li> </ol> <p>Identification of significant pollution and GHG emission in each unit/station as documented in "Environmental Aspect &amp; Impact List", consist of: input, environmental aspect, caused, environmental impact potential, and control. Company has mitigation program</p> <p><i>It is need to consider to reduce or minimise pollution and GHG emissions with detail in target, timeline and PIC (Obesrvation was raised) lihat Mitigasi GHG</i></p>	Yes
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plan to reduce or minimize them implemented.	Based on Significant pollution and GHG emission was identified, for Mill comes from waste pond, reducing program has been implemented by using methane trap and for estates comes from using of pesticides, action plan to reducing pesticide was made such as program of integrated pest control where minimize to use chemical/pesticides, . Graph of emission and pollutant were provided to monitor trend of them in monthly basis.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<ol style="list-style-type: none"> <li>1. Using EFB as organic fertilizer.</li> <li>2. Planting beneficial plant</li> <li>3. Efficiency of fossil fuel.</li> <li>4. Increasing renewable energy usage.</li> </ol> <p>Identification of significant pollution and GHG emission in each unit/station as documented in "Environmental Aspct &amp; Impact List", consist of: input, environmental aspect, caused, environmetnal impat potential, and control.</p>	
5.6.3	<p>A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.</p> <p>- Minor compliance -</p>	<p>Emission monitoring system by using "RSPO PalmGHG" system calculation. Emission from estate and mill operation was calculated and monitored, emission reduction achieved.</p> <p>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>Monitoring and measurement has been done as follow:</p> <ul style="list-style-type: none"> <li>- Hazardous waste: oil waste, wet battery, lightbulb, filter waste, contaminated packaging, cartridge, fertilizer sack and other contaminated waste. All hazardous waste disposal recorded in monthly basis in the waste balance report as stated in the report of 'RKL/RPL'.</li> <li>- Replanting process monitoring for zero burning activity.</li> <li>- Boiler emission with parameters: SO2, NO2, HCL, Cl2, NH3, HF, particle, and opacity. None of above parameters out of threshold limits value.</li> </ul> <p>Generator set emission for generator for SO2, NO2, CO, Particle and opacity, All parameters measured in the threshold limit value as seen in the "laporan hasil pengujian udara emisi" by 'Balai Laboratorium Kesehatan".</p> <p>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:</p>	Yes

Criterion / Indicator		Assessment Findings				Compliance
		Product	tCO2e/t	Total planted area peat	7,599 ha	
		CPO	19.68	Total planted area peat	7,599 ha	
		PK	19.68	OER	18.95 %	
		PKO	-	KER	5.51 %	
		PKE	-	Conservation area	117.48 ha	
<b>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers</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 Indo Sepadan Jaya Social Impact Assessment was conducted as documented in "Study Evaluasi Lingkungan" which covering social impact assessment. This SEL has been approved by Ministry Agriculture no. RC.220/385/B/II/94.</p> <p>PT Rantau Sinar Karsa Social Impact Assessment was conducted as documented in "Study Evaluasi Lingkungan" which covering social impact assessment. This SEL has been approved by Ministry Agriculture no. RC.220/383/B/II/94 dated 26 February 1994.</p>				Yes
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties.  - Major compliance -	<p>The process was involving various stakeholders including impact on plasma development. During the process for the document and social impact management actively involving community participation through interview and stakeholders meet, This has been done on February 26, 2016.</p> <p>Methodology to identify customary right and local community and social impacts assessment can be made with the following:</p> <ol style="list-style-type: none"> <li>Document review</li> <li>Field observation</li> <li>Interview</li> </ol>				Yes



Criterion / Indicator	Assessment Findings	Compliance
<p>6.1.3</p> <p>Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.</p> <p>- Major compliance -</p>	<p>Within the SEL document, the negative and positive impact of oil palm development has been explained. The environmental management and monitoring plan document has lined out effort that company should carry out in order to minimize negative impact and promote positive impact from oil palm development.</p> <p>The SEL document has explained the recommendation that should be done by company to minimize negative impact and promote positive impact from social impact management. There are social impacts: the continued impact of water degradation. The management is done by conducting waste water treatment of palm oil processing and in house keeping, measurement of domestic household waste water. Based on the report of the test results prior to controlling the form of cleaning the waterways showed that the standard quality of 100 mg/l of 200 mg/l. The last measurement after controlling on January 3, 2017 was 35 mg/l or was below the standard (100 mg/l).</p>	<p>Yes</p>
<p>6.1.4</p> <p>The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.</p> <p>- Minor compliance -</p>	<p>No any changes of practices since SEL approved, however the company reported social impact regularly through the RKL – RPL every six month to the government. The last report RKL-RPL was performed on period December 2016.</p> <p><b>NC Minor</b></p> <p><i>However the monitoring of social impact was performed, but company can not demonstrate that the SIA have reviewed at least on two years basis and the plan that should be updated and review process includes participation of all affected parties. .</i></p>	<p>NC</p>
<p>6.1.5</p> <p>Particular attention shall be paid to the impacts of smallholder schemes (where</p>	<p>No scheme smallholders managed by company.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
	<p>the plantation includes such a scheme).</p> <p>- Minor compliance –</p>		
<b>Criterion 6.2</b>			
<p>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>			
6.2.1	<p>Consultation and communication procedures shall be documented.</p> <p>- Major compliance -</p>	<p>Company has developed a communication procedure under "Mekanisme Penanganan Permintaan Informasi Stakeholder" (No. SOP; AA-GL-5008.1-R1) dated 22<sup>nd</sup> August 2011, which explains the company responses against all information request sent by stakeholders including response time of 14 working days after information request accepted.</p>	Yes
6.2.2	<p>A management official responsible for these issues shall be nominated.</p> <p>- Minor compliance -</p>	<p>The company has appointed officers responsible to carried out communication and consultation with local communities is Public Relations Department.</p>	Yes
6.2.3	<p>A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.</p> <p>- Minor compliance -</p>	<p>The company has updated list of stakeholder on 02<sup>nd</sup> February 2017, list of stakeholders consist of Bupati of Labuhan Batu, Badan Lingkungan Hidup, Dinas Sosial &amp; Tenaga Kerja Labuhan Batu Regency, Camat Pangkatan, Head of Village Kampong Padang and Head of Village Tanjung Selamat.</p> <p>Record of communication and consultation with stakeholders is documented in "Buku Agenda Surat Masuk", where noted 9 letters coming from stakeholders, e.g. Letter from "Komisi C DPRD Kabupaten Labuhan Batu Selatan" dated 11<sup>th</sup> February 2016 regarding Working Visit.</p>	Yes
<b>Criterion 6.3</b>			

Criterion / Indicator		Assessment Findings	Compliance
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	<p>The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.</p> <p>- Major compliance -</p>	<p>Company has established a mechanism to handle complaint from external party, as written in "Mekanisme Penanganan Keluhan" – complaint handling mechanism (Doc. No.SOP AA-GL- 5005-RO 01) while complaint from internal regulated under "Mekanisme Penyampaian Keluhan dan Penyelesaian Keluhan Karyawan" – Employee' complaint and resolution mechanism (Doc. No.SOP-AA-HR-3008-RO 05). These mechanisms has been communicated to external parties and disseminated to PT Indo Sempadan Jaya employees. Based on interview with Tanjung selamat village head, Gender committee leader and worker union leader; they understood the procedure and mechanism to communicating complaint and/or grievance to company.</p>	Yes
6.3.2	<p>Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>- Major compliance –</p>	<p>Company is recording each complaint and response provided in the Logbook, where from complaint from external is documented in "Buku agenda Surat Masuk" and complaint from internal is documented in "Keluhan karyawan per afdeling", on period 2017 there were noted 14 complaints from internal at Afdeling I and 4 complaints at Afdeling III, e.g. :</p> <ol style="list-style-type: none"> <li>1. Complaint from Mr. tamrin (Harvester) at Afdeling I Tanjung Selamat Esatate on 11<sup>th</sup> March 2017 and it has been responded by company on 13<sup>th</sup> March 2016 related maintenance of housing</li> <li>2. On 2nd March 2017 from Mr. Sukardi (mandor panen) at Afdeling III Tanjung Selamat Estate related maintenance of housing and has been responded by management on 4 March 2017.</li> <li>3. On 3 March 2017 from Mr. Samsudin (mandor) at Afdeling IV Pangkatan Esatate related maintenance of housing and has been responded by management on 4 March 2017.</li> </ol>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		4. On 15 May 2017 from Mr. Rendi L (harvester) at Afdeling IV Pangkatan Esatate related maintenance of housing and has been responded by management on 15 May 2017.	
<b>Criterion 6.4</b>			
Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.			
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.  - Major compliance -	Mechanism to identify and calculate fair compensation or loss of legal or customary rights to land set out in the standard operating procedure (SOP) No. AA-GL-5003-1-R1, dated 5 <sup>th</sup> December 2009 and has undergone first revisions on 22 <sup>nd</sup> August 2011. The mechanism described is similar to conflict resolution procedures involving community representatives and others stakeholders.  In the work area of PT Indo Sepadan Jaya and PT Rantau Sinar Perkasa is a Land of Free Country, so there is no process of compensation to other parties including to the community. (See 2.3.2)	Yes
6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of	Mechanism to identify and calculate fair compensation or loss of legal or costmary rights to land set out in the standard operating procedure (SOP) No. AA-GL-5003-1-R1, dated 5 <sup>th</sup> December 2009 and has undergone first revisions on 22 <sup>nd</sup> August 2011.  There is no negotiation/compensation payment currently. The company has settled all land compensation since at the beginning of land preparation process.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. - Minor compliance -		
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. - Major compliance -	As an output of dispute settlement process, all of those are documented into agreement between both of parties by involving other related parties or even a copy of court decision for its dispute settlement in case if solved in a court or by law.	Yes
<p><b>Criterion 6.5</b></p> <p>Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>			
6.5.1	Documentation of pay and conditions shall be available. - Major compliance -	<p>The company determines minimum wages based on the Government regulation every year, the minimum wages in 2014 as regulated in "Surat keputusan Gubernur of North Sumatera no. 188.44/44/KPTS/2017, dated 3<sup>th</sup> February 2017 for Agriculture sector in Labuhan Batu District is Rp 2,467,500,-/month.</p> <p>The Company has issued a Memorandum on the date 2 April 2017, no. 066/HR-RO1/MEMO/ 04/2017, regarding determination of wages of workers:</p> <ul style="list-style-type: none"> <li>- Wages of employees PHL as Rp 98.680 per hari</li> <li>- Wages of employees SKU-H as Rp 2.369.255</li> <li>- Wages of employees SKU-B as Rp 2,467,500,-/month.</li> </ul> <p>Circular letter of BKS-PPS (Badan Kerjasama – Perusahaan Perkebunan Swasta) dated 27<sup>th</sup> February 2017 prov. Sumatera</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance																																				
		<p>Utara is Rp. 1.952,640 + Rice allowance 15 kg + 9 kg (wife) and 7.5 kg (for 3 children) for permanent workers</p> <p>For example on period April 2017 on Pangkatan Estate</p> <table border="1"> <thead> <tr> <th>Term and Condition</th> <th>Sudiyanto (upkeep – Temporary workers)</th> <th>Edy Suryanto (Harvester- SKU H)</th> </tr> </thead> <tbody> <tr> <td>Basic Salary</td> <td>23 days (@Rp 98,680) Rp 2,519,255</td> <td>(23 working days and 2 days absent)= 23 days x Rp. 78.976 = Rp 1,816,448</td> </tr> <tr> <td>Rice Allowance</td> <td>0</td> <td>15 kg (15xRp 9000) Rp 135,000</td> </tr> <tr> <td>Fringe benefit</td> <td>0</td> <td>575,000</td> </tr> <tr> <td>BPJS Ketenagakerjaan</td> <td>16,906</td> <td>50,110</td> </tr> <tr> <td>BPJS Kesehatan</td> <td>0</td> <td>74,858</td> </tr> <tr> <td>BPJS Pensiun</td> <td>0</td> <td>74,858</td> </tr> <tr> <td>OT/premi</td> <td>0</td> <td>660,000</td> </tr> <tr> <td colspan="3">Deduction:</td> </tr> <tr> <td>PPH 21</td> <td>0</td> <td>0</td> </tr> <tr> <td>BPJS Ketenagakerjaan</td> <td>52,906</td> <td>41,572</td> </tr> <tr> <td>BPJS kesehatan</td> <td>25,193</td> <td>18,700</td> </tr> </tbody> </table> <p><b>Pabrik Tanjung Selamat</b></p>	Term and Condition	Sudiyanto (upkeep – Temporary workers)	Edy Suryanto (Harvester- SKU H)	Basic Salary	23 days (@Rp 98,680) Rp 2,519,255	(23 working days and 2 days absent)= 23 days x Rp. 78.976 = Rp 1,816,448	Rice Allowance	0	15 kg (15xRp 9000) Rp 135,000	Fringe benefit	0	575,000	BPJS Ketenagakerjaan	16,906	50,110	BPJS Kesehatan	0	74,858	BPJS Pensiun	0	74,858	OT/premi	0	660,000	Deduction:			PPH 21	0	0	BPJS Ketenagakerjaan	52,906	41,572	BPJS kesehatan	25,193	18,700	
Term and Condition	Sudiyanto (upkeep – Temporary workers)	Edy Suryanto (Harvester- SKU H)																																					
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Criterion / Indicator		Assessment Findings			Compliance
		Term and Condition	Budi Haryawan (Temporary workers)	Pardi Purba (Production- SKU H)	
		Basic Salary	21 days	(22 working days)= 22 days x Rp. 78.976 = Rp 1,737,472	
			98,680)		
			Rp 2,072,280		
		Rice Allowance	0	15 kg (15xRp 9000) Rp 135,000	
		Fringe benefit	0	631,808	
		BPJS			
		Ketenagakerjaan	16,906	50,110	
		BPJS Kesehatan	0	74,858	
		BPJS Pensiun	0	74,858	
		OT/premi	0	1,657,934	
		Deduction:			
		PPH 21	0	0	
		BPJS	49,340	50,086	
		BPJS kesehatan	22,500	23,136	
6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement,	The company and Labour Union has "Worker Agreement/Perjanjian Kerja Bersama (PKB)" between Badan Kerja Sama Perusahaan Perkebunan Sumatera (BKS-PPS) or company and officer of Pusat Federasi Serikat Pekerja Pertanian/Perkebunan Serikat Pekerja Seluruh Indonesia (2015 – 2017) is referred in working regulation, Worker Agreement was registered by Dirjen Pembinaan Hubungan Industrial dan Jaminan Sosial Tenaga Kerja on 21st April 2015.			Yes

Criterion / Indicator	Assessment Findings	Compliance
	<p>maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>- Major compliance -</p> <p>Socialization for new PKB performed on 6-8 May 2017 to all workers both of PT Indo Sempadan Jaya and PT Rantau Sinar Karsa.</p> <p>Each employee has been signed contract, e.g. working contract on behalf of Parances Sinaga no. 004/PKHL/PTS/IV/2017, dated 6 April 2017 2016, valid until 3 months later. On behalf of Hardiansyah no. 003/PKHL/PTS/II/2017, dated 1 February 2017, valid until 3 months later.</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>	
6.5.3	<p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>- Minor compliance –</p> <p>The company has prepared facilities for their workers, such as: housing, school, policlinic, mosque, church, sport facilities, school bus, electricity, water supply, etc.</p> <p>Sample taken:</p> <p>Tanjung Selamat Mill:</p> <ul style="list-style-type: none"> <li>- Housing for employees (type: E1: 190 units, E2: 78 units, D1: 12 units etc.)</li> <li>- Balai Karyawan (1 unit)</li> <li>- Clinic (1 unit)</li> <li>- Mosque (1 unit)</li> <li>- Penitipan anak (2 units)</li> </ul> <p>Tanjung Selamat Estate:</p> <ul style="list-style-type: none"> <li>- Housing for employees (type: E4: 200 unit, E2: 100 unit, D1: 12 unit etc.)</li> <li>- Elementary School (1 unit)</li> <li>- Clinic (1 unit)</li> <li>- School Bus (2 unit)</li> <li>- Ambulance (1 unit)</li> <li>- Mosque (5 unit)</li> </ul>	Yes



Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Church (3 unit)</li> </ul> Pangkatan Estate: <ul style="list-style-type: none"> <li>- Housing for employees (type: E4: 198 unit, E2: 100 unit, D1: 16 unit etc.)</li> <li>- Elementary School (1 unit)</li> <li>- Clinic (1 unit)</li> <li>- School Bus (2 unit)</li> <li>- Ambulance (1 unit)</li> <li>- Creche (3 units)</li> <li>- Mosque (3 unit)</li> <li>- Church (2 unit)</li> <li>-</li> </ul> The use of electricity using generators, the plan will be distributed from PLN. Supply water using drilled well (3 units).	
6.5.4	Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.  - Minor compliance –	The market is nearby the company site and company also provide minimarket, namely "Waserda Bina Mandiri"	Yes
<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 published statement in local languages recognising freedom of association shall be available.  - Major compliance -	Freedom of association policy, dated 26 <sup>th</sup> November 2012, written in Bahasa Indonesia, this policy has been informed to all employees and being placed into public area easily accessed.	Yes
6.6.2	Minutes of meetings with main	Meeting between company management with labour union (PC FSP.PP-SPSI), e.g:	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>trade unions or workers representatives shall be documented.</p> <p>- Minor compliance -</p>	<ul style="list-style-type: none"> <li>- On 20<sup>th</sup> March 2016, attended by 15 representatives of PUK SPSI. , minutes of meeting and attendance list is available</li> <li>- On 15 April 2017 meetings between management PUK SPSI SP.PP associated with the wage contract for work "pruning" was attended by 12 participants.</li> <li>- April 25, 2017 meeting related to the determination of wage pruning activities and has been agreed by employees and management</li> <li>- On 22 October 2016; the use of rickshaw (Angkong) work tools (poor quality rickshaw tires), was attended by 12 participants.</li> </ul>	
<p><b>Criterion 6.7</b> Children are not employed or exploited.</p>			
6.7.1	<p>There shall be documentary evidence that minimum age requirements are met.</p> <p>- Major compliance –</p>	<p>The company has own policed signed by management on "Company policy" dated 01<sup>st</sup> December 2014 that stated that: It is not allowed all children to work in every activities/processes in company.</p> <p>Based on document review of list of workers, interview with workers and observation during field visit, it was no found workers hired under 18 years, the youngest worker in Pangkatan estate is Amos Tampubolon; date of birth 18<sup>th</sup> July 1998 and hired on 10<sup>st</sup> January 2016 (18 years, 6 months) and the youngest workers in Tanjung Selamat Estate is Boy Sahat; date of birth 5 January 1996 and hired on 13<sup>th</sup> January 2014 (18 years), the youngest workers in Tanjung Selamat Mill is Frenky Sael Priadi Saragih; date of birth 13<sup>th</sup> April 1996 and hired on 1<sup>st</sup> April 2017 (21 years) .</p>	Yes
<p><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.</p>			

Criterion / Indicator		Assessment Findings	Compliance
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.  - Major compliance -	The company has policy "Pemberian kesempatan yang sama", 2012 stated that: treat all employees equally and fairly in terms of recruitment, assessment, condition and working environment as well as ethnics, grades/levels, citizenship, religious views, impairments, gender, sexual orientation, unions membership, political affiliation and or age.	Yes
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against.  - Major compliance -	Interviews of male and female workers confirmed that the company anti-discrimination policy was strictly enforced. They were not aware of any cases of discrimination, e.g. document review of salary payment (Payroll) and interview with workers did not find any evidence of discrimination	Yes
6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.  - Minor compliance -	The company has procedure hiring workers regulated that hiring and promotion of workers based on skill, work experiences, and job evaluation.  The company is conduct performance evaluation of workers annually.	Yes
<b>Criterion 6.9</b>			
There is no harassment or abuse in the work place, and reproductive rights are protected.			
6.9.1	Policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.  - Major compliance -	The company has implemented policy on prevention of sexual harassment and violence against women, the policy is prominently displayed on notice boards at the Mills and the Estates muster areas. Interviews of female staff, workers and union representatives confirmed that the company implemented the sexual harassment policy.	
6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be	As it is found in company policy that's signed by Managing Director (Mr. Kelvin Tio) on November 26th 2012 and on one part of the	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>implemented and communicated to all levels of the workforce.</p> <p>- Major compliance -</p>	<p>policies stated that: "To prevent any sexual or physical abuses happen to women as well as to protect their reproductive rights".</p> <p>There is a gender committee actively meets and discussing general agenda and other issue related to handling sexual harassment, dissemination of sexual harassment prevention.</p> <p>Based on interview with Gender Committee, company has implemented the protection of women reproductive rights, in form of maternal leave, period leave, and regular pregnancy check for female sprayers and strictly prohibit pregnant and/or breastfeeding female worker applying pesticides. The last pregnancy check on April 2017.</p> <p>Monthly committee meeting gender committee, on December 10, 2016; Related discussion: The importance of maintaining the health of workers and families ", attended by 25 participants.</p>	
6.9.3	<p>A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.</p> <p>- Minor compliance -</p>	<p>Standard Operating Procedure, No. SOP: XX-HR-308.5-RO; Revision: 0, December 11th 2009: Employees complaints: submission and settlement</p> <p>Mechanism for complaints management where it needs to protect its confidentiality for complaint submitter was found in company policy's draft as in one of points of this policies stated that:</p> <p>"To provide appropriate information for those who inquiry it and to protect its confidentiality for whistle blower cases in accordance to law regarding environmental and social issue, food safety, health and safety work, so that it enables them to more participate to the decision making processes for improving company's performance.</p>	Yes
<p><b>Criterion 6.10</b> Growers and millers deal fairly and transparently with smallholders and other local businesses.</p>			
6.10.1	Current and past prices paid	The company has displayed the FFB price in Mill's notice	Yes

<b>Criterion / Indicator</b>		<b>Assessment Findings</b>	<b>Compliance</b>								
	<p>for Fresh Fruit Bunches (FFB), shall be publicly available.</p> <p>- Minor compliance -</p>	<p>board and smallholders able to access the FFB price by phone.</p> <p>The company cooperates with the surrounding community in terms of purchasing FFB and recorded in "Pernyataan dan Jaminan"-Statement and Guarantee as a supplier of FFB, there are 10 TBS suppliers, namely: Roma, Wan juma Sari, UD. Ula Tersia, UD. Friends, Soo Boon Pin, Al-Muh TS, Tan Ing Sing, Mitra Langgeng, Gapoktan Sumber Rejeki and KOPKUN Anug Jaya Mandiri.</p> <p>E.g: "Statement and Guarantee" on behalf of Tan Ing Sing as TBS supplier from Sennah Village for ± 200 Ha planting area year 2000 and 2001.</p>									
6.10.2	<p>Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation).</p> <p>- Major compliance -</p>	<p>The company has provided FFB pricing formula and communicated to the FFB supplier, so far no complaint was noted regarding FFB price.</p> <p>"Mekanisme Penetapan Harga TBS Luar", Which becomes the parameter of the calculation of the price is:</p> <ol style="list-style-type: none"> <li>1. CPO Price</li> <li>2. Transportation cost</li> <li>3. OER CPO TBS outside</li> </ol> <p>For example: FFB price on 18 May 2017, FFB prices as Rp 1,600 per Kg, by calculation:</p> <table style="margin-left: 40px;"> <tr> <td>(CPO Rp 8500-Transport Rp 250) x OER 17.45=</td> <td>1,440</td> </tr> <tr> <td>(KPO Rp 6100-Transport Rp 71 x OKR 5.5</td> <td>= 332</td> </tr> <tr> <td></td> <td style="text-align: center;">-----</td> </tr> <tr> <td></td> <td style="text-align: center;">1,771</td> </tr> </table> <p>(1,771-processing cost Rp 154 – others cost)= Rp 1,600,-</p>	(CPO Rp 8500-Transport Rp 250) x OER 17.45=	1,440	(KPO Rp 6100-Transport Rp 71 x OKR 5.5	= 332		-----		1,771	Yes
(CPO Rp 8500-Transport Rp 250) x OER 17.45=	1,440										
(KPO Rp 6100-Transport Rp 71 x OKR 5.5	= 332										
	-----										
	1,771										
6.10.3	<p>Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p>	<p>Based on document review that agreement between company and local contractors confirmed that contract is made fairly, legal and transparent, e.g. Contract no. 01/SPJ/LEG-RSK/VII/16, with PT Bahtera Mulia Lestari (Pekerjaan Replanting).</p>	Yes								

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -		
6.10.4	Agreed payments shall be made in a timely manner.  - Minor compliance -	Evidence of payment is reviewed and it was seen paid timely manner, the total payment to the contractor on 24 <sup>th</sup> January 2017, payment by transfer on Bank Mandiri.	Yes
<b>Criterion 6.11</b>			
Growers and millers contribute to local sustainable development where appropriate.			
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.  - Minor compliance –	<p>The companies have CSR program, consist of:</p> <ul style="list-style-type: none"> <li>1 = Kemitraan Usaha</li> <li>2 = Pengembangan Ekonomi</li> <li>3 = Pendidikan</li> <li>4 = Kesehatan</li> <li>5 = Karikatif/Donasi</li> </ul> <p>PT. Indo Sepadan Jaya:</p> <p>In 2015, there are 8 programmes with budgeted Rp. 255,000,000,- and actual until the end of 2015 was Rp. 238,000,000,-.</p> <p>CSR programmes in 2016, consist of 4 programmes with budgeted Rp. 162,000,000,-</p> <p>PT. Rantau Sinar karsa:</p> <p>In 2017, there are 9 programmes with budgeted Rp. 103,500,000,- until now realization of programmers is still progress.</p> <p>Realization CSR programmes in 2016, was shown, e.g:</p> <ul style="list-style-type: none"> <li>- On November 17, 2016; Building material assistance for the Church (HKBP) in Village Kampong Jawa Pasar.</li> <li>- On 24 December 2016; Assitence for Christian duafa aid</li> </ul>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>package in the Village Sennah.</p> <ul style="list-style-type: none"> <li>- On 22 July 2016; Assistance in the form of home renovation (Bedah rumah) in Village Tanjung Harapan.</li> </ul>	
6.11.2	<p>Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve scheme smallholder productivity.</p> <p>- Minor compliance -</p>	No scheme smallholders.	Yes
<p><b>Criterion 6.12</b> No forms of forced or trafficked labor are used.</p>			
6.12.1	<p>There shall be evidence that no forms of forced or trafficked labor are used.</p> <p>- Major compliance -</p>	There is no any form or trafficked labour was noted during assessment.	Yes
6.12.2	<p>Where applicable, it shall be demonstrated that no contract substitution has occurred.</p> <p>- Minor compliance –</p>	Based on document review and interview with workers and labour union, confirmed that no contract substitution was noted.	Yes
6.12.3	<p>Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented.</p> <p>- Major compliance -</p>	The agreement for temporary workers is available and signed by workers. There is no migrant worker.	Yes

Criterion / Indicator	Assessment Findings	Compliance	
<b>Criterion 6.13</b>			
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 (see Criteria 1.2 and 2.1).</p> <p>- Major compliance -</p>	<p>The company has established human rights policy, 2014, its has been communicated to the workforce.</p>	<p>Yes</p>
<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	<p>An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented.</p> <p>- Major compliance -</p>	<p>For the last one year, there is no new planting in Tanjung Selamat and Pangkatan Estates under PT. Indo Sepadan Jaya and PT Rantau Sinar Karsa – has no new planting after 1 January 2010.</p>	<p>Yes</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>For the last one year, there is no new planting in Tanjung Selamat and Pangkatan Estates under PT. Indo Sepadan Jaya and PT Rantau Sinar Karsa – has no new planting after 1 January 2010.</p>	<p>Yes</p>
7.1.3	<p>Where the development</p>	<p>For the last one year, there is no new planting in Tanjung Selamat</p>	<p>Yes</p>



<b>Criterion / Indicator</b>		<b>Assessment Findings</b>	<b>Compliance</b>
	<p>includes an outgrower scheme, 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>and Pangkatan Estates under PT. Indo Sepadan Jaya and PT Rantau Sinar Karsa – has no new planting after 1 January 2010.</p>	
<p><b>Criterion 7.2</b>            Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.</p>			
7.2.1	<p>Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations.</p> <p>- Major compliance –</p>	<p>For the last one year, there is no new planting in Tanjung Selamat and Pangkatan Estates under PT. Indo Sepadan Jaya and PT Rantau Sinar Karsa – has no new planting after 1 January 2010.</p>	Yes
7.2.2	<p>Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available and taken into account in plans and operations.</p> <p>- Minor compliance -</p>	<p>For the last one year, there is no new planting in Tanjung Selamat and Pangkatan Estates under PT. Indo Sepadan Jaya and PT Rantau Sinar Karsa – has no new planting after 1 January 2010.</p>	Yes
<p><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.</p>			

Criterion / Indicator		Assessment Findings	Compliance
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 -	For the last one year, there is no new planting in Tanjung Selamat and Pangkatan Estates under PT. Indo Sepadan Jaya and PT Rantau Sinar Karsa – has no new planting after 1 January 2010.	Yes
7.3.2	A comprehensive HCV assessment, including stakeholder consultation, shall be conducted prior to any conversion or new planting. This shall include a land use change analysis to determine changes to the vegetation since November 2005. This analysis shall be used, with proxies, to indicate changes to HCV status.  - Major compliance -	For the last one year, there is no new planting in Tanjung Selamat and Pangkatan Estates under PT. Indo Sepadan Jaya and PT Rantau Sinar Karsa – has no new planting after 1 January 2010.	Yes
7.3.3	Dates of land preparation and commencement shall be recorded.  - Minor compliance -	For the last one year, there is no new planting in Tanjung Selamat and Pangkatan Estates under PT. Indo Sepadan Jaya and PT Rantau Sinar Karsa – has no new planting after 1 January 2010.	Yes
7.3.4	An action plan shall be	For the last one year, there is no new planting in Tanjung Selamat and Pangkatan Estates under PT. Indo Sepadan Jaya and PT	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower's relevant operational procedures. (see Criterion 5.2)</p> <p>- Major compliance -</p>	Rantau Sinar Karsa – has no new planting after 1 January 2010.	
7.3.5	<p>Areas required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from proposed operations, shall be identified in consultation with the communities and incorporated into HCV assessments and management plans (see Criterion 5.2).</p> <p>- Minor compliance -</p>	For the last one year, there is no new planting in Tanjung Selamat and Pangkatan Estates under PT. Indo Sepadan Jaya and PT Rantau Sinar Karsa – has no new planting after 1 January 2010.	Yes
<p><b>Criterion 7.4</b>            Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.</p>			
7.4.1	<p>Maps identifying marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided</p> <p>- Minor compliance -</p>	For the last one year, there is no new planting in Tanjung Selamat and Pangkatan Estates under PT. Indo Sepadan Jaya and PT Rantau Sinar Karsa – has no new planting after 1 January 2010.	Yes
7.4.2	<p>Where limited planting on fragile and marginal soils, including peat, is proposed,</p>	For the last one year, there is no new planting in Tanjung Selamat and Pangkatan Estates under PT. Indo Sepadan Jaya and PT Rantau Sinar Karsa – has no new planting after 1 January 2010.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	plans shall be developed and implemented to protect them without incurring adverse impacts.  - Major compliance -		
<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 ‘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.  - Major compliance -	For the last one year, there is no new planting in Tanjung Selamat and Pangkatan Estates under PT. Indo Sepadan Jaya and PT Rantau Sinar Karsa – has no new planting after 1 January 2010.	Yes
<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	Documented identification and assessment of demonstrable legal, customary and user rights shall be available.  - Major compliance -	For the last one year, there is no new planting in Tanjung Selamat and Pangkatan Estates under PT. Indo Sepadan Jaya and PT Rantau Sinar Karsa – has no new planting after 1 January 2010.	Yes

Criterion / Indicator		Assessment Findings	Compliance
7.6.2	A system for identifying people entitled to compensation shall be in place. - Major compliance -	For the last one year, there is no new planting in Tanjung Selamat and Pangkatan Estates under PT. Indo Sepadan Jaya and PT Rantau Sinar Karsa – has no new planting after 1 January 2010.	Yes
7.6.3	A system for calculating and distributing fair compensation (monetary or otherwise) shall be in place. - Major compliance -	For the last one year, there is no new planting in Tanjung Selamat and Pangkatan Estates under PT. Indo Sepadan Jaya and PT Rantau Sinar Karsa – has no new planting after 1 January 2010.	Yes
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 -	For the last one year, there is no new planting in Tanjung Selamat and Pangkatan Estates under PT. Indo Sepadan Jaya and PT Rantau Sinar Karsa – has no new planting after 1 January 2010.	Yes
7.6.5	The process and outcome of any compensation claims shall be documented and made publicly available. - Minor compliance -	For the last one year, there is no new planting in Tanjung Selamat and Pangkatan Estates under PT. Indo Sepadan Jaya and PT Rantau Sinar Karsa – has no new planting after 1 January 2010.	Yes
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.	For the last one year, there is no new planting in Tanjung Selamat and Pangkatan Estates under PT. Indo Sepadan Jaya and PT Rantau Sinar Karsa – has no new planting after 1 January 2010.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance –		
<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.			
7.7.1	There shall be no land preparation by burning, other than in specific situations, as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.  - Major compliance -	For the last one year, there is no new planting in Tanjung Selamat and Pangkatan Estates under PT. Indo Sepadan Jaya and PT Rantau Sinar Karsa – has no new planting after 1 January 2010.	Yes
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 –	For the last one year, there is no new planting in Tanjung Selamat and Pangkatan Estates under PT. Indo Sepadan Jaya and PT Rantau Sinar Karsa – has no new planting after 1 January 2010.	Yes
<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	For the last one year, there is no new planting in Tanjung Selamat and Pangkatan Estates under PT. Indo Sepadan Jaya and PT Rantau Sinar Karsa – has no new planting after 1 January 2010.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>directly from the development shall be identified and estimated.</p> <p>- Major compliance –</p>		
7.8.2	<p>There shall be a plan to minimise net GHG emissions which takes into account avoidance of land areas with high carbon stocks and/or sequestration options.</p> <p>- Minor compliance -</p>	<p>For the last one year, there is no new planting in Tanjung Selamat and Pangkatan Estates under PT. Indo Sepadan Jaya and PT Rantau Sinar Karsa – has no new planting after 1 January 2010.</p>	Yes
<b>Principle 8: Commitment to continuous improvement in key areas of activity</b>			
<b>Criterion 8.1</b>			
Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			
8.1.1	<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of pesticides(Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction</li> </ul>	<p>ASA 2:</p> <p>A continuous improvement plan has been prepared and internal audit conducted to identify environmental and social activities and management review, such as:</p> <ul style="list-style-type: none"> <li>- Continuing dispose hazardous waste to the approval collector.</li> <li>- Increasing planting beneficial plant.</li> <li>- Planting Mucuna Bracteata and contour terracing in replanting area to prevent erosion.</li> <li>- Composting plant alrey be commenced in January 2017, so Applied EFB as fertilizer, fibre and shell are burned in boiler for electricity, organic and an-organic from domestic waste is separated, where an-organic wastes go through to the landfill.</li> <li>- Construct bounding (Penghalang air) to prevent erosion.</li> <li>- CSR program.</li> </ul>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	(Criterion 5.3); <ul style="list-style-type: none"> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);</li> <li>• Optimising the yield of the supply base.</li> </ul> - Major compliance - - Major compliance –		



**Appendix "B"  
Time Bound Plan**

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

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Gunung Melayu II	GontingMahalaVillage, Bandar Pulau District, Asahan Regency, North Sumatra	2017	Certified on 8 <sup>th</sup> July 2015
Negri Lama I	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	Brought Forward from 2018 to 2013	Certified on 6 <sup>th</sup> April 2015
Negri Lama II	Negri Lama Seberang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatra	2018	Certified on 3 <sup>rd</sup> December 2015
Buatan	Delik & Pangkalan Kerinci Village, Bunut Langgam District, Pelalawan Regency, Riau	2010	Certified on 16 September 2010
Ukui & Soga	Ukui Village, Ukui District, Pelalawan Regency, Riau	2011	Certified on 1 March 2011
Buatan (Plasma)	Kerinci Kanan, Pangkalan Kerinci, Dayun Village, Siak & Pelalawan Regency, Riau	2011	Certified on 13 March 2012
Ukui (Plasma)	Ukui & Lubuk Batu Jaya District, Pelalawan & Inhu Regency, Riau	Brought forward from 2012 to 2011	Certified on 11 June 2012
Tungkal Ulu	Pulau Pauh/Penyabungan/Merlung Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2011	Certified on 15 August 2012
Muara Bulian	Singoan/Bukit Sari/ Bulian Jaya Village, Muara Bulian/Pemayung District, Batang Hari Regency, Jambi	2011	Certified on 28 August 2012
Buatan (KKPA)	Kerinci Kanan, Pangkalan Kerinci, Dayun District, Siak & Pelalawan Regency, Riau	2012	Certified on 17 January 2013
Tungkal Ulu (Plasma)	Renah Mendalo, Merlung, Muara Papalik District, Tanjung Jabung Barat Regency, Jambi	2012	Certified on 11 July 2013
Muara Bulian (Plasma)	Maro Sebo Ilir District, Batanghari Regency, Jambi	2012	Certified on 12 July 2013
Muara Bulian (KKPA)	Maro Sebo Ilir District, Batanghari Regency, Jambi	2012	Certified on 12 July 2013
Topaz & Seed Garden	Petapahan Village, Tapung District, Kampar Regency, Riau	2013	Certified on 30 March 2015
Taman Raja & Badang	Lubuk Bernai / Kampung Baru / Pelabuhan Dagang / Pematang Pauh Village, Tungkal Ulu District, Tanjung Jabung Regency, Jambi	2013	Certified on 20 February 2015
Segati	Langkan / Penarikan / Tambak / Sotol Village, Langgam District, Pelalawan Regency, Riau	2014	Public Notification conduct in October 2014. Main Audit in Dec 2014
Penarikan & Gondai	Pangkalan Sarik / Baru Village, Langgam / Siak Hulu District, Pelalawan / Kampar Regency, Riau	2014	Main Audit in December 2014

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Revision 4 (November /2016)**

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

**Appendix "C" RSPO  
Certificate Details**

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

BSI RSPO Certificate No: RSPO 620704

Date of Initial Certificate Issued: 26<sup>th</sup> May 2015

Date of Expiry: 25<sup>th</sup> May 2020

RSPO membership number: 1-0022-06-000-00,

Applicable Standards: **RSPO P&C Generic 2013**; *RSPO Supply Chain Certification Standard November 2014 Module E - CPO Mills: Mass Balance (MB)*

<b>Tanjung Selamat Palm Oil Mill and Supply Base</b>					
Location Address		Kampung Padang Village, Bilah Hilir District, Labuhan Batu Regency, North Sumatera, Indonesia			
GPS Location		100° 00'32" E - 02°07'44" N			
CPO Tonnage Total		25,453 MT			
PK Tonnage Total		6,493 MT			
CPO Claimed for Certification*		18,499 MT			
PK Claimed for Certification *		5,265 MT			
Own estates FFB Tonnage		95,328 MT			
Scheme Smallholder FFB Tonnage		none			
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Tanjung Selamat	1,962	1,896	43	3,901	43,003
Pangkalan	2,688	952	696	4,336	52,325
<b>Total</b>	<b>4,650</b>	<b>2,848</b>	<b>739</b>	<b>8,237</b>	<b>95,328</b>

*\*Certified Production*

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

Date	Time	Subjects	Aswan Hasibuan	Wahyu	Edy Widodo
			PRSP0 LA OHS, SCC	PRSP0-EMS	PRSP0-SA
Monday, 15/05/2017	05.20-08.00	Traveling Jakarta-Medan, proceed to Railway Station Site		√	√
	10.00-17.00	Travelling Medan – Rantau Prapat by train Sribilah- Continue to Estate by Car	√	√	√
Tuesday, 16/05/2017	08.00–08.30	Opening Meeting 4 Presentation by uditee 5 Presentation by auditor	√	√	√
	08.30–12.00	<b>Field Visit: Tanjung Selamat Estate</b> Boundary stones, Herbicide application programmes, harvesting, fertilising operations, terracing, road maintenance, Barn owl, beneficial plant, etc (including interview with sprayer team and harvester). Housing, Workers and public facilities in line-site, (Tempat Penitipan Anak, school, school bus, etc).	√		
	08.30–12.00	<b>Field Visit: Tanjung Selamat Estate</b> Herbicide application programmes, harvesting, fertilising operations, terracing, road maintenance, Barn owl, beneficial plant, etc (including interview with sprayer team and harvester). HCV areas, riparian zone, Landfill, Storage, workshop, diesel tanks, clinic.		√	
	08.30–12.00	<b>Stakeholder Interview:</b> Interview with local government (BLH, BPN, Disnakertrans and Dinas Perkebunan)			√
	12.00–14.00	<b>Lunch</b>			
	14.00–17.00	<b>Document Review:</b> <b>Tanjung Selamat Estate</b>	√	√	
	14.00–17.00	<b>Document Review &amp; Interview with:</b> workers, community gender, worker union, etc			√
	Wednesday 17/05/2017	08.00-12.00	<b>Field Visit: Pangkalan Estate</b> Boundary stones, Herbicide application programmes, harvesting, fertilising operations, terracing, road maintenance, Barn owl, beneficial plant, etc (including interview with sprayer team and harvester).	√	
<b>Field Visit: Pangkalan Estate</b> Herbicide application programmes, harvesting, fertilising operations, terracing, road maintenance, Barn owl, beneficial plant, etc (including interview with sprayer team and harvester). HCV areas, riparian zone, Landfill, Storage, workshop, diesel tanks, clinic.				√	

Date	Time	Subjects	Aswan Hasibuan	Wahyu	Edy Widodo
			PRSP0 LA OHS, SCC	PRSP0-EMS	PRSP0-SA
		<p><b>Field Visit: Pangkatan Estate</b> Housing, Workers and public facilities in line-site, (Tempat Penitipan Anak, school, school bus, etc). Boundary stones, and interview with labour union, Gender committee and local contractors.</p> <p><b>Stakeholder Interview:</b> Interview with local communities</p>			√
	12.00-14.00	Lunch			
	14.00-17.00	<p><b>Document review: Pangkatan Estate</b></p>	√	√	√
Thursday 18/05/2017	08.00 -12.00	<p><b>Document Review: Tanjung Selamat Mill</b> General information, time bound plan and partial certification verification, RSPO P &amp; C and RSPO SCCS</p> <p><b>Field Visit: Tanjung Selamat Mill</b> Clinic, PPE, safe working environment, walk ways, signs, EFB. POME treatment, emissions, diesel tanks, fire extinguishers, first aiders and boxes, workshop, storage, etc.</p> <p>Worker and staff interviews (OSH, contract, salary), housing complex, etc</p>	√	√	√
	12.00 -14.00	Lunch			
	14.00 -15.30	<p><b>Document Review: Tanjung Selamat Mill</b></p>	√	√	√
	15.30 -16.00	Preparing Closing Meeting	√	√	√
	16.00 -17.00	Closing Meeting			
Friday 19/05/2017	08.40-14.25	Travelling Labuhan Batu – Medan by Train (Sribilah)	√	√	√
		Flight Medan – Jakarta (GA at 7 PM )		√	√

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

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

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

<b>Criterion E.1. Definition</b>			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
E.1.1	Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.	Based on procedure "Traceability" no. AA-MPM-OP-1400.17-R4 updated 23 <sup>rd</sup> April 2015 and "Book Keeping" no. AA-MPM-OP-1400.18-R4 updated 23 <sup>rd</sup> April 2015 described that FFB received from certified areas will be marked "Sustainable FFB" and FFB from non certified area is marked as "Non certified FFB" and only claim as "MB" in supply chain model.	Yes

<b>Criterion E.2. Explanation</b>			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
E.2.1	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.	The projection of CPO and PK product from Tanjung Selamat POM is recorded by CB in the public summary report and RSPO certificate. The actual CPO and PK produced verified during each subsequent visit to ensure that certified mill only deliver the allowed tonnage for the year.  During this assessment, the actual of production CPO and PK is recorded in daily, monthly and yearly basis as mentioned in section 1.4 – 1.9 above	Yes
E.2.2	The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).	The company has registered and projected volume and sold out of product is registered in e-trace.	Yes

<b>Criterion E.3. Documented procedures</b>			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
E.3.1	The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:		
	a) Complete and up to date procedures covering the implementation of all the elements in these requirements	The premise has implemented a supply chain and traceability procedure under "Traceability" no. AA-MPM-OP-1400.17-R4 and "Book Keeping" no. AA-MPM-OP-1400.18-R4, updated 23 <sup>rd</sup> April 2015. The procedure explains in all aspects of	



		supply chain and traceability scope in Tanjung Selamat POM, starting from FFB harvesting, FFB delivery to Palm Oil Mill; FFB receiving and processing in Palm Oil Mill, CPO and PK production and reporting; CPO and PK dispatch from Palm Oil Mill and receiving in storage tank for export, Shipping instruction and preparation, CPO stock balancing post-shipping.	
	b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.	Based on Prosedur "Traceability" no. AA-MPM-OP-1400.17-R4, updated 23 <sup>rd</sup> April 2015, the company has appointed the responsible person for handling supply chain along their supply chain is Mill Manager.	Yes
E.3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	Supply chain and traceability procedure under "Traceability" no. AA-MPM-OP-1400.17-R4 and "Book Keeping" no. AA-MPM-OP-1400.18-R4, updated 23 <sup>rd</sup> April 2015	Yes

<b>Criterion E.4. Purchasing and goods in</b>			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
E.4.1	The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.	<p>Sample taken:</p> <p>FFB Received:</p> <p>Own certified estate (Tanjung Selamat Estate)</p> <ol style="list-style-type: none"> <li>1. Surat Pengantar (Delivery Order of FFB from Field): <ul style="list-style-type: none"> <li>- SP. No: 2668.</li> <li>- Date: 17/05/2017</li> <li>- Truck: DT.17 (9240 YL)</li> <li>- Quantity: 334 bunches</li> <li>- Block Number: G93B</li> <li>- Sustainable Product.</li> </ul> </li> <li>2. Wight Bridge: <ul style="list-style-type: none"> <li>- Ticket No.: PTSA417102656</li> <li>- Date: 17/05/2017</li> <li>- Origin: Pangkatan Estate</li> <li>- Quantity: 6,110 kg</li> <li>- RSPO Certified</li> <li>- SP. No. 2668</li> </ul> </li> </ol> <p>FFB from supplier as non-certified product</p> <p>Sample taken:</p> <p>From Supplier Wah jami Sari Dewi on May 17th, 2017:</p> <ol style="list-style-type: none"> <li>1. Surat Pengantar <ul style="list-style-type: none"> <li>- SP. No: 38/17/WJD</li> <li>- Truck: BK 8931 HB</li> <li>- Quantity: 260 bunches</li> <li>- FFB Non Certified Product</li> </ul> </li> </ol>	Yes

		<p>2. Wight Bridge:</p> <ul style="list-style-type: none"> <li>- Ticket No.: PTSA517103403</li> <li>- Date: 17/05/2017</li> <li>- Origin: Wan Juma Sari Dewi</li> <li>- Quantity: 4,905 kg</li> <li>- Non certified Product.</li> </ul>	
E.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	This has been regulated in procedure "Book Keeping" no. AA-MPM-OP-1400.18-R4, updated 23 <sup>rd</sup> April 2015, 6.5. "Head of Environment and sustainability akan memberikan informasi kepada Badan Sertifikasi jika ada proyeksi produksi melebihi target"	Yes

<b>Criterion E.5. Record keeping</b>			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
E.5.1	a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	<p>The company has documented FFB certified and non-certified received based, CPO and PK produced and CPO/PK despatch both claimed as certified and non non certified three monthly basis as documented in "CPO/PK Production and sales balance".</p> <p>Sample taken: 3 monthly basis report (January – March 2017). In the end of March Tanjung Selamat Mill has Certified CPO Stock 1,604,102.90 kg while Non certified CPO amount 1,075,705.10 kg</p>	Yes

	<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>FFB received, CPO/PK produced and CPO/PK despatch is recorded in daily basis (Processing daily Report), monthly report (Production and Despatch Report), 3 monthly basis (CPO/PK Production and sales balance"</p> <p>Delivered CPO Certified Product:</p> <ul style="list-style-type: none"> <li>- WB no.: C115100973</li> <li>- Origin: PMKS Tanjung Selamat</li> <li>- Name of product: Crude Palm Oil (CPO)</li> <li>- Receiver: Pt. Sari Dumai Sejati Dumai</li> <li>- Date: 07/2/2017</li> <li>- Quantity: 25,550 kg</li> <li>- CPO Certified RSPO – MB</li> </ul> <p>Delivered CPO as "Non Certified Product":</p> <ul style="list-style-type: none"> <li>- Ticket no.: PTSC116100014</li> <li>- Origin: PMKS Tanjung Selamat</li> <li>- Name of product: Crude Palm Oil</li> <li>- Receiver: PT. Indo Sepadan Jaya - Dumai</li> <li>- Date: 08/02/2017</li> <li>- Quantity: 26,520 kg</li> </ul>	<p>Yes</p>
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		<ul style="list-style-type: none"> <li>- CPO Non Certified</li> </ul> <p>Delivered PK Certified Product:</p> <ul style="list-style-type: none"> <li>- SP no.: PTSC 217100002</li> <li>- Origin: PMKS Tanjung Selamat</li> <li>- Name of product: Palm Kernel</li> <li>- Receiver: PT. Sari Dumai Sejati</li> <li>- Date: 11/01/2017</li> <li>- Quantity: 20,510 kg</li> <li>- PK Certified RSPO – MB</li> </ul> <p>Delivered PK as "Non Certified Product":</p> <ul style="list-style-type: none"> <li>- SP No. PTSC210100015</li> <li>- Origin: PMKS Tanjung Selamat</li> <li>- Name of product: Palm Kernel (PK)</li> <li>- Receiver: PT. Hari Sawit Jaya.</li> <li>- Date: 12/01/2017</li> <li>- Quantity: 6,750 kg</li> <li>- PK Non Certified.</li> </ul>	
	c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)	Based on review 3 monthly base, there is no delivery mass balance from negative stock.	Yes
E.5.2	In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.	No outsourcing	N/A

**Appendix "G"**  
**Location Map of PT. Indo Sepadan Jaya**

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

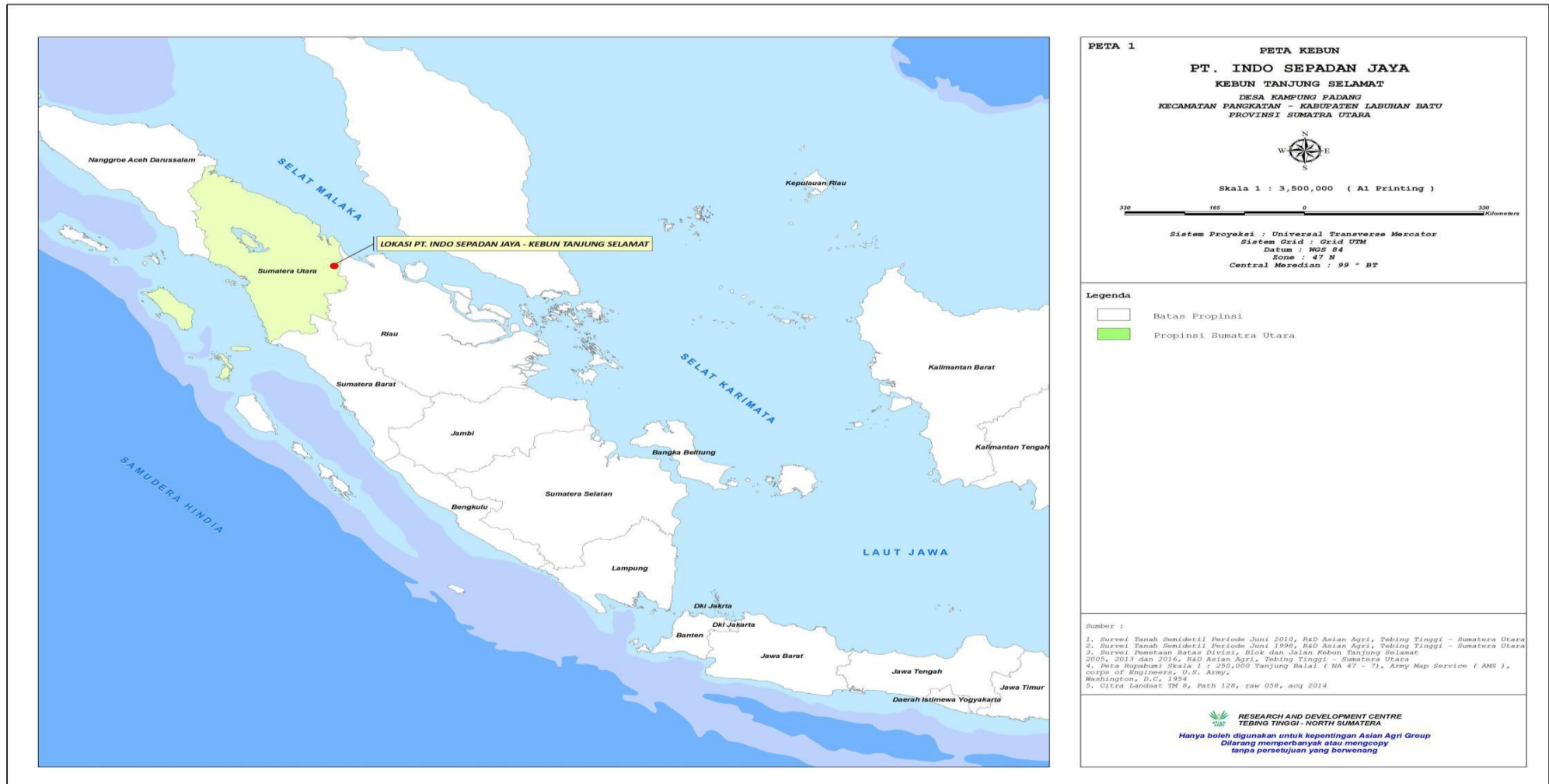


Figure 2. Location of Tanjung Selamat POM and its supply base in North Sumatera Province, Indonesia.

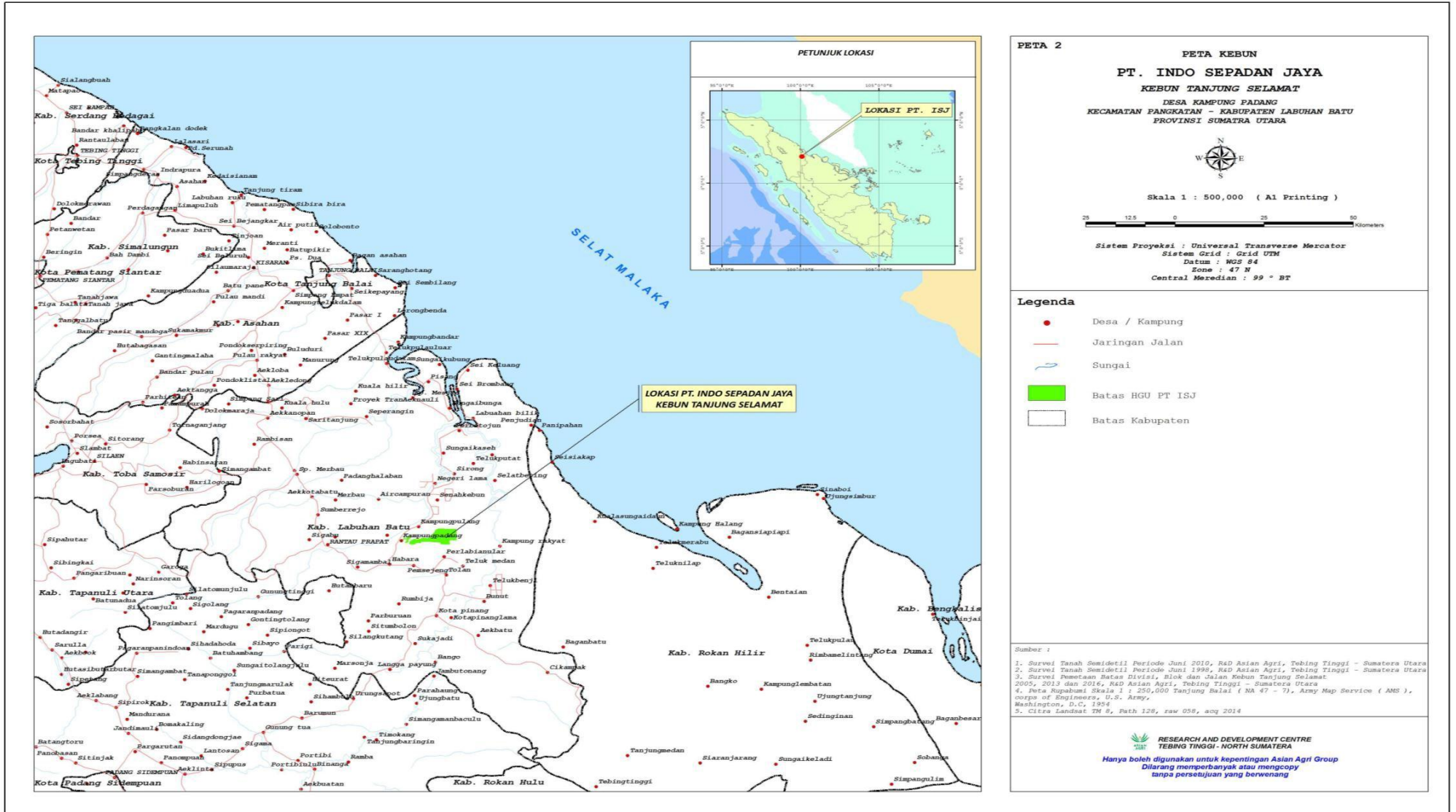


Figure 3a. Location of PT. Indo Sepadan Jaya (Tanjung Selamat Estate) as supply base Tanjung Selamat POM and neighbouring entities

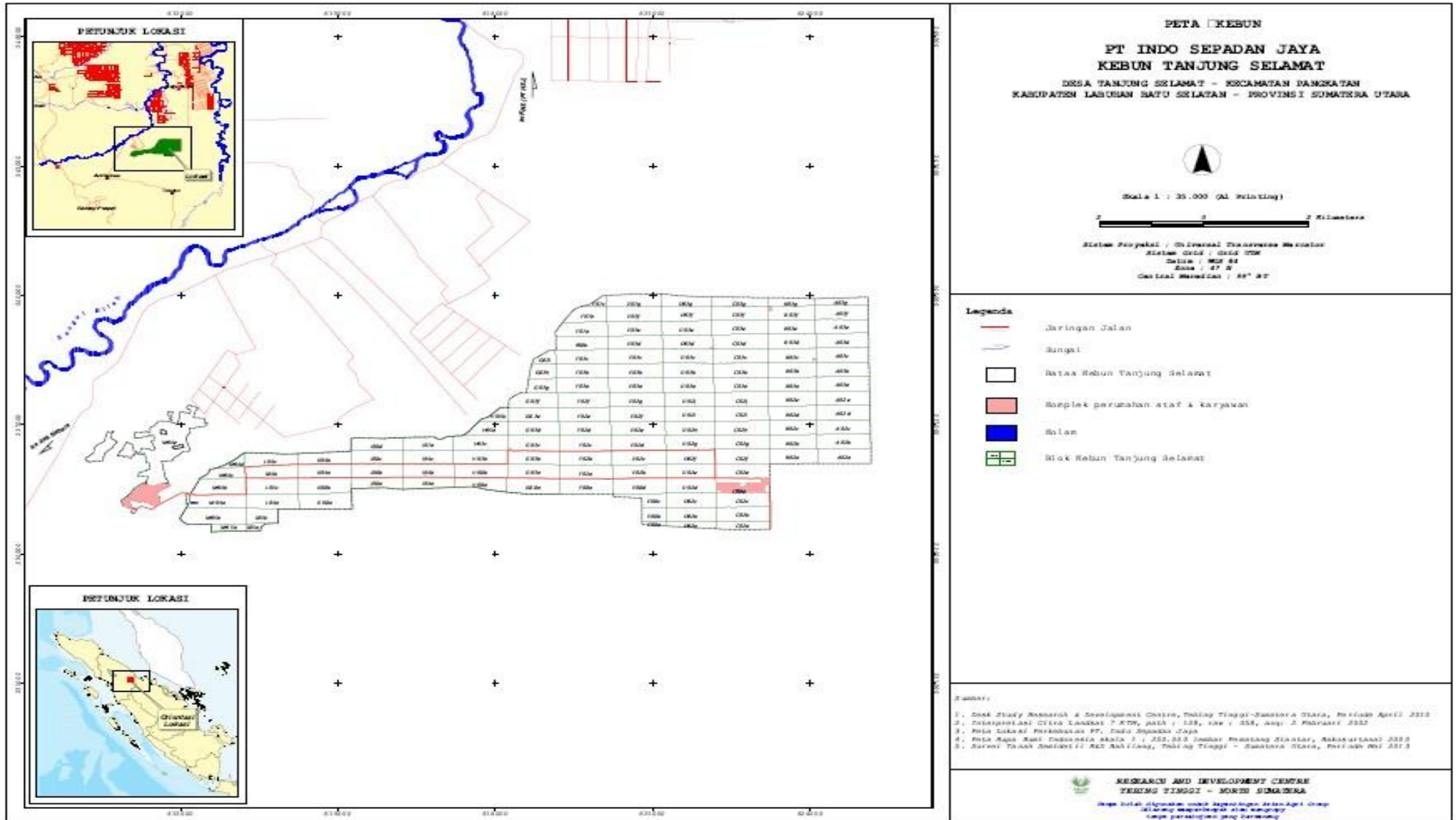
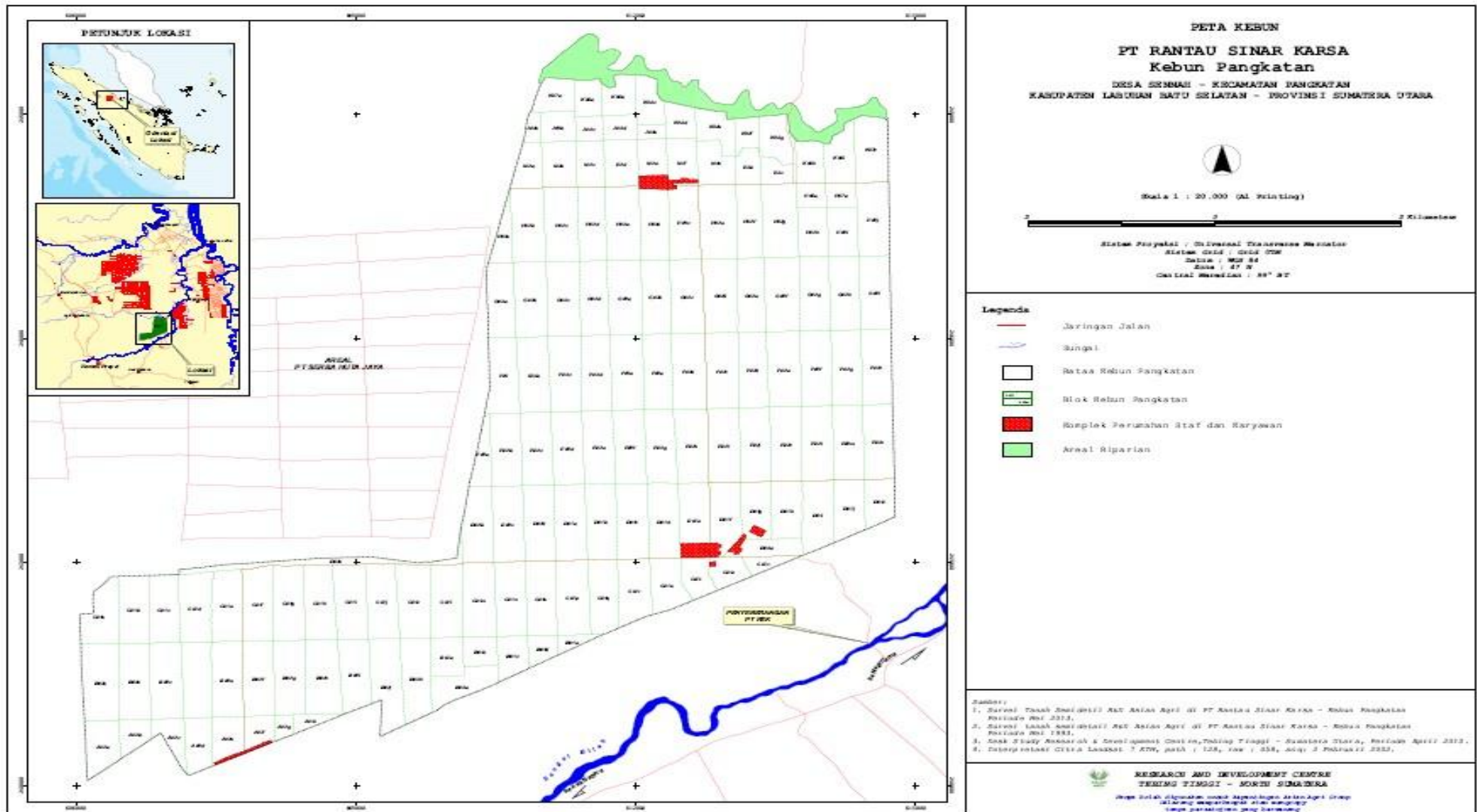


Figure 3b. Location of PT. Rantau Sinar Karsa (Pangkatan Estate) as supply base Tanjung Selamat POM and neighbouring entities





***Appendix "H"***  
***Abbreviation Used***

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