

*Roundtable on Sustainable Palm Oil Certification  
RSPO*

☐ Stage-1    ☐ Stage-2    ☒ Surveillance-02    ☐ Re-Certification

**Name of Management Organisation :** INDRASAKTI POM, PT MEGANUSA INTISAWIT subsidiary of PT IVO MAS TUNGGAL

**Plantation Name :** Indrasakti Estate, Indrasakti Plasma, Indragiri Plasma dan Indralestari Plasma

**Location :** Talang Sukamaju Village, Sub District of Rakit Kulim, Kabupaten Indragiri Hulu, Propinsi Riau, Indonesia

**Certificate Code :** MUTU-RSPO/033

**Date of Certificate Issue :** 04 December 2013

**Date of License Issue :** 4 December 2015

**Date of Certificate Expiry :** 03 December 2018

**Date of License Expiry :** 3 December 2016

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-02	31 August to 5 September 2015	Sandra Purba (Lead Auditor), Abdul Rahman, Yuniar Mitikauji, Andi Pratama, Panggading Hariara	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-02	5 October 2015

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Figure 1. Location Map of PT Meganusa Intisawit



**Figure 2. Operational Map of PT Meganusa Intisawit**

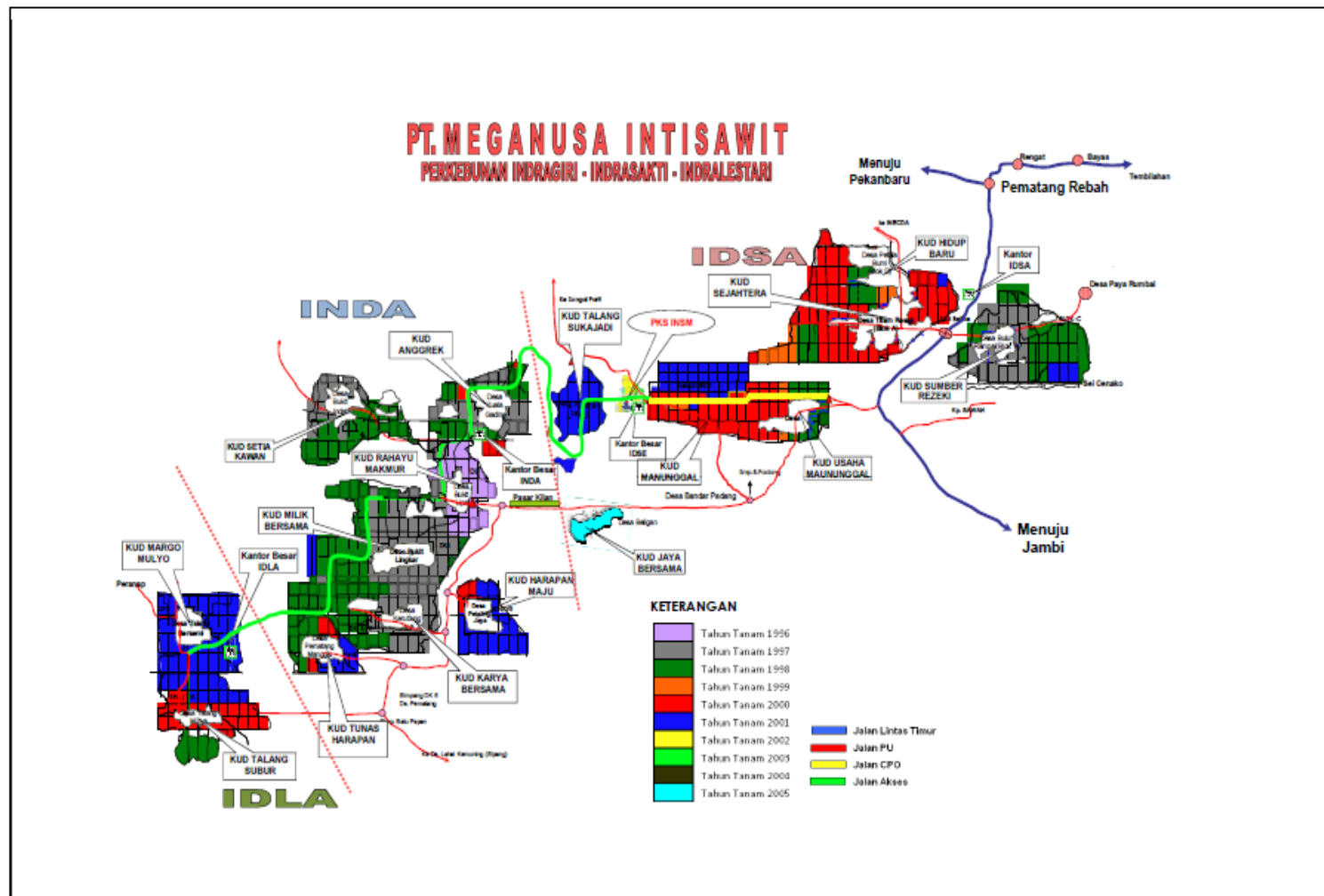


Figure 3. Operasional Map of Indrasakti Estate

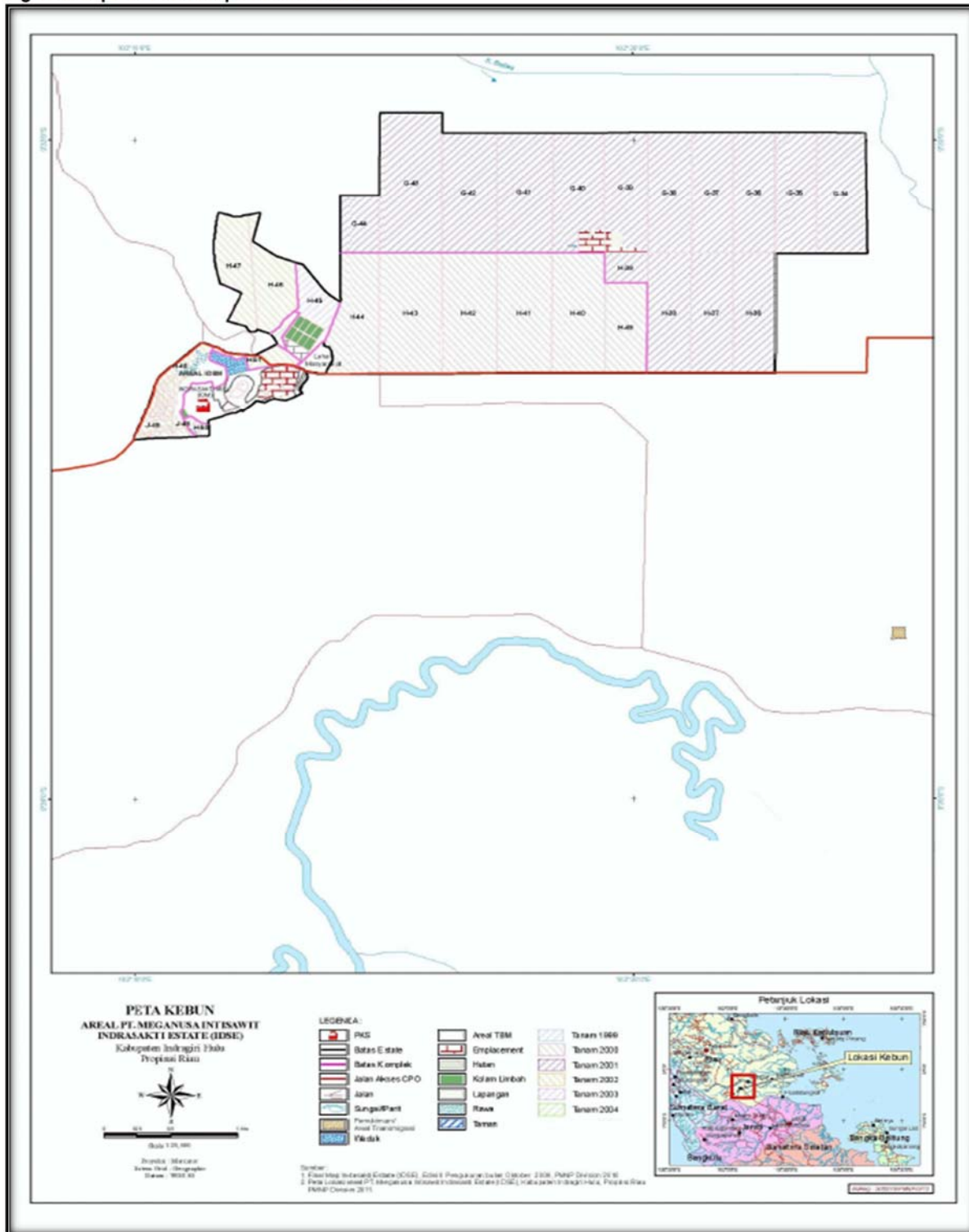




Figure 4. Operasional Map of Indragiri Plasma

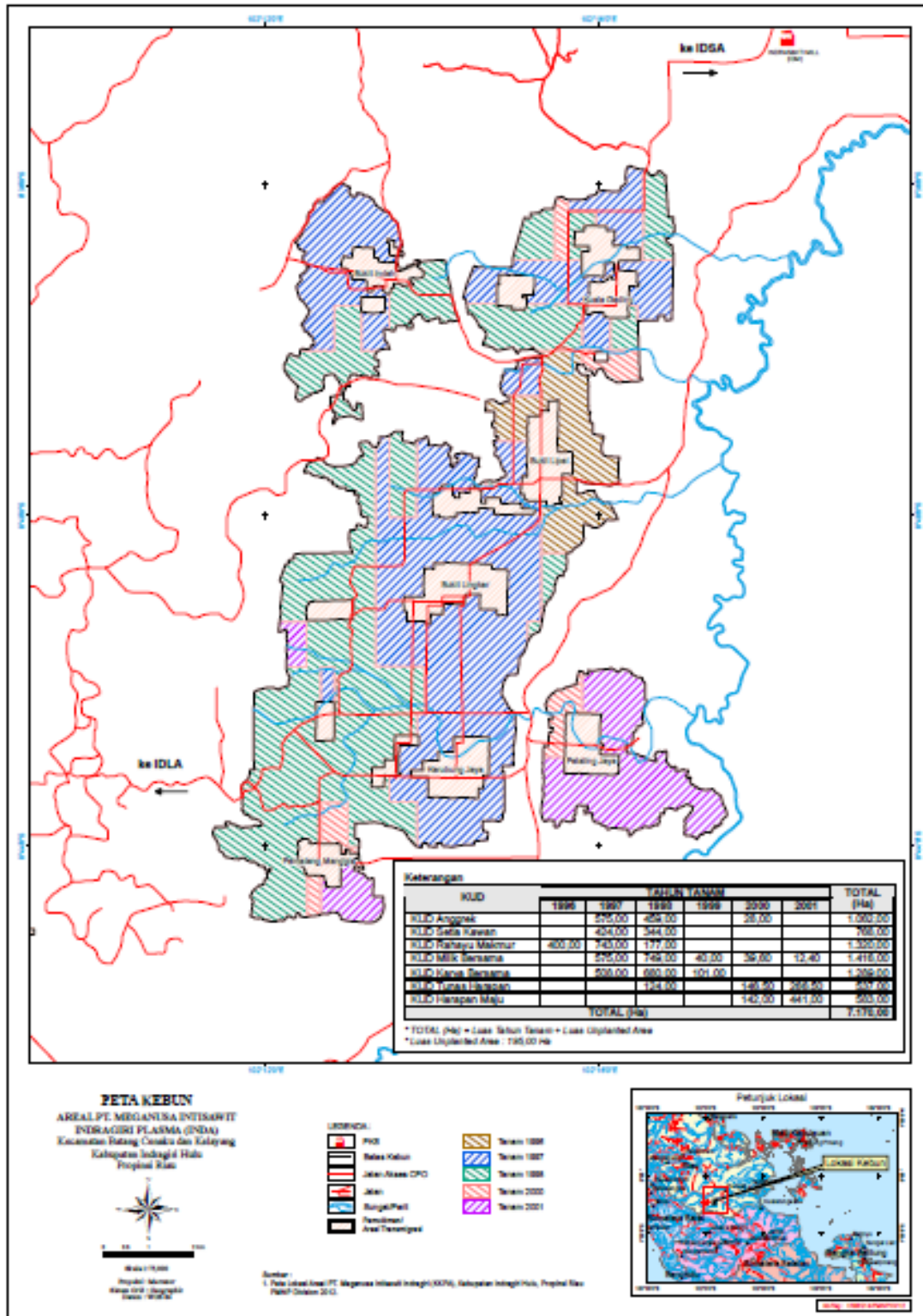


Figure 5. Operasional Map of Indralestari Plasma

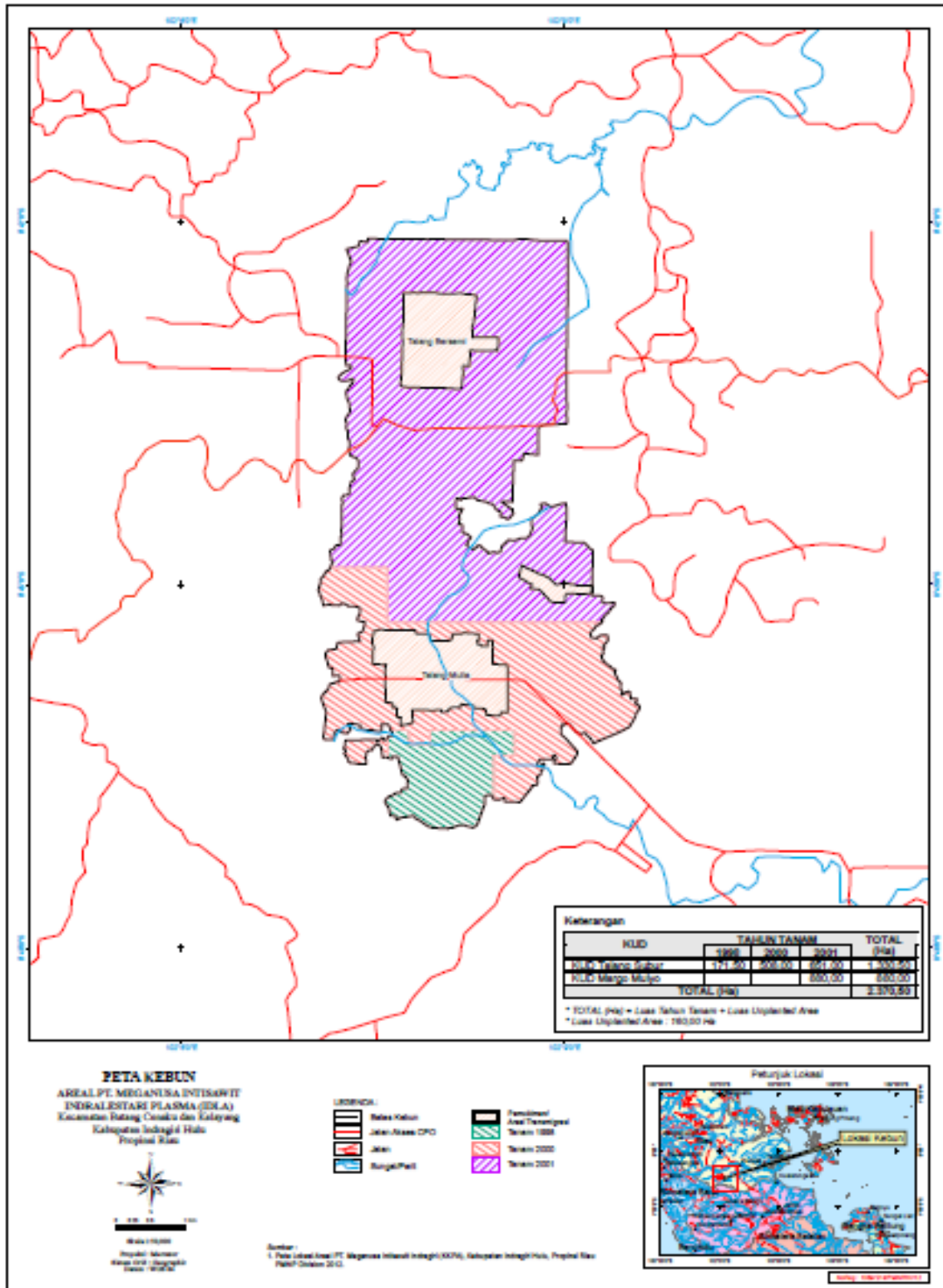
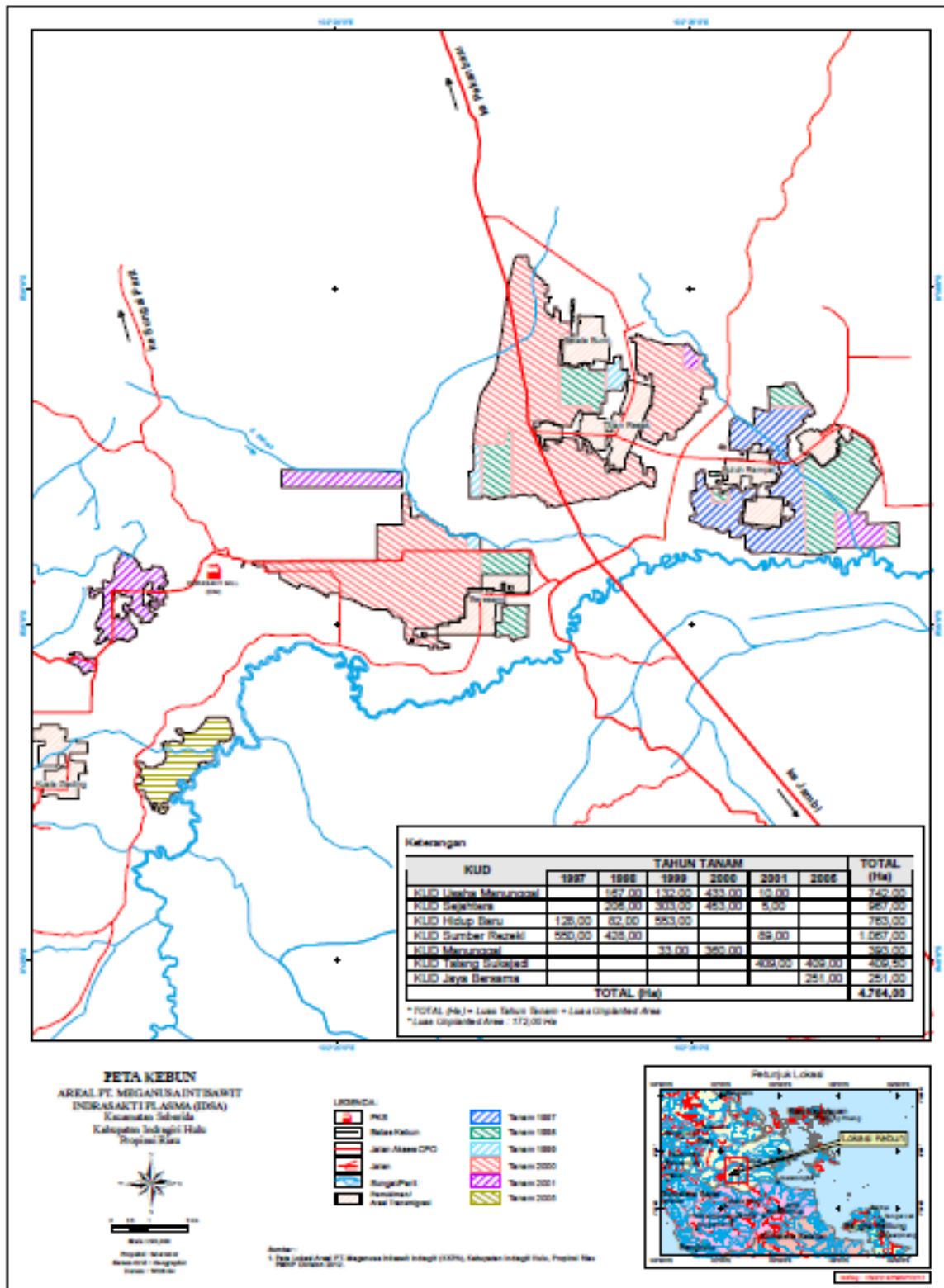


Figure 6. Operasional Map of Indrasakti Plasma





**Abbreviations Used**

PPE	:	Personal Protective Equipment
BLH	:	<i>Badan Lingkungan Hidup (Environmental Agency).</i>
CPO	:	<i>Crude Palm Oil.</i>
EWS	:	<i>Early Warning System.</i>
HCV	:	<i>High Conservation Value.</i>
HGU	:	<i>Hak Guna Usaha (Land Use Title).</i>
IDLA	:	Indralestari Plasma.
IDSA	:	Indrasakti Plasma.
IDSE	:	Indrasakti Estate.
INKM	:	Indrasakti Mill.
INDA	:	Indragiri Plasma.
OHS	:	<i>Occupational Health and Safety).</i>
KKPA	:	Koperasi Kredit Primer Anggota ( <i>Credit primary cooperative members</i> ).
KUD	:	Koperasi Unit Desa ( <i>Cooperative of Village</i> ).
LB3	:	Limbah Beracun Dan Berbahaya ( <i>Hazardous Material Waste</i> ).
LC	:	<i>Land Clearing.</i>
MSDS	:	<i>Material Sheet Data Safety.</i>
P2K3	:	Panitia Pembina Keselamatan Dan Kesehatan Kerja ( <i>Guiding Committee of Occupational Safety &amp; Health</i> ).
IPM	:	Integrated Pest Management
PK	:	<i>Palm Kernel.</i>
PKO	:	<i>Palm Kernel Oil.</i>
PT. BWL	:	PT. Buana Wira Lestarimas.
PT. MNIS	:	PT. Meganusa Intisawit.
RKL/RPL	:	Rencana Kelola Lapangan / Rencana Pemantauan Lingkungan ( <i>Environmental Management Plan/ Environment Monitoring Plan</i> ).
RSPO	:	<i>Roundtable Sustainable Palm Oil.</i>
SCCS	:	<i>Supply Chain Certification System.</i>
SMARTRI	:	SMART Research Institute.
SOP	:	<i>Standard Operating Procedure.</i>
FFB	:	Fresh Fruit Bunch
UKL/UPL	:	Unit Kelola Lingkungan / Unit Pemantauan Lingkungan ( <i>Environmental Management Efforts/ Environmental Monitoring Efforts</i> ).

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"><li>• <i>RSPO Principles and Criteria (P&amp;C) for for the Production of Sustainable Palm Oil - April 25<sup>th</sup>, 2013.</i></li><li>• <i>National Interpretation, RSPO Principles and Criteria (P&amp;C) for Sustainable Palm Oil Production, Republic of Indonesia Scheme Smallholders Octobers 2009</i></li><li>• <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i></li></ul>	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Meganusa Intisawit – Ivo Mas Tunggal	
1.2.2	Contact person	Ismu Zulfikar	
1.2.3	Organisation address and site address	Kantor Pusat : Sinar Mas Land Plaza, Tower II, 30th Floor MH Thamrin street No. 51, Jakarta 10350, Indonesia Phone: +62-21-5033 8899. Fax: +62-21-5038 9999  Site : Talang Sukamaju village, Sub District of Rakit Kulim, District of Indragiri Hulu, Province of Riau	
1.2.4	Telephone	(+62-21) 318 1388	
1.2.5	Fax	(+62-21) 318 1389	
1.2.6	E-mail	<a href="mailto:ismu-zulfikar@smart-tbk.com">ismu-zulfikar@smart-tbk.com</a>	
1.2.7	Web page address	<a href="http://www.smart-tbk.com">www.smart-tbk.com</a>	
1.2.8	Management Representative who completed the application for certification	Ismu Zulfikar (Head of Environmental Departement)	
1.2.9	Registered as RSPO member	No Registrasi 1-0056-08-000-00 – 17 Juni 2008	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Indrasakti POM and supply base (Indrasakti Estate, Indrasakti Plasma, Indragiri Plasma dan Indralestari Plasma).	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude
			Latitude
	Indra Sakti POM	Sungai Limau Village, Sub District of Rakit Kulim, District of Indragiri Hulu.	0° 34' 15" LS
			102° 18' 18" BT

1.4.2	Location of Certification Scope of Supply Base					
	Name of Supply Base	Location	Coordinate			
			Latitude	Latitude		
	Indrasakti Estate	Sungai Limau Village, Sub District of Rakit Kulim, District of Indragiri Hulu.	0° 32' 52"-0° 34' 3" N	102° 18' 59"- 102° 20' 34" E		
	Indralestari Plasma	Talang Bersemi Village, Sub District of Batang Cenaku, District of Indragiri Hulu	0° 42'8"- 0° 46' 56" N	102° 07' 29"-102° 07' 41" E		
	Indrasakti Plasma	Sungai Limau Village, Sub District of Rakit Kulim, District of Indragiri Hulu.	0° 29'31"- 0° 35' 11" N	102° 22' 42' - 102° 22" 42" E		
Indragiri Plasma	Kuala Gading Village, Sub District of Batang Cenaku, District of Indragiri Hulu	0° 35'58"- 0° 44' 51" N	102° 12' 54"- 102° 11' 49" E			
1.5	Description of Area Statement					
1.5.1	Tenure					
	• State		867,73 Ha			
	• Community		14.304,5 Ha			
1.5.2	Area Statement					
		Indrasakti Estate	Indrasakti Plasma	Indragiri Plasma	Indralestari Plasma	TOTAL (Ha)
	• Total area	867.73	4,764.00	7,170.00	2,370.50	15,172.23
	• Mature area	778.15	4,592	6,975	2,210.5	14,555.65
	• Immature area	-	-	-	-	-
	• Mill/Building/Road/Infrastruktur	51.53	147.00	195.00	160.00	585.41
	• NUrseri	-	-	-	-	-
	• HCV	6.17				6.17
	• Others		25.00			25.00
1.6	Planting Year and Cycles					
1.6.1	Age profile of planting year					
	Planting Year	Luas (Ha)				Total
		Indrasakti Estate	Indrasakti Plasma	Indragiri Plasma	Indralestari Plasma	
	1996	-		400	-	400
	1997	-	550.00	2,825	-	3,375
	1998	-	929.00	2,519	56.50	3,504.50
	1999	-	550.00	141	115.00	806
	2000	223.16	1,799.00	370.1	508.00	2,900.26
	2001	470.48	513.00	719.9	1,531.00	3,234.38
	2002	57.23	-	-	-	57.23

	2003	10.99	-	-	-	10.99
	2004	13.32	-	-	-	13.32
	2005	2.97	251.00	-	-	253.97
	TOTAL	778.15	4,592.00	6,975.00	2,210.50	14,537.81
1.6.2	New Planting area after January 2010		- Ha			
1.6.3	Planting Cycle		1 <sup>st</sup> Cycle			
1.7	Description of Mill and Supply Base					
1.7.1	Description of Mill					
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel
				Out put (ton)	Extraction (%)	Out put (ton)
						Extraction (%)
	Indrasakti Mill	60	414,230.82	85,717.97	20.69	22,501.52
						5.43
<i>*Production Data Source :CPO Production periode September 2014 s/d Agustus 2015</i>						
1.7.2	Deskripsi Kebun Sumber Bahan Baku dalam Ruang Lingkup Sertifikasi					
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year )	Supplied to mill
						FFB (ton/tahun)
						%
	Indrasakti Estate	867.73	778.15	22,038.63	29	22,038.63
						100
	Scheme Smallholder					
	Indrasakti Plasma					
	Usaha Manunggal (367 smallholder)	780.0	732.0	20,651.53	27.48	20,651.53
						100
	Sejahtera (490 smallholder)	998.0	967.0	25,124.66	25.96	25,124.66
						100
	Hidup Baru (383 smallholder)	788.0	763.0	22,173.92	29.13	22,173.92
						100
	Sumber Rezeki (558 smallholder)	1,100.5	1,067.0	30,066.74	28.03	31,367.08
						100
	Manunggal (202 smallholder)	415.5	403.0	10,015.60	26.27	10,015.60
						100
	Talang Sukajadi (204 smallholder)	422.0	409.0	9,098.79	23.42	9,098.79
						100
	Jaya Bersama (125 smallholder)	260.0	251.0	6,296.94	27.71	6,296.94
						100
	Total	4,764.0	4,592.0	128,123.90	27.11	128,123.90
	Indragiri Plasma					
	Anggrek (531 smallholder)	1,089.0	1,062.0	33,904.61	31.85	33,904.61
						100
	Setia Kawan (390 smallholder)	788.0	768.0	22,372.04	29.38	22,372.04
						100
	Rahayu Makmur (677 smallholder)	1,361.0	1,320.0	38,660.71	28.98	38,660.71
						100
	Milik Bersama (732 smallholder)	1,457.0	1,416.0	43,634.26	30.49	43,634.26
						100



Karya Bersama (644 smallholder)	1,325.0	1,289.0	35,883.44	27.67	35,883.44	100
Tunas Harapan (280 smallholder)	550.0	537.0	18,370.80	34.82	18,370.80	100
Harapan Maju (292 smallholder)	600.0	583.0	18,376.56	31.93	18,376.56	100
<b>Total</b>	<b>7,170.0</b>	<b>6,975.0</b>	<b>215,898.14</b>	<b>30.22</b>	<b>215,898.14</b>	
<b>Indralestari Plasma</b>						
Talang Subur (674 smallholder)	1,422.2	1,330.5	40,775.24	29.22	40,775.24	100
Margo Mulyo (440 smallholder)	948.3	880.0	23,743.54	25.86	23,743.54	100
<b>Total</b>	<b>2,370.5</b>	<b>2,210.5</b>	<b>65,301.40</b>	<b>27.88</b>	<b>65,301.40</b>	
<b>Grand Total</b>		<b>13,777.5</b>	<b>421,187.93</b>	<b>28.80</b>	<b>421,187.93</b>	

*\* Production Data Source :FFB Production periode September 2014 s/d Agustus 2015*

1.7.3 FFB description from other source

Name of sources	Organisation	Location	Supplied to Mill
			FFB (tonnes/year)
-	-	-	-
<b>TOTAL</b>			-

*\*Indrasakti Mill not received uncertified FFB from other sources*

1.7.4 Product categories **FFB, CPO, PK**

## 1.8 Estimate Tonnage of Certified Product

1.8.1	Past Annual Claim Certified Product	Previous Certificate Claim 4 Des 2014 to 3 Des 2015 (ton/year)	Actual certified product Periode of 4 Desember 2014 to 31 Agustus 2015 (ton/year)
	• FFB Production	<b>421,907.05</b>	<b>318,143.15</b>
	• CPO Production	<b>90,710.00</b>	<b>63,628.63</b>
	• Palm Kernel (PK) Production	<b>22,783.00</b>	<b>15,576.593</b>

1.8.2 Estimate of Certified FFB Claim

Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)
<b>Indrasakti Estate</b>	867.73	778.15	25,148	32.32
<b>Scheme Smallholder</b>				
<b>Indrasakti Plasma</b>				
Usaha Manunggal (367 smallholder)	780.0	732.0	22,281.97	28.57
Sejahtera (490 smallholder)	998.0	967.0	27,365.40	27.42

Hidup Baru (383 smallholder)	788.0	763.0	23,645.95	30.01
Sumber Rezeki (558 smallholder)	1,100.5	1,067.0	32,057.54	29.13
Manunggal (202 smallholder)	415.5	403.0	11,245.76	27.36
Talang Sukajadi (204 smallholder)	422.0	409.0	10,462.21	24.79
Jaya Bersama (125 smallholder)	260.0	251.0	7,611.63	29.79
<b>Total</b>	<b>4,764.0</b>	<b>4,592.0</b>	<b>134,670.45</b>	<b>28.32</b>
<b>Indragiri Plasma</b>				
Anggrek (531 smallholder)	1,089.0	1,062.0	33,270.60	30.55
Setia Kawan (390 smallholder)	788.0	768.0	22,912.59	29.08
Rahayu Makmur (677 smallholder)	1,361.0	1,320.0	39,521.67	29.04
Milik Bersama (732 smallholder)	1,457.0	1,416.0	44,867.54	30.79
Karya Bersama (644 smallholder)	1,325.0	1,289.0	38,111.69	28.76
Tunas Harapan (280 smallholder)	550.0	537.0	18,437.21	33.52
Harapan Maju (292 smallholder)	600.0	583.0	18,907.59	31.51
			<b>216,028.88</b>	<b>30.13</b>
<b>Indralestari Plasma</b>				
Talang Subur (674 smallholder)	1,422.2	1,330.5	42,378.22	29.80
Margo Mulyo (440 smallholder)	948.3	880.0	25,469.68	26.86
<b>Total</b>	<b>2,370.5</b>	<b>2,210.5</b>	<b>67,847.90</b>	<b>28.62</b>
<b>Grand Total</b>	<b>15,125.37</b>	<b>14,555.65</b>	<b>443,695</b>	<b>29.28</b>

*Data source : Projection of FFB production periode of September 2015 – Agustus 2016*

1.8.3 Perkiraan Klaim Palm Product yang akan bersertifikat

Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
			Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
Indrasakti Mill	60	443,695	96,149	21.67	24,403	5.50

*Data source : Projection of CPO production periode of September 2015 – Agustus 2016*

1.9 Penerapan Sertifikasi Lainnya

<b>ISCC</b>	EU-ISCC-Cert-DE104-07781503
<b>ISPO</b>	MUTU-ISPO/024

1.10	Time Bound Plan					
1.10.1	Time Bound Plan for Other Management Units					
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
	MILL	Time Bound Plan				
	Samsam Mill	2009	Samsam Estate	2009	Siak-Riau	Certified
		2009	Kandista Estate	2009		Certified
		2009	Palapa Estate	2009		Certified
	Libo Mill	2009	Libo Estate	2009	Siak-Riau	Certified
		2009	Nenggala Estate	2009		Certified
		2009	Sungai Rokan Estate	2009		Certified
	Ujung Tanjung Mill	2009	Ujung Tanjung Estate	2009	Siak-Riau	Certified
		2011	Sungai Tapung Setate	2011		Certified
	Naga Sakti Mill	2010	Naga Mas Estate	2010	Kampar-Riau	Certified
		2010	Naga Sakti Estate	2010		Certified
		2010	Rama Bakti	2010		Certified
	Kijang Mill	2010	Kijang Mas Inti Estate	2010	Kampar-Riau	Certified
		2011	Kijang Kencana Plasma	2011		Certified
	Ramarama Mill	2010	Ramarama Estate	2010	Kampar-Riau	Certified
		2011	Amartajaya Plasma	2011		Certified
	Indra Sakti Mill	2011	Indra Lestari Estate	2011	Indragiri-Riau	Certified
		2011	Indra Sakti Estate	2011		Certified
		2011	Indragiri Plasma	2011		Certified
		2011	Indrasakti Plasma	2011		Certified
	Bumipalma Mill	2012	Bumi Lestari Estate	2012	Indragiri-Riau	Certified
		2012	Bumi Palma Estate	2012		Certified
		2012	Bumi Sentosa Estate	2012		Certified
	SAWITA Mill	-	Sawita Estate	2015	KOTABARU-KALIMANTAN SELATAN	It has been ST-1 Audit on 24 – 25 March 2015
		-	Sawita KKPA	2015	KOTABARU-KALIMANTAN SELATAN	It has been ST-1 Audit on 24 – 25 March 2015
		-	Pamukan Estate	2015	KOTABARU-KALIMANTAN SELATAN	It has been ST-1 Audit on 24 – 25 March 2015
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	All of outgrowers and smallholders has been certified					

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-02</b>	<p><b>1. Sandra Purba (Lead Auditor).</b> Bachelor of Forestry, Department of Forest Products Technology, Faculty of Agriculture, University of North Sumatra. Have experience working in oil palm plantations Company. She had attended such training: Training Expert of OHSAS General, Training ISPO Auditor, Awareness RSPO, training ISO 22000-2009 Auditor/Lead auditor, Auditor Management System Certification (ISO 9001-2008) and training of RSPO Lead. Currently he worked as an auditor at Certification Body. In ASA 2, she assess on OHS aspect, labour aspect, waste management and SCCS aspect.</p> <p><b>2. Abdul Rahman (Auditor).</b> Bachelor of Environmental Engineering, Islamic University of Indonesia and Master of Management &amp; Utilization of Waste, Gadjah Mada University. He has experience in mitigation of greenhouse gas emissions. He was listed as the Social Carbon Validator for a carbon project in Indonesia. During this time he was active in various seminars and forums for the development of standards and methodology of greenhouse gases in Indonesia. In addition he has experience as document drafting team effort Environmental Management and Environmental Monitoring Effort (UKL - UPL) for 1 year at environment consultant. He has been involved in water sampling methodology and analysis training, waste management training, auditor ISO 9001 - QMS, ISO 14064 - GHG and ISO 14001 - EMS training, Ahli K3 Umum (OHSAS Expert) training (based on government regulation), also ISO 50001 – Energy Management System training. In ASA 2, he assess on legality aspect, environmental aspect and GHG aspect.</p> <p><b>3. Andi Pratama (Auditor).</b> Bachelor of Agriculture, Social Economic of Agriculture (Agribussines) department, Jember University. 5 years experience in oil palm plantation and several training were followed Indonesian Sustainable Palm Oil (ISPO) auditor training course, management system ISO 9001-2008, Awareness ISO 22000. In this initial assessment, he assessed Best Practices and integrated pest management aspects.</p> <p><b>4. Panggading Hariara (Auditor).</b> Bachelor of Social and Political Science. Experience as a social activist in Indonesia and the Commonwealth Commission on Child Protection. Attended training including ISO 9001:2008 Auditor, Social Accountability 8000, Indonesian Sustainable Palm Oil (ISPO) Auditor and has attended five (5) times the related audit system of sustainable palm oil certification as an auditor. In ASA 2, he assess on labour aspect and social aspect.</p> <p><b>5. Yuniar Mitikauji (Auditor Trainee).</b> Graduated from Environmental Program, Melbourne University and a Bachelor of Forestry, Department of Forestry Cultivation, University of Gadjah Mada. She has experience working as a research assistant in the Faculty of Forestry to the field of integrated pest management (IPM), Program Manager at Samboja Sustainable Land Rehabilitation Project, East Kalimantan and is currently working on certification company PT. Mutuagung Lestari. The training had attended short courses wildlife statistical analysis conducted by Cardiff University in collaboration with the University of Sabah, HCV training organized by PT. Mutuagung Lestari, training lead auditor Indonesia Sustainable Palm Oil (ISPO) organized by the Commission of ISPO, the Ministry of Agriculture of the Republic of Indonesia and lead auditor Roundtable on Sustainable Palm Oil (RSPO) held by Daemeter and ProForest, training ISO 9001; 2008, traing ISO 14001. Training GHG and training ISO 19011. In this audit activities addressing the conservation aspects / HCV and partly environmental.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-02</b>	<p>Number of auditors : 5 auditors</p> <p>Number of days for <b>ASA-2</b> at site 4 days</p> <p>Number of working days for <b>ASA-2</b> at site 20 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-02</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT PT Meganusa Intisawit to the requirements of RSPO Principles and Criteria for Sustainable Palm Oil Production, 2013, Scheme Smallholders October 2009) and Supply Chain Requirement for CPO Mill, November 2014.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p>



Some opportunities for improvement of the results [ASA-2](#) delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase ([ASA-3](#)).  
Improvement of findings from main assesment findings were observed by auditors at this [ASA-2](#) assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU)

The assessment program please find Appendix 2

2.2.3	Locations of Assessment
ASA-02	<p><b>Location 1. INKM Mill.</b> Observations carried out on receipt of FFB activities until delivery of CPO and FFB treatment process, in order to see the implementation of SCCS requirements and implementation of th P &amp; C RSPO, interviews with workers to determine the understanding of the procedures, policies and the environment and OHS problems.</p> <p><b>Location 2. The WWTP facilities:</b> Mill effluent field observations related to the management and employees' understanding of the duties and responsibilities.</p> <p><b>Indrasakti Estate</b></p> <p><b>Location 3. Harvesting, Blocks H44.</b> Observations and interviews with permanent workers-related to criteria of ripe harvest, harvesting techniques, the use of PPE and employee benefits and available housing facilities.</p> <p><b>Location 4. Owl's Nest No. 21, Block H44.</b> Observations related to the existence of an owl's nests which is monitored every month. Based on observations, owl's nests are in good condition and active.</p> <p><b>Location 5. POME Application, Block L42.</b> An observation of POME application runs every day during the plant operation and it is monitored then it will not pollute the environment.</p> <p><b>Location 6. The well monitored, Block G41.</b> Observation of monitoring wells as environmental control related to the presence of land application.</p> <p><b>Location 7. Office and residential Division I Primary Estate.</b> Observed the host of plant seeding, natural enemies of UPDKS and spraying house.</p> <p><b>Location 8. RC Office.</b> Interview with spraying team regarding the company's policy on the application of chemicals in the area of riparian, periodic medical examinations, the use and adequacy of PPE, Training spraying techniques, OHS training, First aid emergency training, complaint mechanisms related to gender issue, employee benefits and wages.</p> <p><b>Location 9. Clinic PT. MNIS:</b> field observations related to employee health services at clinic PT. MNIS, medics, and hazardous waste management.</p> <p><b>Location 10. Facility of POM MNIS employees:</b> field observations related to public facilities provided by the company for workers. The company has been providing housing, water and electricity facilities, early childhood school, kindergarten and elementary school, domestic waste management, cooperatives, Children Day Care and smart homes of PT. MNIS and sports facilities such as a football field.</p> <p><b>Location 11.</b> Block H-51 : Field observations related to the management of companies HCV area.</p> <p><b>Location 12.</b> Block H-37: Field observations related to the management area of shallow peat.</p> <p><b>Location 13.</b> National Land Agency (NLA) poles No. 15, NLA poles no. 45 and NLA poles no. 01: field observations related to the marking of Land Use Title (LUT/HGU) border by NLA.</p> <p><b>Indrasakti Plasma</b></p> <p><b>Location 1. Village Cooperative Unit (VCU/KUD) Karya Bersama, Lot 2387.</b> Interviews with the head of farmers' groups, farmers and workers to know the understanding related to the implementation of the RSPO P &amp; C. Field observations were carried out to monitor the implementation of the policies that have been determined to be related to the RSPO P &amp; C. Observations were also conducted</p>

	<p>to see hazardous waste management facilities and storage facilities for PPE of spraying personnel.</p> <p><b>Location 2. Harvesting, Block M12KT2 VCU Karya Bersama.</b> Observations and interviews with harvesting personnel related to criteria of ripe fruit, harvesting techniques, the use of PPE and systems of remuneration.</p> <p><b>Location 3. Owl's nest 16. Block M12KT2 Karya Bersama.</b> Observations related to the presence of owls nest which is monitored every month. Based on observations, owl nests is in active good condition</p> <p><b>Location 4. The house spraying, VCU Karya Bersama.</b> Observations wash and rinse facilities and also the spraying equipment storage.</p> <p><b>Indragiri Plasma</b></p> <p><b>Location 5. Harvesting, KT3 VCU Hidup Baru.</b> Observations and interviews with harvesting personnel related to criteria of ripe fruit, harvesting techniques, the use of PPE and systems of remuneration.</p> <p><b>Location 6. Owl's nest KT3 VCU Karya Bersama.</b> Observations related to the presence of owls nest which is monitored every month. Based on observations, owl nests in active good condition</p> <p><b>Location 7. The house spraying, VCU Karya Bersama.</b> Observations wash and rinse facilities and also the spraying equipment storage.</p> <p><b>Location 8. VCU Sejahtera, Lot 205 and Lot 209.</b> Interview with the cooperative board, the head of farmers' groups, farmers and workers to know the understanding related to the implementation of the RSPO P &amp; C. Field observations were carried out to monitor the implementation of the policies that have been determined to be related to the RSPO P &amp; C. Observations were also conducted to see hazardous waste management facilities and PPE storage facilities of spraying personnel.</p> <p><b>Location 9. Location of VCU Sawit Sejahtera Lot 490 KT 25:</b> Field observations related BMP of palm oil, hazardous waste management and management of HCV area.</p> <p><b>Location of Public Consultation with Stakeholders</b></p> <p><b>Location 10. Related Agencies in Indragiri Hulu District (NLA, Environment Bodie (BLH), Agency of labour, social and transmigration (Disosnakertrans), Plantation Agency (Disbun).</b> Interviews to obtain information related to the obedience of PT. Meganusa Intisawit and PT Buana Wiralestari in the application of regulations, mandatory and regular reporting, conflict, legality and the employment issues, OHS and the environment.</p> <p><b>Location 11. The Village Community, contractors and internal stakeholders</b> (Indonesian Workers Union, Gender and Labor Committee). Interviews to obtain information related to the implementation of company rules and regulations in terms of employment, OHS and environment as well as information related to the payment of contractors and good relations with the villagers (CSR and other social things).</p>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-02</b>	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for <b>PT Meganusa Intisawit-PT Buawa Wiralestari</b> was held by:</p> <p>Public Notification in website of PT Mutuagung Lestari on 15 August 2015</p> <p>Public consultation meeting with internal stakeholders by interviews and local stakeholders conducted by visits to villages and government agency and interviews with local peoples on 1 September 2015.</p> <p>Numbers of input from stakeholders were clarified by <b>PT Meganusa Intisawit-PT Buawa Wiralestari</b> and has been attached on this report.</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>

<i>Please find appendix 1</i>	
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit ( <a href="#">ASA-3</a> ) will be determined one year after this <a href="#">ASA-2</a> (August 2016).

### 3.0. ASSESSMENT FINDINGS

#### 3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Indrasakti POM – PT Meganusa Intisawit, PT Ivo Mas Tunggal operation consisting of one (1) mill and three (3) oil palm estates.

During the assessment, there were no nonconformities were assigned against RSPO P&C and supply chain requirement for CPO mill and there were three (3) opportunities for improvements were identified.

MUTUAGUNG LESTARI found that Indrasakti Mill – PT Meganusa Intisawit – Ivomas Tunggal complied with the requirements of RSPO Principles & Criteria, *RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, Generic Standard 2013, P&C Scheme Smallholders, October 2009 dan Supply Chain Certification Standard, November 2014*.

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1		
Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
<p>The company has the SOP for Request and Information Respond (SOP / SOP / SMART / LH-01), the revised 01 dated July 1, 2010 with a scope are all activities relating to the provision of information to stakeholders in the oil palm plantations as well as management unit. Request and response to the information is recorded in in the information book of estate and POM units. Here are some records of providing information to stakeholders:</p> <ul style="list-style-type: none"><li>• Environmental Management and Monitoring Plan (RKL-RPL) report for POM (PT. Buana Wiralestari) the first half of 2015 No.054 / INKM-BLH (Environmental Bodies) KAB / 07/15 environmental management to BLHD Indragiri Hulu District dated July 29, 2015.</li><li>• Environmental Management and Monitoring Plan (RKL-RPL) report for estate, semester I 2015 No.371/IDSE-BLH (Environmental Bodies) KAB/08/2015 to BLHD Indragiri Hulu District dated August 27, 2015.</li><li>• Report of Employment WLTk of POM to Labour and Transmigration Agency (Disnakertrans) Indragiri Hulu District dated September 4, 2014.</li><li>• Report of Employment WLTk of POM to Labour and Transmigration Agency (Disnakertrans) Indragiri Hulu District dated October 14, 2014.</li><li>• Investment Activity Report to BKPM Pekin Baru No. 020 / VII-15 / AB.V / MNIS dated July 30, 2015.</li><li>• Reports of Estate's GCOSH (P2K3) activities, Quarter II Transmigration and Labour Agency (Disnakertrans) Indragiri Hulu District dated July 1st, 2015.</li><li>• Plantation Business Progress Report 2015 the first half 2015, address to Plantation Office Indragiri Hulu District dated September 3rd, 2015.</li></ul> <p>The Company provides sufficient information to relevant agencies which is focusing in processing activities and documented oil palm plantations.</p>		
	Status: Comply	
1.2		
Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		



The Company has a book of incoming and outgoing mail, but there is no recording of requests for information from stakeholders, there is only funding request such as

- Letter No. 014 of PC-FSPPP-SPSI (Indonesian Workers Union) Board dated March 11, 2015, concerning the request for help and discussion activities PKB BKS PPS 17-18 March 2015, and responded by giving fund of IDR. 2,000,000, - dated April 4, 2015.
- Letter No. 135 / PABI / 2015 of the board of Masjid Al Muhajirin regarding the request for funding and responded by providing financial assistance to the board of Masjid Al Muhajirin in housing of Div I Inti, March 12, 2015.

The company has a list of the information types for stakeholders, those are:

- a. The number of employees and a list of basic wages of employees.
- b. Data of tax number (TIN).
- c. The payment of local taxes / levies.
- d. Environmental documents.
- e. The deed of establishment and its amendments, the area data and production, and application data
- f. Evidence of land mastery.
- g. SIA identification report.
- h. Report of community empowerment program.
- i. Occupational safety and health programs (K3).
- j. Documents of continuous improvement program.

Company conducted request and response information storage system from appropriate stakeholder based on existing mechanisms.

**Status: Comply**

### 1.3

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

The Company has a policy regard to Principles of Business Ethics established by the Regional Controller August 1, 2014.

PT. Meganusa Intisawit as one of the plantation and palm oil processing company in Indonesia, is committed to continue to practice the ethics of responsible business based on the values of the company namely Integrity, Positive Attitude, Commitment, Continuous improvement, innovation and loyalty as well as principles and criteria for sustainable Palm oil. It was described in points 4 that company is committed to the standards of ethical behavior in managing the business practices, which included the way we behave to each other, the stakeholders, the environment, and the wider community.

The company carries out the policy of socialization related to behave ethically in Indrasakti Smart Home for Society dated March 26, 2015 by EM IDSE, The participants are 45 mothers, and employees in 1<sup>st</sup> Division IDSE conducted by Division Assistant.

**Status: Comply**

## **PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

### 2.1

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

Some evidence of the information provision as adherence to the obligations of the licensing and national legislation, those are:

- Environmental Management and Monitoring Plan (RKL-RPL) report for POM (PT. Buana Wiralestari) the first half of 2015 No.054 / INKM-BLH (Environmental Bodies) KAB / 07/15 environmental management to BLHD Indragiri Hulu

District dated July 29, 2015.

- Environmental Management and Monitoring Plan (RKL-RPL) report for estate, semester I 2015 No.371/IDSE-BLH (Environmental Bodies) KAB/08/2015 to BLHD Indragiri Hulu District dated August 27, 2015.
- Report of Employment WLTK of POM to Labour and Transmigration Agency (Disnakertrans) Indragiri Hulu District dated September 4, 2014.
- Report of Employment WLTK of POM to Labour and Transmigration Agency (Disnakertrans) Indragiri Hulu District dated October 14, 2014.
- Investment Activity Report to BKPM Pekin Baru No. 020 / VII-15 / AB.V / MNIS dated July 30, 2015.
- Reports of Estate's GCOSH (P2K3) activities, Quarter II Transmigration and Labour Agency (Disnakertrans) Indragiri Hulu District dated July 1st, 2015.
- Plantation Business Progress Report 2015 the first half 2015, address to Plantation Office Indragiri Hulu District dated September 3rd, 2015.
- The Company has included the spraying personnel in the limited pesticide applicator training is in accordance with Regulation of Agriculture Ministry No. 24 of 2011.
- The Company has determined the purchase price of FFB in accordance with Agriculture Ministry No. 14 Year 2013 on Guidelines for Determination of Purchase Price of fresh fruit bunches of oil palm produced by smallholders.
- The quality standard value evaluation against noise that does not comply with Permenakertrans (Decree of transmigration and labour ministry) No. 13 year 2011 has been in accordance with Kepmen LH (Decree of Environmental Ministry No.45 year 2005 relate to guidance of Management and Monitoring Plan (RKL/RPL) report.

**PT. MNIS:**

Related to the legality, PT. MNIS possess:

- Location Permit No. 245 year 2002;
- Location Permit No. 308 year 2002;
- Plantation Business License No. 38 Year 2005;
- EIA 1998 which has been approved by the Ministry of Agriculture No. 22 / EIA / RKL-RPL / BA / VI / 1998;

**PT. BWL:**

Related to the legality, PT. BWL has had:

- Location Permit No. 307 year 2002;
- Plantation Business Permit - Processing No. 396 in 2013;
- BUT (Building Use Title) No. 01 / Beligan Village year 2002;
- BUT No. 01 / Sungai Limau Village year 2002;
- BUT No. 02 / Sungai Limau Village year 2002;
- BUT No. 03 / Sungai Limau Village year 2002;
- BUT No. 04 / Sungai Limau Village year 2002;
- BUT No. 05 / Sungai Limau Village year 2002;

UKL-UPL POM PT Buana Wiralestari Mas approved by the Regional Environmental Impact Control Agency (Bapedalda) Indragiri Hulu through letter No. 794 / Bapedalda-Inhu / IX / 2003 dated September 2003.

Company documents the legal requirements related to the operation of oil palm plantations in a regulations list that is regularly updated. To ensure compliance with applicable regulations and requirements are well implemented, the company has other procedures Regulatory Mechanisms and Requirements Revision I NO. Documents: SOP / SPO / SMART / LH-03 dated July 01, 2012. In addition, the company also appointed responsible for implementation through management decree No.003 / IDSE / VIII / 2015 dated June 13, 2015 which appointed Ajie Prasetyo as the person in charge.

Anticipating changes to the applicable regulations and requirements, the company regularly update the regulatory changes and the applicable requirements and documenting those changes. For example, updates to such changes are:

- List of regulation and evaluation related to environment 2015 office: the revision date of January 2, 2015.

- List of regulation and evaluation related to environment 2015 CVU (KUD);: revision date of January 2, 2015.
- List of regulation and evaluation related to environment 2014: the revision of September 14, 2011.

Status: Comply

## 2.2

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

Legal documents which are showing ownership, land usage period can be shown by the management unit. Those are:

### Location Permit

Based on the document review, it was known that PT. MNIS has 2 locations permit, those are:

- Decree of the Indragiri Hulu Regent No. 242 year 2002 on Granting Location Permit for Plantation, dated July 20, 2002, is equipped with a Permit Area Map Scale 1: 25,000; and
- Decree of the Indragiri Hulu Regent No. 308 of 2002 dated October 11, 2002, is equipped with a Permit Location Map Scale 1: 10,000.

### Plantation Business Permit

Document review shows the management unit already has a plantation business permit from the relevant authorities, those are :

- Plantation Business Permit (IUP) from Regents of Inhu with No. 38 Year 2005 was granted to PT. Mega Nusa Inti Sawit. Total area 875,158 Ha.
- Plantation Business Permit (IUP) from Regents of Inhu with No. 396 Year 2013 was granted to PT. Buana Wiralestari Mas POM. Total area 31,27 Ha with Capacity 60 Ton FFB/Hour.

Based on information from the management, it was known that the PBP (IUP) of PT. MNIS and IUP (PBP)-P PT. BWL is still valid today. Until now, there is no plant capacity increase and additional land area. Description of Plantation Agency (Disbun) District. Inhu it was known that currently IUP (PBP) PT. MNIS and IUP-P PT. BWL is still valid. The company has never submitted a revised of PBP (IUP) until today.

Document review shows there is a difference of land area between the land area of Building Use Title (BUT/HGB) and the Area of IUP (PBP)-P PT. BWL area. The difference is about 0.4264 ha. Land area of BUT PT. BWL is 31.6964 hectares while the area of IUP (PBP)-P is 31 270 ha. Area of IUP (PBP)-P following the location permit of PT. BWL is an area of 31 270 hectares. Against this then the management of PT. BWL did some efforts, those are:

- PT. BWL communicates to NLA District. Indragiri Hulu asked for clarification related to the difference between BUT greater than the Location Permit. There are the minutes of the meeting of the management of PT. BWL with the NLA, dated September 3, 2015. During the meeting it was decided this issue will be followed up by the NLA, since BUT Issue involves all the team in NLA.
- PT. BWL makes annual monitoring schedule of the plan legality (September 2015 - August 2016), dated September 3, 2015 and it was made and known by the top management. In the document of the monitoring plan the company is committed to clarifying the HGB (BUT) to NLA District. Inhu start of the month of September 2015 until the month of March 2016.

The company needs to communicate to NLA and Plantation Agency (Disbun) District. Inhu related to the difference between BUT with IUP-P issued.OFI.

### Land Right

Document review shows PT. MNIS proposed application for the issuance of the LUT (HGU) to the NLA Prov. Riau. The

following explanation: Description of the management showed that this time PT. MNIS hasn't gained LUT certificate as requested to NLA because it is still constrained to latest spatial of province that has not been authorized by the government. Interview with Plantation Agency (Disbun) District. Inhu and NLA District. Inhu shows the same thing with the description of the management. LUT PT. MNIS yet to be issued considering the Spatial Plan of Prov. Riau has not been set by the government.

Associated with the administration of LUT, PT. MNIS has sought to communicate with the relevant parties in order to know the process of determining the spatial of Prov. Riau. The last communication was made on September 3, 2015. PT. MNIS met Spatial Section at the Department of Public Works District. Inhu. The contents of the meeting are to explain chronologically why until today spatial of Prov. Riau hasn't been published yet, It causes PT. MNIS hasn't obtained LUT.

Other efforts were undertaken by PT. MNIS, are overlaying maps between SK 878 / Forestry Ministry (Menhut).II.2014 on forest area of Riau Province and estate map of PT. MNIS which is seen in the map that PT. MNIS area is not included in forest area. In addition the company also makes Legal Annual Monitoring Schedule (September 2015 - August 2016) which are described in points 1. It will be monitored in Provincial Spatial Plan and LUT to the Department of Public Works as the agencies that deal with Spatial in the district. Indragiri Hulu. The plan monitoring will be done in January, May and August 2016. PT. MNIS has opportunity to follow up information related to the processing of documents that show the LUT to the relevant agencies. **OFI**

#### **Building Right**

PT. BWL has BUT which is consisting of 6 certificates are intended for POM Indrasakti. Those are :

- BUT Certificate No. 01 / Beligan village dated November 29, 2002 by decree of BUT District Office Head of Prov. Riau No. 110/550 / 24.03 / 2002 dated November 28, 2002. The letter of measurement No. 01 / Beligan / 2002 dated October 19, 2002 with total area of 63.263 m2 (6.3263 ha). The expiry date is November 29, 2032.
- BUT Certificate No. 01 / Sungai Limau village dated November 29, 2002 by decree of BUT District Office Head of Prov. Riau No. 111/550 / 24.03 / 2002 dated November 28, 2002. The letter of measurement No. 16 / Sungai Limau / 2002 dated October 19, 2002 with total area of 65.612 m2 (6.5612 ha). The expiry date is November 29, 2032.
- BUT Certificate No. 02 / Sungai Limau village dated November 29, 2002 by decree of BUT District Office Head of Prov. Riau No. 112/550 / 24.03 / 2002 dated November 28, 2002. The letter of measurement No. 13 / Sungai Limau / 2002 dated October 19, 2002 with total area of 54.050 m2 (5.4050 ha). The expiry date is November 29, 2032.
- BUT Certificate No. 03 / Sungai Limau village dated November 29, 2002 by decree of BUT District Office Head of Prov. Riau No. 113/550 / 24.03 / 2002 dated November 28, 2002. The letter of measurement No. 16 / Sungai Limau / 2002 dated October 19, 2002 with total area of 32.600 m2 (3.2600 ha). The expiry date is November 29, 2032.
- BUT Certificate No. 04 / Sungai Limau village dated November 29, 2002 by decree of BUT District Office Head of Prov. Riau No. 111/550 / 24.03 / 2002 dated November 28, 2002. The letter of measurement No. 17 / Sungai Limau / 2002 dated October 19, 2002 with total area of 74.170 m2 (7.4170 ha). The expiry date is November 29, 2032.
- BUT Certificate No. 05 / Sungai Limau village dated November 29, 2002 by decree of BUT District Office Head of Prov. Riau No. 115/550 / 24.03 / 2002 dated November 28, 2002. The letter of measurement No. 14 / Sungai Limau / 2002 dated October 19, 2002 with total area of 27.269 m2 (2.7269 ha). The expiry date is November 29, 2032.

Legal boundaries clearly defined and well-maintained. PT. MNIS was able to show document of poles maintenance program. The document describes checklist of boundary poles conditions at Indrasakti Estate which is consisting of NLA poles number, the location of poles, poles condition, and poles maintenance schedule. For example in July 2015, it was carried out poles maintenance such as cleaning of NLA poles 01 which is located in Block G43 on 03 July 2015.

Field visits to boundary poles NLA 01, NLA 16 and NLA 45 shows that NLA poles are well maintained. Poles can be



read and identified properly. Interviews with management during field visits also known that the boundary poles inspection is done every month. If there is a pole that is poorly maintained then immediate treatment will be done.

In consultation with the Department of Plantation District. Indragiri Hulu, NLA District. Indragiri Hulu and the surrounding community, it is known that there was never any dispute / land conflicts between communities and PT. MNIS. It also supported by the statement of Head of Bandar Padang village, it was stated that no land conflicts in the area of operations.

Untill ASA-02 activity ends, there is no land conflicts in the company operation area.

**Status: Comply**

### 2.3

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

PT. MNIS has prepared compensation evidence for land to which they are entitled. Corresponding explanation from Mr. Herman (Bandar Padang Village Head), that PT. MNIS is never involved in land conflicts with society, it is explained that there is no prohibition of the company to anyone entering the estate area to conduct traditional activities such as fishing, hunting, and taking forest products as long as they obey the rule. For example: using poison fish and Stroom, hunting protected wildlife, and cutting down trees in protected areas. Such regulations have been installed by the company in the form of posters and information boards in locations that are often passed by the public and workers.

Until the end activity of ASA-02. No customary lands were used in the area of company operations.

**Status: Comply**

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

### 3.1

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

The Company has prepared long-term planning for the years 2015 - 2019 that has been approved by the higher management. Within the planning document were described about the company targets includes estimates of production (CPO and PK), operating costs (mill), the price and other financial parameters.

No	Decription	Unit	Budget	Estimation				
			2015	2016	2017	2018	2019	
1	Cost							
	FFB cost	Rp/kg	86	107	112	118	128	
	Mill cost	Rp/kg PP	335	394	413	435	460	
	Palm product cost	Rp/kg	676	817	855	900	954	
2	Price CPO	Rp	8.625	9.375	9.375	9.375	9.375	
3	Production							
	FFB	Ton	412,989	347,519	346,581	342,933	336,540	
	CPO	Ton	97,474	81,543	81,314	80,438	78,986	
	PK	Ton	24,409	20,549	20,491	20,271	19,905	
4	Areal							

	statement						
	IDSE	Ha	760.31	760.31	760.31	760.31	760.31
	IDSA	Ha	4,592.00	4,592.00	4,592.00	4,592.00	4,592.00
	INDA	Ha	6,975.00	6,975.00	6,975.00	6,975.00	6,975.00
	IDLA	Ha	2,210.50	2,210.50	2,210.50	2,210.50	2,210.50
5	Mill Capacity						
	INKM	Ton/hour	62.6	62.6	62.6	62.6	62.6
6	Profitability	Rp. (000.000)	113,979	122,962	106,070	87,543	68,015

Within the document also described the approximate productivity per ha for each land farm. Based on the information from the management staff and funding, long-term work plans is constantly evaluated every year. This is intended to maximize the potential of the resources owned by the company to achieve optimal targets. The oldest planting year is the year of planting in 2000 (15 years old). The palm oil planting cycle is 25 years. Thus, the company has not yet had a replanting plan in the near future.

Based on long term projection documents that had been developed by the company, there is no replanting plan until the 2019. Interview with representative management states that the oldest plant now is 15 years old and still in the optimal production.

**Status: Comply**

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

##### **4.1**

##### **Operating procedures are appropriately documented and consistently implemented and monitored.**

PT. Meganusa Intisawit has had SOP-IK document about Technical Palm Oil Cultivation starting from land preparation to harvesting that has been compiled by MCAR team (Management Committee Agronomy and Research) in the year of 2012. The intended SOP documents were include: Investment planning in the new area, Replanting planning, Nurseries, New land opening, Planting, re-Planting, Pest and Disease, Weed control, Fertilization, the maintenance of immature plant, Prior harvesting preparation, Harvesting, Loading and FFB transportation, and rainfall measurement using Ombrometer.

The company also has had a complete SOP document related to the Palm oil processing into CPO and PK in Palm oil mills that has been outlined in the 4th revision edition of SOP No. 04-09/MCMD-SOP/438. The SOP was approved and signed by Edwin Ng (Chairman of MCMD) and was used started from September 1st, 2010. This SOP includes standard operating procedures in the POM as follow: FFB reception station, sterilization activities, threshing station, pressing station, clarification station (purification), clarification station; Oil recovery tank sub-station, nut and kernel station, boiler and engine room, water treatment, final waste water, storage tank washings. There is also a SOP document No. PT TN-SMLM/SOP/07 that was approved on May 1st, 2012; about the delivery procedure for CPO and kernel production.

Based on a review of documents and interviews with the harvesting employees in block H43, the harvesters can explain clearly about the correct harvesting procedures. Especially related to the criteria for the ripeness of fruits and obligation to use personal protective equipment (PPE).

The Company has a routine inspection mechanism to ensure the implementation of the working procedures is in accordance with the implementation in the field. This inspection procedure is carried out regularly every semester by the Department of Operational Internal Audit (OIA). For example, there is an available result of the audit in the first half

semester of 2015 by OIA that has been carried out on April 9th, 2015 (No. Document Finding M1.2-AHM-01) which stated that there was still found non harvested fruits and losen fruit on the shelf. Against these findings, an improvement was done by cleaning the shelf.

For the monitoring of the processing performance, there are also an internal audit result by OIA on the second half of 2014 that was held on 13 - 22 November 2014 (No. 54 / V-INKM / 14). One of the Audit findings stated that there were deliveries of shell out without being weighed and recorded by the security. These findings have been followed up by checking and recording. If there are found unrecorded deliveries, the personnel will be sanctioned.

The Company has documented the records of work execution and its monitoring. Based on the field visits at the harvesting block H43, the responsible foreman for harvesting has been taking notes of the harvesting activities. For example, there was a record attendance of the harvester and lossen fruit worker well as a record of the quality of harvesting plotsthat has been recorded in the Harvesting Inspection Form Details. The foreman for harvesting has recorded inside the attendance book about the attendance of its members as well as the reason for their absence if there were employees absent from the work. Meanwhile, within the Harvest Inspection Form Details, several parameters of the monitoring quality of harvesting crops and plots have been recorded such as the non harvested fruits, unripe fruits that were not harvested, the placement of the L-Shape stem and lossen fruit cleanliness. Documentation of field activities is reported on a daily basis to the division assistant and is collected via SAP.

Indrasakti Mill factory also has documented their operations. One of the documents is Daily Production Reports. For example: the daily production report on August 31st, 2015 has shown that the data consisted processed TBS about 1.51663 million kg (remnant 330 470). The extraction results consisted of 24.09% OER, 5.50% KER, 4.68% FFA, the CPO stock of 1,853,323 tons and the mill hours around 22.10 hours.

Palm oil factory Indrasakti Mill only receive TBS from the the primary estate (Indrasakti Estate) and the smallholdings (Indrasakti Plasma, Indragiri Plasma, and Indralestari Plasma). The TBS reception from smallholdings was agreed based on the cooperation agreement letter between PT. Meganusa Intisawit with the Village Cooperative Unit. In one of the SPK with KUD Sumber Rezeki that has been agreed on March 6th, 2000 (No. 039 / KUD / SR / III / 2000) on Article 7 related to the Obligations and Rights of the second Parties on point 3 about stages after the credits repayment which mentioned that the credits repayment of the entire TBS from plasma farmers will be purchased by PT. Meganusa Intisawit based on the price of FFB according to the the government decision. This is in accordance to the Regulation No. 14 in the year of 2013 about The Guidelines for the Determination of Purchasing Price of Palm Oil Fresh Fruit Produced by Planters.

Status: Comply

#### 4.2

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

The company has implemented practices to optimize the production result in accordance with the established procedure as follow;

1. Sampling of soil and leaves by SMARTRI regularly to make sure the elements needed by plants in order to produce optimally. The examined result of soil and leaves analysis will be used as the basis to determine the dose of fertilizer in each estate.
2. Fertilization activities that promote the principles of timely, targeted, precise dosage and proper application.
3. The management of peat areas in accordance with the applicable rules. During the the field visits in peat areas, there has been several efforts conducted to manage the presence of water canals, the water canal entrances to ensure that the water level is at the desired threshold and the installation of piezometers.
4. The maintenance of crops to cover the soil in order to reduce the evaporation (maintain the soil humidity). For instance, planting beans and maintaining ferns *Nephrolepis biserrata*. Always warned all praying employees every

morning briefing to never spray these plants.

5. The use of organic matter to improve soil fertility. For example, wastewater with a dose of 375 m<sup>3</sup> / ha / year. This is in accordance to Fertilization SOP and SMARTRI recommendations.
6. Integrated pest management that emphasizes the principles of biological control before the chemical control. For example, there have been several attempts for Mice pest control by utilizing owls as mice natural enemies. Currently, there are 31 units active barn owl boxes in Indrasakti Estate which its activities were monitored for each month.

At the time of the audit, there was no fertilizer application activity for the last 3 months. This is because of low precipitation. The precipitation was recorded as follows:

Month	Precipitation	Rainy day	Average Precipitation
Jan	226	11	20,55
Feb	69	9	7,67
Mar	283	17	16,65
Apr	202,4	15	13,49
May	324	13	24,92
Jun	126	12	10,50
Jul	36	4	9,00
Aug	21	2	10,50

Based on the precipitation data, the management decided to discontinue the fertilizing and spraying activities due to low precipitation can result in high evaporation, thus the application of fertilizing activities were not properly targeted.

The Company has documented records of fertilizer in the Recommendation and Fertilization Realization 2015 document (A43 IDSE). Within the document, there has been recorded the fertilization program and its realization that has been carried out in accordance with the recommendations of SMARTRI. For instance, Urea fertilization planning (1.25 kg dose / basic) on the block G34 (the total basic amount is 4,712) to cover an area of 37.06 hectares was planned in January 2015, 100% realized in the same month. Total applications were 5,900 kg (100%). Recommendation and Fertilization Realization 2015 document is constantly updated every month by the Division Assistant.

The company has carrying out the withdrawal and testing of soil and leaf samples that has been routinely conducted by SMARTRI for 3 years. The last soil sampling in Indrasakti Estate was recorded in Memorandum Results Laboratory Analysis dated on January 25th, 2012 (No. Ref 002 / Tanah / LAB-SMARTRI / I / 2012). Parameters tested were soil texture, C organic, total N, pH Bray 1, Kation exchange capacity (CEC) and base saturation. Also, it has been attached the results of soil analysis on some of the sample block.

Related to soil analysis, the company also conducted soil analysis annually by SMARTRI. The Memorandum Laboratory Analysis Results document dated on May 7th, 2015 (No. Ref 253 / Daun / LAB-SMARTRI / V / 2015) had been shown to auditors. The parameters tested were KA, N, P, K, Mg, Ca, MN, B, Zn, Cu, Cl, Fe and Na. Also, it has been attached the results of the leaf analysis that has been collected from several blocks sampling.

The management of PT. Meganusa Intisawit does not use the empty fruit bunch (EFB). The whole empty fruit bunch was burned in the furnace and used as bunch ash before applied in the field. From the bunch ash application data, it has been known that there has been bunch ash application in the area of 89.48 Ha as much as 183,788 kg (application in August 2015).

Based on the reviewed documents, the company has a guide to use organic fertilizers such as empty fruit bunch (EFB) and palm oil effluent (POME). Based on the field visit in block H42, there were ongoing POME applications. Based on

the information from field supervisors, the drainage of POME discharge every day are ranging between 400-500 m<sup>3</sup>/day. Daily application records were documented on a regular basis by the supervisor and factory laboratory staff in the LCKS daily monitoring documents. Based on the supervisor records, there have been POME applications for 12.724 m<sup>3</sup> in August 2015.

**Status: Comply**

#### 4.3

##### **Practices minimize and control erosion and degradation of soils.**

The management of PT. Meganusa Intisawit has demonstrated semi-detailed soil maps that have been issued by Plantation Monitoring And Planning Division (PMNP) with a scale of 1: 50,000 (No. Reg. 472/202 / PMNP / VIII / 2009), in which there is a description of the type of soil, topography, soil texture drainage conditions, the level of land suitability, and the limiting factor.

The land topography is flat and undulating with a slope of 0-16% and there are several areas with a slope of 21-30% around 25.40 ha or 2, 44% areas. In addition, based on semi-detailed soil maps, there are peat land areas around 171.55 ha with a depth of 150 -300 cm, or 20.55%.

Based on semi-detailed maps, the land topography is flat and undulating with a slope of 0-16% and there are several areas with a slope of 21-30% around 25.40 ha or 2, 44% areas. The company has procedures with regards to the management of plantings on certain slope. One of the company's strategy for managing an area with a certain slope is in accordance with SOP No. SOP / SMART / MCAR / I / TA-PPA on Investment Planning in New Area and SOP No. SOP / SMART / MCAR / IV / TA-PLB on New Clearing. The strategies management that has been undertaken includes terracing contours, terraces conservation, hooves with slit-pit, and planting conservation crops.

The management of PT. Meganusa Intisawit continues to maintain the condition of the road access in the estate to remain all weather roads. Based on field observations, all existing roads and bridges in the estate are quite well and can be passed by the estate operational vehicles. Field studies and observations document has indicate that there is no new construction of roads and bridges at this point. Activities related to maintenance of roads and bridges are both regular maintenance. Planning and realization road maintenance by the addition of *krokos* stone along 7,57 km (1.136 m<sup>3</sup>) has been recorded include its maps.

The soil analysis result has shown the presence of peat lands with an area of 170.55 ha that has been planted to a depth of 150-300 cm (shallow peat). The company has the SOP for water management in peat lands where the goal is to keep the peat lands from shrinking and less experiencing over drain which can lead to rapidly shrinking peat layer and the top layer can suffer from irreversible excessive drying.

Type of water management activities in the peat lands area include:

- Development and installation of piezometers.
- Making the dam.
- Maintenance and trenches cleaning mechanically.

The Company has conducted an evaluation of the efforts that have been made by the company. There are available recording of water gate plan and its realization and piezometers in 2011 to July 2015. There are records of the results of monitoring water level and peat declining measurement.

Based on field observation, the company has conducted water management in accordance with their own procedure. The installation, monitoring and maintenance of water management such as water gate, water levels and piezometer have done well. For example field observation were undertaken in block h37 Indrasakti estate to see area management peat shallow.

Planting strategy in the peat land is in accordance with the SOP of document No. SMA/MCAR/03/05-07 which has been used from May 1<sup>st</sup>, 2007 about the preparation prior to planting consisted with conducting soil compaction, making trench drain field with the number 1; 16, 1; 8, 1; 4 or 1; 2 according to the needs. The maintenance of trench in the peat land and swamp area were done once in a year, initial step at the beginning prior to planting is water management, which includes making dams, piezometer installation and monitoring of water level.

For mineral soils, the company has implemented activities to improve soil fertility by the use of palm oil mill effluent (land application) as well as the utilization of bunch ash. Utilization of bunch ash was implemented in all blocks except the blocks of land application.

Based on reviewed documents, the use of waste water and bunch ash was recorded as follow:

- Waste water (11 blocks = 343,65 Ha) has been applied LCKS for about 141.678 m3 (Application from January to August 2015).
- Bunch ash (89,48 Ha) for about 183.788 kg (Application on August 2015).

**Status: Comply**

#### 4.4

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

The Company has identified the location of areas where the surface water is found in the company's location. Based on these identification results, the company have drafted the surface water management plan and has already been implemented. The identification and management plan is outlined in the EIA document, Environmental Management Plan – Environmental Monitoring Plan and HCV identification reports. In more detail of implementation scale, the company has the SOP with regards to protected areas No. SOP / SMART / BCOS-EHSD / SADV / I / 002 which includes the identification of the source and water quality and SOP No. SOP / SMART // BCOS-EHSD / SADV / I / 004 on the management and monitoring of water resources.

Activities surface water management that has been implemented, for example:

- Based on field visits into the area hcv in block h51 be seen that companies have install a wire for the area of lake and the provision of a sign of a cross red as a ban do application chemicals in the treatment plants palm in a buffer zone between area planting palm with area of water sources and the swamp .It is also done planting cover crop in the area by a lake to hold erosion.
- Testing the quality of the Cenaku River upstream and downstream on June, 4<sup>th</sup> 2015 by the Bina Marga, technical unit testing material, Pekanbaru. Parameter testing covering include TSS, TDS, pH, BOD, COD, Total Phospat, Nitrites and Nitrate, oil and fat and other parameters in accordance with government regulation no. 82 year 2001 on the quality of the river. And based on the regulation all the parameters still in accordance with the regulation.

The liquid waste management done as follows:

- monthly testing of POME quality has been through processing improving the quality of liquid waste in accordance with applicable regulations in a liquid waste pond. The results of testing july 27 2015 done by Smart Research Institute shows that no result test the quality of POME was not above the standar with of quality standard set in kepmenlh no. 28 2003

Here is the result testing and ph liter from may to july 2015:

parameters	Units	Standards	Testing periode			
			April	May	June	July
pH	-	6.0 – 9.0	7,23	7,48	7,18	7,50
BOD	mg/L	5000	2991	4198	3607	4509

Based on kepmenlh no. 28 2003

- The utilization of POME to land with a license application by the district leader of Indragiri Hulu no. 23 year 2013 set out on November 1<sup>st</sup> 2013 and valid for five years of the date of the establishment. Several block on which that allowed for land application was block H39 to H46 and HG42 until G44 with the total area of 344 ha which is located in the Talang Suka Village sub-district of Rakit Kulim, Indragiri Hulu.



The usage of water in mill to processing FFB has been monitored, documented and evaluated. The average water per month within January to July 2015 are 57,038 m<sup>3</sup> with an average the use of water per ton FFB is at 1.7 m<sup>3</sup>/ton FFB with a budget of 1,187 m<sup>3</sup>/ton FFB. Excess of water usage than budget was because the peak crop, discharging boiler in addition to processing FFB and house keeping.

**Status: Comply**

#### 4.5

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

The Company has committed to implement integrated pest management activities in accordance with that specified in SOP No. SOP / SMART / MCAR / VII / TA-TNM on the Control of Pests and Diseases. Such activities have been programmed in the activity program for divisions. Some related matters that have been carried out by a team of company units in accordance with actual conditions in the field are:

- Census pest every month. Based on data from the recapitulation of the census of leaf-eating caterpillar pests of oil palm (UPDKS) which is above the economic threshold. For example, the results of the census in July 2015 in the G42 block an attack at 21.48 tail / midrib. Control measures taken for such attacks is the chemical control (application of active insecticide acephate). To strike under the economic threshold, the company implemented a biological control with emphasis on host plants UPDKS predators.
- Census pest rodents. Carried out routinely every 3 months. Census in January, April and July 2015 showed that there was no attack mice that were above the economic threshold.
- Planting and care of the host plant. Based on field visits in emplacement of Indrasakti Estate, there has been a nursery care activities, and host plant species *Turnera subulata*, *Casia tora* and *Antigonon leptopus*.
- Monitoring owl nest. Based on the field in block H44 owl nests are active and monitored occupancy rate of each month. Based on interviews with the assistant gardener, there are currently 31 units gupon (each block) to control the rat population in an area of 778 hectares. Thus, the cover hectar 1:25.

To maintain the knowledge and skills of employees in the integrated pest management (IPM) and the sampling of leaf samples (LSU), the company carries out regular training. Recorded documents IPM training implementation and LSU held on January 26, 2015 held at Indrasakti Estate and attended by 16 participants. The training materials delivered by staff SMARTRI.

**Status: Comply**

#### 4.6

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

Based on documents observation, the company has used three types of herbicides and 2 insecticides. Pesticides include Roll Up (Isopropyl amine glyphosate), Rolixone (Paraquat dichloride), Erkafuron (Methyl metsulfuron), Lancer (Acephate) and BM Promag (Acephate) are pesticides that have been registered and its license still valid as it appears in the book of Agriculture and Forestry Pesticides that has been issued by the General Directorate of Fertilizers and Pesticides Ministry of Agriculture Republic of Indonesia.

The company has documented records of pesticide toxicity (LD50) in Pesticide Toxicity Data Documents 2015 (A04 IDSE). Within the document was recorded the data of pesticides toxicity for every month. For example, toxicity data on July 2015 for the active ingredient isopropyl amine glyphosate LD50 5000, 0.41% Active Ingredients, number of applications 42 liters, total active ingredients 17.22, 943.45 FFB productions, 0.018252159627 unit ppm of pesticide. This document is constantly recorded and updated by the estate sustainability officer for each month.

The Company has committed to reduce the use of pesticides. One of the commitments is in the President Director memorandum No. 044 / PD / IX / 2014 dated on November 21<sup>st</sup>, 2014 about the use of paraquat. Within the memorandum was reaffirmed the company commitment to reduce paraquat by  $\pm 30\%$  in 2015 and will no longer used in 2018.

The Company has policies of selective spray. Where the application of herbicides to control weeds set in accordance with the real conditions in the field and the established provision. For example, a dose of herbicide in the disc and bear markets in the area of TBM for 0.375 liters / ha will be decreased to 0.25 liters / ha in the area of TM. Weeds growth becomes increasingly smaller as the more elevated and enclosed plants canopy, so that the dose of herbicide used also will become smaller.

Pesticides Group 1B WHO used by the Company is Rolixone (Active Ingredients Paraquat). There are available documents carried out by the company with regards to the use of paraquat active ingredient as follow:

Year	Usage (L)	Dosage/ha
2009	500,75	0,64
2010	327,40	0,42
2011	196,53	0,25
2012	328	0,42
2013	283,5	0,36
2014	326,42	0,31
2015	123,48	0,25

Based on the interview with the Senior Assistant Estate Indragiri, it has been known that the company has implemented a policy for which the use of paraquat reduction compared to Glyphosate is 1: 2 (in the application of weeds control: 1 rotation using paraquat and 2 times rotation using Glyphosate).

To this policy implementation, there has been a technical explanation from Vice President of Agronomy (VPA) which is in accordance with the results of field observations, there are an increasing number of weeds due to high precipitation at the end of 2014. Hence, to control this, greater paraquat uses were applied compared to previous year in accordance with the instructions from VPA.

During audits, the company is not conducting pesticide application due to the very low precipitation rate started from the past 3 months. However, the audit team still conducting interviews with employees of spraying from Indrasakti Estate.

During the course of pesticide application, the officers who are involved have understood the working procedure of the pesticide application. In addition, there are some activities that have been established to ensure the working safety of pesticide application as follow:

- Dissemination of material safety sheet (MSDS) to all officers who are involved in the application of pesticides every morning at morning briefing. MSDS sheets have also been installed in the storage room of working equipment and agrochemicals warehouse,
- Proper use of personal protection equipment. For instance: gloves, masks, goggles, helmets, apron and boots. Based on interviews with spraying team from Indrasakti Estate, employees have used proper PPE at work.
- Limited training of pesticide users organized by the Fertilizer and Pesticide Control Commission Plantation Office of Riau Province. The training was held on April 17<sup>th</sup>, 2012 at Indra Sakti Estate. There are examples of certificate / certificate No. 893.3 / Disbun-Sarpras / 203 129 in the name of Sonny Suprayitna and Nana Suryana.
- Installation of pesticide applied sign area in the block that has been applied completely.
- Installation of ban markers of pesticide application in the river banks to avoid the risk of environmental pollution. In addition, there is also a cross sign in red paint on the palm oil area around the river banks as a sign that is not allowed for chemicals application.

The Company has set up procedures for waste management in the SOP document for Waste Management (SOP / SMART / LEMS-EHSD / SADV / I / 002) adopted by the Head of Upstream on July 1<sup>st</sup>, 2014. Within these procedures, there were set up for of waste inventory, waste management permit, waste management permit approval, preparation of waste management program, waste management program approval, waste management program implementation, documents evaluation and recording.

Special handling for B3 waste management in the form of pesticide waste packaging is based on work instructions for the handling of agrochemical waste packaging and chemicals (IK / SMART / LEMS-EHSD / SADV / 002/001) adopted on July 1<sup>st</sup>, 2014. Within these work instructions, it was explained that all pesticide waste packaging are collected and recorded. Packagings are rinsed with clean water, and then dispose the rinse water in the sedimentation basin shelter. The rinse water can also be used as pesticide diluents. Containers of used packaging can be reused for the same activities or returned to the supplier or given to the officials of LB3 polling station.

Based on field observation, the company has had pesticide leaching places where the pesticide waste containers were washed three times, the rinse water were collected again and re-used as a mix for spraying activities. Pesticide waste packaging is returned to the supplier. The company can show the receipt of handover of the pesticide waste packaging, for example: receipt of the pesticide waste packaging on August 21<sup>st</sup>, 2015 from IDSE as follow: 6 cans and 31 bottles. The Company does not apply the pesticides from the air.

Based on interviews with officers for spraying, it is known that all sprayers has been trained and can perform spraying in accordance with work instructions of the company. Sprayers can demonstrate a safe spraying technique, the use of appropriate PPE, does not spray near the riverbank and not against the wind.

PT MNIS has done LB3 handling and disposal responsibly and in accordance with applicable regulations. The Company already has permission for LB3 storage both at the factory and at the estate, as follows:

- INKM : LB3 storage permit No. 02 on 2011 issued by Head of BLH District Indragiri Hulu with regards to LB3 temporary storage permit of PT BWL located in Sungai Limau Subdistrict Rakit Kulim - District Indragiri Hulu. Coordinates S: 00° 34'11.4' and E: 102° 18'11.9'. There is available storage permit revision letter based on letter No. LB3 660 / BLH-Wasdal / VI / 2014/176 dated on June 27<sup>th</sup>, 2014 and letter from BLH Rengat No. 660 / BLH-Wasdal / VII / 2015/255 dated on August 12<sup>th</sup>, 2015 which has stated that the revision of the shelf life of LB3 INKM are extended to 180 days
- IDSE: LB3 storage permit for estate No 03/BPMD&PPT/BP-LB3/XI/2012 issued byRegional Investment Agency and Integrated Licensing Services with regards to LB3 storage permit to PT MNIS. There is available letter from BLH Rengat No. 660/BLH-INHU/VI/2015/195 dated on June 8<sup>th</sup>, 2015 about agreement of LB3 temporary storage timefor more than 90 days, in point 4, it was stated that the storage period for IDSELB3are extended to 180 days.

The company has had a partnership with a third party in managing LB3, as follows:

- Letter of agreement between PT BWL with PT Primanru jaya about handing of LB3 of used oil, cotton waste cloth, filter waste, light bulb waste , chemical waste packaging and used batteries No .: 04 / AF / I / 2015 dated on January 5<sup>th</sup>, 2015.
- Letter of agreement between PT MNIS with PT Primanru Jaya No 06/AF/II/2015 dated on January 5<sup>th</sup>, 2015.

In accordance with the provisions of LB3 license that has been owned by the company, LB3 storage is done within a period of 180 days. Companies can show the delivery receipt of LB3 to third parties (PT Primanru Jaya).

The Company has conducted periodic medical examinations and special to its employees. Periodic checks are

conducted every six months by the company medical practices and special medical examinations were carried out in collaboration with Thamrin Clinic, Pekanbaru.

The company is able to show the results of the estate periodic checks, the examination of spirometry and cholinesterase of 41 employees of spraying and fertilizer was carried out on March 27<sup>th</sup>, 2015.

Results of the test have shown normal spirometry and cholinesterase for all employees' examination. Based on interviews with workers, among others, sprayers and a warehouse clerk, it is known that a medical examination has been conducted in regular basis for both routine and special examination; the results have also been communicated to workers.

Based on interviews with management representatives and interviews with IDSE sprayers, it was known that there is no indication for sprayer personnel who are pregnant and / or breastfeeding. The medical examination has been conducted in regular basis and has already been informed to the workers, a routine inspection was also carried out by the company medical practices to ascertain the condition of workers and ensure there are no women working as sprayer who are pregnant and lactating.

**Status: Comply**

#### 4.7

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

Documentation of occupational health and safety programs that has been owned by the company are summarized as follows:

##### **a. OHS Policy**

The company has had a Health and Safety Policy that has been passed on November 1<sup>st</sup>, 2013 and signed by the President Director of PT SMART. Within the policy described that as a tangible proof of the commitment, PT SMART Tbk, will implement the OHS policy set through the following steps:

1. Communicating OHSA policies and procedures to all employees and interested parties to ensure that they understand the obligations related to the company activities.
2. Comply to all laws, regulations and other established rules related to OHS.
3. Ensuring the implementation of OHSA as part of company operational activities
4. Identify, assessing and controlling hazards risk in every activity in working environments with a continuous improvement approach to prevent accidents and occupational diseases
5. Managing and monitoring OHSA indicators and making continuous improvement to improve OHS management performance.

##### **b. Safety Procedures**

There are a collection of related OHSA application SOP for factory and estate, for example:

- SOP Identification of Hazards and Control Risk Assessment (SOP/SMK3/SMART/LH-02)
- SOP OHSA Audits (SOP/SMK3/SMART/LH-14)
- SOP PPE Management (SOP/SMK3/SMART/LH-20)
- SOP First Aid Emergency (SOP/SMK3/SMART/LH-22)

The company is able to show Guiding Committee of Occupational Safety & Health program period in 2015, for instance the planned activities include monthly meetings, regular reporting, records of occupational accidents, medical examinations of employees, maintenance and monitoring of equipment and OHS equipments, OHS training and routine simulation.

The Company has identified all potential hazards and risks that may occur in the operations of the factory and INKM estate. The report informs the activity, the type of activity (routine, non routine and emergency), identification of potential

hazards (source / occurrence and impact), the control of the existing, initial risk analysis (level of probability, severity and risk level). The entire risk analysis results will be reviewed once a year and implementation of the review result will be carried out on the next risk analysis report. In addition there is a follow-up form of the results of the analysis and risk and hazard identification, which explains the subsequent risk control plan (elimination, substitution, engineering, administration and PPE) and subsequent risk analysis (degree of probability, severity and risk level).

The company has held OHS training programs for all employees. The company is able to show the report of training program. For example:

- The first aid training of IDSE was conducted on 18 September 2014 attended by 39 employees. Meanwhile the training for mill was conducted in 19 September 2014 attended by 8 people.
- In accordance to the trainings of machine operator's competency and operator's license of forklift boiler and welder, the company can provide the list of the license and the sample of operator's license for example for boiler's operator on behalf of Baharudin with license number 820/PP/KK/OB-I/IX/04.
- The note of meeting for IDSE land fire simulation. It was conducted on 1 October 2014 covering the training on the identification of emergency report, fire extinguisher using fire stick and hydrant and first aid on accident. The note of simulation on spillage and poisoned by chemical and conducted on 27 August 2015.

The company has identified the people in charge of the OHS program on the OHS Guiding Committee organization. Those are:

- **INKM:** Legalization for OHS Guiding Committee by Manpower Agency in No. 27/P2K3/Disosnakertrans.04/IX/2014 dated September 10th 2014 with the structure of, head: Abdul Rahman M, secretary: Indrajaya. Secretary is the OHS expert with certificate No. Ser.13.1777/AK3/U/VI/2013 dated June 13th 2013 for PT Smart Tbk.
- **IDSE:** Legalization of OHS Guiding Committee by Indragiri Hulu District Manpower Agency No. 142/DINSOSNAKERTRANS.04/P2K3/X/2014 dated October 3<sup>rd</sup> 2014 with the structure of: Pembina, ketua, wakil ketua, sekretaris dan wasek, division of evaluation, division of supervising, division of research, division of consultation and division of health. The company has proposed for the revision of IDSE OHS Guiding Committee on September 1st 2015. According to the revision, there has been change for head, caretaker and secretary. The OHS Guiding Committee secretary on behalf of Ajie Prasetio. He is considered as OHS expert with certificate No 13.11564/AK3/U/XII/2014 dated December 18th 2014.

Meeting to discuss OHS issue has been held routinely. The meeting of mill OHS for period of June was held on June 23<sup>rd</sup> 2015. It discussed the procurement for electric pump for hydrant, plan for adding more handy fire extinguisher and PPE compliance evaluation. The meeting of IDSE OHS Guiding Committee was held on August 12th 2015. It was attended by 13 workers. The discussed issues were the plan of ISPO and RSPO ASA audit, socialization of management policy in term of prohibition to burn anything on settlement, action plan over the ISPO and RSPO ASA audit finding, simulation of emergency response over poison and chemicals spillage. Furthermore, the delivery of OHS report to the associated agency has been conducted in every quarter, the report of OHS Guiding Committee of INKM dated September 3<sup>rd</sup> 2015 for period of April – June 2015. Report of IDSE OHS Guiding Committee, HIRAC, OHS Guiding Committee Structure and its programs.

The company has had these procedures to deal with work accident and emergency situation including its instruction. The company is able to show the documents below:

- SOP of emergency response on the document No. SOP/SMART/UMUM/SADV/II/005 dated July 1st 2014. The SOP describes the objective, scope, definition. There are also flowchart of emergency response including its description and flowchart of emergency situation and its description.
- SOP of work accident and disease control caused by work in document No. SOP/SMART/HESS-EHSD/SADV/II/005. It describes the stages of control over work accident and its reporting.



Based on interviews with labor seen that the personal protective equipment self (PPE) has been supplemented by the company. Field observation during this audit indicate that all employees have use PPE appropriate. Monitoring the use of PPE has been carried out by supervisor of the various activities.

The company has held regular and specific medical check up over its employee. The medical check up is conducted every semester by company's doctor and the specific medical check up is conducted by cooperating with Pekanbaru Thamrin Clinic.

The company is able to show the result of regular medical check up on estate and mill as follow:

- INKM: the audiometri and spirometri medical check up for 14 employees of POM. One of the employee indicated light hearing loss. The company's doctor has evaluated the result and based on the evaluation, it shall be recommended to the hospital.
- IDSE: Spirometri and cholinesterase medical check up for 41 sprayers and manurer is held on March 27th 2015. The result of medical check up is normal for spirometri and cholinesterase check up for all employees.

The company has paid the work accident insurance with detail follow:

- INKM: Report of detail of labour social assurance payment for SKU B and H of INKM for period of July 2015 for 155 workers. The payment is conducted via BNI Bank on August 10th 2015. The payment for labour social assurance dues for contract workers is conducted on July 8th 2015 via BNI Bank for 84 workers.
- IDSE: Evidence of payment for IDSE SKU and contract workers labour social assurance for 162 workers for period of July 2015. It was paid on August 5th 2015. The company has communicated with manpower BPJS in term of the non-permanent daily labour for their labour social assurance on June 1st 2015 for the payment for half package (work accident insurance and death insurance) for non-permanent daily labour. The BPJS branch on Pekanbaru has responded it via letter No. B/8047/082015 on August 24th 2015. It describes that PT MNIS is included on the business group so it must follow the full membership of labour social assurance. The company has issued CEO's memo No. 154/HR PSM 5/08/2-15 dated August 31st 2015. It describes that the company shall pay all donation for obligaton who experience work accident and who face the grim reaper based on the applied law.

Interview with labor to ensure the policy of OHS that has been carried by company. For example, medical check up has done Health check has done with regularly and the results of investigation has been reported to employees concerned, transfer to activities that does not deal with the chemicals carried out if a labor exposed to

The company has monitored all work accidents occured within estate and mill area. The reports are written on the document of annual Frekwency Rate (FR) and Severity Rate (SR). For example:

- INKM: Report of FR and SR for period of May 2014 to July 2015. The document review shows one case on September 2014 with 60 days of lost time accident. There has been an investigation on September 17th 2015. It describes the data off victim, brief summary of work accident, brief summary of investigation, root cause and corrective action taken to prevent future similar accident. The company has made report to labour social assurance and has claimed the work accident.
- IDSE: According to the result of document review on the report of FR and SR monitoring for IDSE, there is no work accident during period of January – August 2015.

<b>Status: Comply</b>
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#### **4.8**

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

The company has several training programs for employees and members of cooperative unit. For example:



**Mill**

Training	Realization
OHS	October
Hazardous Waste and Materials	April
Conflict Management/FPIC	December

**Estate**

Training	Realization
LSU and IPM	January
HCV	January
First Aid	August
Hazardous Waste and Materials	October
Heavy Equipments	December
Welding Expert	December
Emergency Response	September

The company has several records of training program. For example:

- First aid kit training on August 19th 2015. It was held on RC Office and was attended by 8 participants.
- HCV identification training on January 15th 2015 on RC meeting hall. It was attended by 16 participants.
- Training of LSU and IPM census on January 26th 2015 on Division I of IDSE. It was attended by 28 participants including the form of evaluation result, documentation of event photographs.
- Training of hazardous waste and material control on chemist storage on April 7th.
- Training of MSDS on February 1st 2015 on storage. It was attended by 7 participants.

Based on interviews with workers during the field visits known that the training that have been conducted by have been effective, the workers can explain procedures, working steps and the tasks and responsibilities.

<b>Status: Comply</b>
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**PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity**
**5.1**

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

The environment impact assessment (EIA) is well documented by the management unit. There is no change on the operational of PT MNIS nor PT BLW until ASA – 2. The documents owned by them are:

- Document of EIA for 20,000 Ha of estate area (6,000 ha for nucleus estate area and 14,000 ha of scheme smallholder area). It was legalized by the Head of Agribusiness Division of Agriculture Ministry in letter No. 22/ANDAL/RKL-RPL/BA/VI/1998 dated June 8th 1998.
- Document of environmental management and monitoring plan for the palm oil processing with capacity of 60 ton of FFB/Hour. It was legalized by the Indragiri Hulu District Environment Impact Control Agency in letter No. 794/Bapedalda-Inhu/IX/2003 dated September 22nd 2003.

PT. MNIS and PT. BWL management unit has managed and monitored environment based on the environment document they have. The record of environmental management and monitoring implementation is then reported to the agency every semester. The report of the environmental management and monitoring plan is able to be shown during

audit program. For example, the report of environmental management and monitoring effort on 1st semester 2015 of PT. BWL which was reported to the associated agency on July 29th 2015 and report of environmental management and monitoring plan on 1st semester of 2015 of PT. MNIS which was reported to the agency on August 27th 2015.

According to the interview with Indragiri Hulu District Environment Agency, PT BWL or PT MNIS has managed and monitored the environment routinely. All the mandatories on the environment documents for PT. BWL or PT. MNIS have been met.

There is no information from Indragiri Hulu District Environment Agency or from PT MNIS and PT BWL management unit in term of the changes on the estate and mill operational which requires the revision for EIA and environmental management and monitoring effort until ASA – 2.

**Status: Comply**

## 5.2

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

The company has conducted HCV identification. It was conducted by the Team of Biodiversity and Conservation Section – PT SMART Tbk on March to October 2012. The report of identification result has been reviewed by Dr. Ir. Nyoto Santoso, MS on December 2012. The company's HCV area hectarage is 6.17 Ha and there have been 5 identified HCV consisted of:

HCV 1.1 – the area contains function to support biological ecosystem;

HCV 1.2 – endanger species;

HCV 1.3 – habitate for the endanger species, limited spread for those which could survive;

HCV 4.1 – water source area and flood control area for the downstream community;

HCV 6 – local culture community area.

The company has the plan of HCV area management on 2015. It covers the structurization of boundary, maintenance of boundary, installation for spray boundary pole and cross mark of boundary pole. Socialization to staff, employee of estate and stakeholders nearby estate, tapping the poster and installing the signboard, maintaining the HCV signboard, rehabilitation (plant enrichment), weekly planting on HCV area, HCV attribute monitoring, endanger species monitoring, HCV rehabilitation monitoring and HCV Officer training.

As a commitment for managing HCV area, the company has policy to preserve the endanger and wildlife species dated June 25th 2015. It was legalized by the President Director of PT Smart Tbk. The stages of wildlife protection are set on the policy. For example:

- Protect the animal and prohibit any animal hunting especially the endanger animals within estate area.
- Socializing and training the endanger species protection sustainably including its habitate to employees, contractor or the locals nearby estate area.
- Investigating and punishing the discipline sanction (contract termination) to employees who hunt, raise, harm and kill the endanger species.
- In order to deal with the endanger species within or nearby estate area, the company shall cooperate with the government agencies or any competent agency.
- Evaluating and reporting the company's performance based on the policy regularly and transparently via site and annual *sustainability report* of company and involving the stakeholders on palm oil industry.

The HCV management conducted by the company are:

- Installation of HCV boundary pole on HCV 1.2 in block H51 on June 12th 2015 with number of boundary pole No. H51/1; H51/2 and H51/3

- Report of HCV patrol on HCV 1.3; 4.1 and 6 for IDSE and IDSA during period of January – July 2015 from Kanitpam every once in a week.
- Report of animal/plant monitoring on January 24th 2015 and April 28th 2015 with field visit method.
- Socialization of HCV to employees of PT Meganusa Intisawit on Saturday, April 11th 2015 on 09.00 a.m at Indrasakti Estate. It was attended by 10 IPM Officers. The materials for socialization were the type of HCV, community's response and management. Community's response: they have approved and known the boundary and environment management within PT Meganusa Intisawit area.
- Socialization of HCV to the locals on Saturday, April 18th 2015 at Indrasakti Estate. It was attended by 13 participants from smallholder groups 09, 15B, 4, BP, 14 B, 22, 10. The material for socialization are a bit similar with socialization of HCV to employees.

According to the field visit to area of HCV 1.3 and 4.1 at block H51, the company has installed HCV signboard and boundary poles as mark for not hunting animals, poison fish, disturb the conservation area and chemical application prohibition on reservoir chemical area. There is also a signboard which inform the type of endanger species within PT MNIS area. The company has marked the palm oil plants as the latest point where the spraying program cannot be conducted further.

According to the result of interview with sprayers of Indrasakti Estate, they have known the prohibition to spray poisons on reservoir bufferzone with the applied spray boundary. They have also known the endanger species and prohibition to hunt or harm the animals.

Based on public consultation with the community around the plantation known that there is no HCV area entered in the community area.

**Status: Comply**

### 5.3

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

All the waste sources have been identified by the company. There is a list of type and source of hazardous waste including the hazardous waste storage. All the identified hazardous waste are stored on the licensed hazardous waste on Indrasakti POM and Estate. Type of the identified waste are the used oil, used filter, rag from workshop and heavy equipment and chemicals from washing station, mill, workshop and warehouse.

PT MNIS and PT BWL has managed and disposed hazardous waste with concern based on the applied law. The hazardous waste storing has been conducted on the licensed hazardous waste storage. For example:

- INKM: hazardous waste storing permit on behalf of PT BWL No 02 Year 2011. It was issued by the Head of Indragiri Hulu District Environment Agency on Sungai Limau Village, Rakit Kulim Sub-District, Indragiri Hulu District. Coordinate S: 00° 34' 11.4' and E : 102° 18' 11.9'. Type of the stored waste are the used oil, used battery, contaminated rag and used neon. The must-complied OHS is to provide fire extinguisher, shower/eye wash and emergency response facility.

There is revision of hazardous waste storing permit on letter No. 660/BLH-Wasdal/VI/2014/176 dated June 27th 2014. According to point 2, there is an addition for chemical containers and used catridge.

According to the letter from Rengat Environment Agency No. 660/BLH-Wasdal/VII/2015/255 dated August 12th 2015, the period of hazardous waste storing is 180 days on INKM hazardous waste storage and the condition of waste is not more than 50kg/day. The company does not need storing period up to 180 days.

- IDSE: hazardous waste storing permit on behalf of PT MNIS no 03/BPMD&PPT/BP-LB3/XI/2012. It was issued by the Investment and Integrated Service Agency for its hazardous waste storing permit to PT MNIS. There is a letter from Rengat Environment Agency No. 660/BLH-INHU/VI/2015/195 dated June 8th 2015 in term of the approval for hazardous waste storing period from 90 days to 180 days as written on point 4 of IDSE hazardous waste storing period.

The disposal of hazardous waste is conducted with the assistance of the third party with agreement. For example:

- Agreement letter between PT BWL and PT Primanru Jaya in term of transport of hazardous waste like used oil, rag, used filter, used bulb, chemical container and used battery No. 04/AF/I/2015 dated January 5th 2015.
- Agreement letter between PT MNIS and PT Primanru Jaya No. 06/AF/I/2015 dated January 5th 2015.

Based on the terms on hazardous waste permit owned by the company, the hazardous waste could be stored within 180 days. The company is able to show the evidence of hazardous waste transport to the third party (PT Primanru Jaya) as follow:

- Official record of hazardous waste transport on June 8th 2015 for INKM with type of waste like 920 L of used oil with manifest No. BC 0024034, 17 Kg of used battery with manifest No. BC 0024035, 33.5 kg of rag, 31 kg of used filter, 2 kg of used lamp, 28.5 kg of chemical containers, 0.2 kg of used catridge.
- Official record of hazardous waste transport on June 8th 2015 for IDSE with type of waste like 1,681 liter of used oil, 4 ea of used batteries, 23.5 kg of contaminated rag, 603 kg of used filter, 5.5 kg of TL lamp and 23.5 kg of chemical containers. There is an example of the contaminated ingredient manifest in No. BC0024045.

The reporting for hazardous waste balance sheet is conducted punctually and routinely. For example:

- Report of hazardous waste balance sheet of Indrasakti POM on 2nd quarter of 2015. It was reported to Indragiri Hulu District Environment Agency on July 8th 2015.
- Report of IDSE hazardous waste baance sheet. It was reported on August 17th 2015.

**Status: Comply**

#### 5.4

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

PT. BWL optimized the use of petroleum fuel and renewable energy. The company use shell and fiber as renewable energy resource to reduce petroleum fuel consumption. The use of shell and fiber are well monitored.

Data of Shell and Fiber Use on 2014/2015

Year	FFB (Ton)	Material	Amount (Ton)
2014	397,903	Fiber	49.738
		Shell	21.885
Untill July 2015	240,805	Fiber	30.101
		Shell	13.244

The management unit can also show the document of energy use efficiency on 2014/2015. It was composed by the tope management on August 9th 2015. According to the documet, there was an energy consumption of generator and renewable energy including its efficiency. For example:

Information	Unit	2014	2015 (untill July)
Energi from Generator	KWh	211.056	183.910
Energi from Shell and Fiber	KWh	8.228.040	6.034.416
Renewable Energy	%	97.5	97.0

**Status: Comply**

#### 5.5

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

The company has conducted replanting program on 2005 and according to the documentation of replanting program, there is no indication of land burning. The company has set the land clearing and zero burning policy on SOP of Land Clearing No. SOP/SMART/MCAR/IV/TA-PLB and guideline of palm oil plant cultivation technique of Sinar Mas (*Management Committee Agronomi and research*). Based on point 5 of land clearing and replanting in document No.

SMA/MCAR/05/05-07. The land clearing must be conducted by implementing zero burning principle. As the implementation, there was a socialization in term of *chipping - no burning* system on April 16th 2015 to Sejahtera Cooperative Unit. It was attended by 54 participants of smallholder group. The smallholder group is the FFB supplier to Meganusa Intisawit Mill.

**Status: Comply**

## 5.6

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

PT. BWL and PT. MNIS management unit has identified significant GHG emission and pollution caused by mill and estate operational. The identification is written on SOP o GHG mitigation No. SOP/SMART/CERS-EHSD/SADV/II/005 dated July 1st 2014. The GHG emission source identification are:

- GHG emission caused by estate operational are:
  1. Emission from the petroleum fuel consumption for the estate internal transportation and machines;
  2. Emission from the fertilizer use;
  3. Emission from the pesticide use;
  4. Emission from the petroleum fuel consumption on mill and use of POM side product.
  5. Emission from POME.
- GHG emission caused by change of carbon stock during replanting program;
- GHG emission caused by peatland (only if planting on peatland).

Plan to reduce or minimize the emission and pollutant are described on the SOP. For example:

- The use of petroleum fuel. In order to reduce GHG emission, the substitution from the renewable energy resource (shell and fiber) on the production process; monitoring the diesel fuel consumption for estate and mill operational; holding socialization to FFB truck transporter; etc.
- Fertilizer use. In order to reduce GHG emission, the company should apply fertilizer based on SMARTRI recommendation.
- Pesticide use. In order to reduce GHG emission, the IPM method to deal with pest and disease should be implemented. If the company use pesticide, the pesticide should be environmentally friendly; etc.
- Methane gas management. In order to reduce GHG emission, the company could build biogas plant for the methane capture program on the effluent installation for processing at POM and composting the EFB;
- Water management on peatland. In order to reduce GHG emission, the company could build watergate and monitor the water level based on SOP of peatland management;
- Electricity use. In order to reduce GHG emission, the company could retrench the use of electricity at settlement and estate and mill office; use the energy save lamp and monitor the use of electricity.

In general, the GHG emission from Indrasakti Mill was 0.60 ton CO<sub>2</sub>e per ton CPO and 0.60 ton CO<sub>2</sub>e per ton PK for period of July 2014 – June 2015. The well implemented monitoring system is using the supporting data from estate and mill. There is an evidence of GHG emission calculation on Indrasakti Mill.

The regular reporting over the progress of significant pollutant and emission on the estate and mill operational as shown by the evidence of GHG calculation reporting for PT. Meganusa Inti Sawit – Indrasakti Mill to RSPO Secretariat on September 1st 2015 based on letter No. 188/EL/MNIS-RSPO/IX/2015.

The report describes:

- Methodology use is based on Palm GHG calculator version 2.1.1.
- Period of basic data is July 2014 - June 2015.
- Conclusion of GHG emission score based on Palm GHG kalkulator.

<ul style="list-style-type: none"> <li>Comment over the GHG implementation.</li> </ul>		
	<b>Status: Comply</b>	
<b>PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills</b>		
<b>6.1</b> <b>Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate the continuous improvement.</b>		
<p>The company has composed EIA consisted of;</p> <p>a. Estate on behalf of PT Meganusa Intisawit which was approved by the Agribusiness division of Agriculture Department based on letter No. 22/Andal/RKL-RPL/BA/VI/1998 dated June 8th 1998 with scope of nucleus estate for 6,000 Ha and scheme smallholder for 14,000 Ha. The capacity of POM as planned on EIA is consisted of POM I with capacity of 60 Ton of FFB/Hour and for POM II for 60 Ton of FFB/Hour. The crucially monitored social impacts are;</p> <ul style="list-style-type: none"> <li>- Management over social restlessness caused by the change of LU I and LU II</li> <li>- Management over the social restlessness caused by land dispute.</li> <li>- Manageent over the social restlessness caused by the objection for existence of customary forest on the nucleus estate area.</li> <li>- Management over the social restlessness caused by the continuation over crops business.</li> <li>- Management over the social restlessness caused by the community's health disturbance.</li> <li>- Management over the social restlessness caused by the oil drilling conducted by PT Ekspand.</li> <li>- Job Opportunity</li> <li>- Increase of Income</li> <li>- Existence of Cooperative Unit</li> </ul> <p>Only realized for 875.158 Ha of the 6,000 Ha of the planned land as nucleus estate on EIA study.</p> <p>b. POM on behalf of Buana Wira Lestari (in form of environmental management and monitoring plan) which was approved by the Indragiri Hulu District Environment Impact Control Agency based on letter No. 794/Bapedalda-Inhu/IX/2003 dated September 30th 2003 in term of approval for environmental management and monitoring plan for PT Buana Wiralestari Mas POM. The capacity of POM on EIA is 60 Ton of FFB/Hour. The social impacts caused by the POM operational have been identified. For example;</p> <ul style="list-style-type: none"> <li>- Activiy of workforce absorption (local workforce absorption, social jealousy, unemployment rate, income level)</li> <li>- Activity of FFB purchase and transport (FFB marketing assurance, business opportunity)</li> <li>- POM operational (restlessness of the locals nearby mill area, business opportunity, social jealousy)</li> <li>- CPO transport (positive or negative perception of the locals)</li> </ul> <p>The company has document of social impact assessment composed by the internal team of SADV of PT. SMART Tbk on 2012. The document provides the positive and negative impacts caused by the estate operational. The positive impacts are: local workforce recruitment, company's concern over the locals, community's economy improvement, good partnership with the locals, good palm oil plants cultivation technique, good road access, social donation. Negative impacts are: lack of company's concern of education and relation maintenance, transparency over replanting program plan, bad road access to scheme smallholder, lack of monitoring over fertilizer which cause fertilizer distribution manipulation, lack of procedure of safety and school bus, dust and haze of mill which disturb the locals, dust caused by FFB truck. The compiler team also consulted the impacted stakeholders nearby estate area such as village government, scheme smallholder cooperative unit, board of labour union and local contractor. There is a list of consultation with the partner cooperative unit in term of RSPO socialization on August and September 2012. (Villages of</p>		



Bandar Padang, Beligan, Talang Sukamaju, Seresam, Titian Resak, Pangkalan Kasai, Petala Bumi, Buluh Rampai, Bukit Lingkar, Kuala Gading, Kerubung Jaya, Pematang Manggis, Petaling Jaya, Bukit Indah, Bukit Lipai, Talang Bersemi, Talang Mulia).

The company has document of social impact assessment composed by the internal team of SADV of PT. SMART Tbk on 2012. The document provides the positive and negative impacts caused by the estate operational. The compiler team also consulted the impacted stakeholders nearby estate area such as village government, scheme smallholder cooperative unit, board of labour union and local contractor. There is a list of consultation with the partner cooperative unit in term of RSPO socialization on August and September 2012. (Villages of Bandar Padang, Beligan, Talang Sukamaju, Seresam, Titian Resak, Pangkalan Kasai, Petala Bumi, Buluh Rampai, Bukit Lingkar, Kuala Gading, Kerubung Jaya, Pematang Manggis, Petaling Jaya, Bukit Indah, Bukit Lipai, Talang Bersemi, Talang Mulia).

The plan of social impact management has been socialized to the locals along with the public consultation during the document compilation. For example, socialization on August 27th – September 3rd 2012 to Cooperative Units of Manunggal, Hidup Baru, Jaya Bersama, Harapan Maju, Karya Bersama, Milik Bersama, Rahayu Makmur, Setia Kawan, Tunas Harapan, Sejahtera Jaya, Anggrek, Usaha Manunggal, Sumber Rejeki, Talang Suka Jadi.

The company has document of social management plan such as:

1. Reducing the air pollution and air quality reduction due to the mill's activity.
2. Reducing the contamination and air quality reduction due to the FFB truck operational during drought.

The monitoring program is held regularly every 6 month. The company has cleaned the chimney and tested the air quality nearby mill area. The road watering program to reduce the dust pollution is conducted every morning and afternoon.

The company has document of monitoring and review calendar for social management and monitoring plan on November 2015. It has been applied by SIAS Head named Widodo C Yuwono, January 2015.

The company has several efforts to the smallholder. For example:

- Development of community's economy potential by hiring local contractor under scheme smallholder cooperative unit sustainably;
- Economy and income improvement for the locals by establishing independent scheme smallholder to support the good organization of cooperative unit;
- Make the community's access and mobility better by conducting routine road maintenance and use of vehicle access nearby estate;
- Rehabilitating the school building, school bus and recruitment for teacher;
- Improving the medical service facility in form of free medical service and free glasses for the need.

**Status: Comply**

## 6.2

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

The company has had procedure of communication and consultation with the locals in form of SOP of communication and consultation (SOP/NP/SMART/XIV/MCAR003) dated July 1st 2010 (Revision I). According to the SOP, the communication could be conducted in written or orally or on written paper pass through advise box.

The company has had the social Officer:

- **Pabrik**

Decree No. 062/MM-INKM/I/2015 in term of appointment for Mr. Indra Jaya as Sustainability officer of INKM dated January 1st 2015.

- **Kebun**

Decree from RC No. 012/RC-Idragiri/VI/2015 in term of appointment for Mohon Simbolon as social Officer dated June 6th 2015.

PT Meganusa Intisawit has the categorized list of stakeholder.

- I. Government, Police and Associated Agency:
  - Village and Sub-District Government.
  - Police (Sectoral or Resort Police).
  - Associated Agency (District or Province Manpower Agency, District or Province Environment Agency).
  - Province or District Plantation Agency.
  - Province or District National Land Agency.
  - PT Jamsostek of Indragiri Hulu District and Riau Province.
  - Riau Province Income Agency.
  - District or Province Forestry Agency.
- II. Community Figure.
- III. Labour Union.
- IV. Scheme Smallholder Cooperative Unit.
- V. Local Contractor.
- VI. NGO (WWF and LINKS).

**Status: Comply**

### 6.3

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

The company has the SOP of complain and disgruntle management No. SOP/SMART/SIGS-CSR/SADV/II/003 Year 2014.

The one who receives the complain and disgruntle is the Head of Administration from PUK-SP (labour union). If there is no organization of labour, the letter could be given directly. The company ensures the secret of the whistleblower and it should be recorded on the form of complain and disgruntle.

Record of complain management is documented on the book of complain. For example:

- POM  
There is no complain from employee on 2015.
- Estate  
Named Sugianto, dusty and droughty season complain. There should be road watering on February 10th 2015. The management watered the road on February 12th 2015.

**Status: Comply**

### 6.4

**Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.**

The company has composed the procedure to deal with land conflict (SOP/SPO/SMART/LH-04) dated July 1st 2010. There are several stages to solve the conflict. For example:

- a. Staff D & L must ensure that the document of ownership and acquisition of land have already complete, valid and correct under the applied law.
- b. The land ownership status must be socialized to the locals so it would create a right certainty owned by the company.

- c. The invalid claim without evidence should be deal handled by D&L by holding dialogue with oral or written description so the claim could be cancelled.
- d. If the stage C do not find its way out. The resolution by the assistance of local government should be called. The local government could involve the community figures, chief of village, headman of sub-district, regent, NGO and congress. The result of agreement should be documented on the official record as evidence of agreement.
- e. If the resolution with the assistance of local government still find the deadlock, it will be solved on the court.
- f. The resolution process also involves the local government and community figures can also be documented with audio visual and not only in official record.

There is no land dispute occurred during ASA-2 assessment on PT MNIS area. The latest land compensation was conducted on 2002.

**Status: Comply**

#### 6.5

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

The company has implemented the decree of Riau Governor No. Kpts.244/III/2015 in term of the minimum wage standard for sector of plantation and agriculture for Riau Province on 2015 dated March 31st 2015. The implemented minimum wage standard is IDR 2,125,500,-.

According to the decree of Governor, the company has issued decree No. 023/CEO 5/HR PSM5/03/2015 dated January 1st 2015. It legalized the adjustment for monthly permanent worker. According to the document review, the wage of lowest class of permanent worker (Gol G1) per month is IDR 2,057,600,-. The wage of permanent daily labour with work period less than a year is IDR 2,000,250,- and permanent worker H with work period more than one year is IDR 2,02,750,-.

Implementation over the previous document are the evidence of payment for worker's wage

- INKM: list of wage for period of July 2015. According t the result of document review, INKM has paid wage absed on the applied law.
- IDSE: the company is able to show the evidence of worker's wage payment for period of August 2015. For example, daily temporary labour with worker's ID No. Q0025 with 20 workdays and full paid wage based on the applied law. The company also showed the example of wage payment for permanent employee with worker's ID No. 12267, the payment has been conducted based on the terms and the wage voucher describes the detail of wage.

The company has had collective labour agreement between the sumatera estate company cooperation with the board of labour union for agriculture and plantation sector for period of 2015-2017. The collective labour agreement has been registered to the associated agency based on the decree of Direktorat General of – JSK No. Kep. 88/PHIJSK-PKKAD/PKB/VI/2015 dated June 18th 2015. According to the collective labour agreement, there have been information about recruitment, workhour, wage, contract work, donation for sick period of worker, bunking off, payment for lunch and mandah, overtime, premium regulation, religious feast allowance, labour social assurance, work equipments, OHS, assistance for retiree, migrant worker, separated money, contract termination and dispute resolution.

There has been collective labour agreement between the company and employee. The contract worker's agreement and for the permanent employee on the paper for promotion. The company is able to show the example of collective labour agreement. For example:

- Promotion paper No. 12/HRD-EAS/PSM5/09/2003 dated September 1st 2003. It informs the wage and job position.
- The contract agreement for specific period No.: 041/INKM-PKWT/05/2015. It informs the task, responsibility, honorarium, facility, period of contract and regulation.

According to the result of interview with workers like contract workers on grading station of INKM POM, the copy of collective labour agreement is also given to them post the agreement signing.

Based on the field visit to the public facilities and employee facilities on IDSE and KNKM, the company has provided the welfare supporting facilities like settlement, sport facility, place of worship, clean water facility, lighting facility, cooperative unit for workers and emergency response facilities.

The company has identified the facilities which could improve the employee's welfare including the provision for the affordable daily need with good access and proper stuff. According to the identification conducted by the company, there are 3 traditional markets with distance less than 2 – 10 km from the unit location.

According to the interview with the workers on settlement, the employee have gotten the affordable and accessible daily need.

**Status: Comply**

### 6.6

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

The company has the policy from Chief Executive Officer 5 Smart. The letter No. 045/CEO5-SE/11/2010 dated November 16<sup>th</sup> 2010 to all unit in term of the freedom to unite on the worker organization. The letter contains the description that the company respect the applied law on Act No. 21 Year 2000 including the freedom to unite which is the right of worker.

The labour union has the record of meeting between the labour union and the representative of management. It discussed the BPJS on April 1st 2015 at RC meeting room. It was attended by 51 participants. It was also the socialization of BPJS which was informed by the representative of BPJS office of Indragiri Hulu. The company has the documented record of meeting of labour union board and the representative of management.

**Status: Comply**

### 6.7

**Children are not employed or exploited.**

The company has shown the list of employee of INKM and IDSE whether daily non-permanent worker, permanent worker and contract worker. According to the result of document review, there is no indication of underage worker.

Number of worker of PT MNIS during period of 2015 is as follow:

- Contract workers of INKM are 81 workers
- Permanent worker of INKM are 155 workers

According to the result of field visit to harvest and mill operational, there is no underage worker. The company has ensured that all workers met the requirements of age by attaching the ID card during the recruitment for worker.

**Status: Comply**

### 6.8

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

PT Meganusa Intisawit has had the circular of Chief Executive Officer PSM 5 No. 003/CEO5-SE/06/2009 dated June 24<sup>th</sup> 2009 in term of the implementation of industrial relation on unit that every operational unit must implement zero discrimination industrial relation regardless tribe, gender, religion and race in all job. According to the document review on the list of employee, there is no discrimination on recruitment and worker's promotion.

Example of the documentation of employee's career path during the assessment for ASA-2 is the promotion for permanent employee named Fatimah from specific period worker to permanent daily worker. Decree of promotion No. 178/IDSE/DIV/04/2015 dated April 10<sup>th</sup> 2015.

The company is able to demonstrate the process of selection, recruitment and promotion based on the skill, capability, quality and health. The procedure has been well written and described by the staff of personnel of company. For example:

- There is a procedure of procurement for city/estate staff and non city staff (SDMA-001-00 s/d SDMA-005-00) dated September 1st 2005.
- Circular (Ref 032/HR PS/07/2009) in term of the procedure of recruitment and promotion for employee (BHL, PKWT, kontrak and SKU).
- The company has the career path system regulated on the procedure of promotion for position (SDM D-010-00) dated September 1st 2005.

**Status: Comply**

#### 6.9

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

The company issued the circular No. ref.016/HR-PSM5/01/2013 from the Director dated January 14th 2013 in term of the policy to do sexual harassment. The policy set the prohibition to do sexual harassment within PT MNIS area and the suspect could be sanctioned and fired.

Specifically, PT MNIS has the flowchart of sexual harassment complain follow:

- Oral or written complain – to the head of women commission – investigation by the head of unit with PRISMA and SPSI – sanction from the company / via court – case closed.

According to the result of interview with gender committee, there was no complain since surveillance 1 to surveillance 2. There was a complain proposed orally but it was solved.

Facilitating the complain and disgruntle of the internal employee or external party. The company has SOP of complain and disgruntle management No. SOP/SMART/SIGS-CSR/SADV/II/003. It was composed on July 1st 2014 and started to be implemented on PT MNIS on January 2015. The procedure set the flowchart of complain and disgruntle for internal and external party. According to point 2.2.1, the company assure the identity of *Whistle blower*.

The company regulates the reproduction right on:

- Circular of CEO 5 No. 002/CEO 5-SE/03/2009 dated March 2nd 2009 in term of the menstruation day off for 2 days/month (first and second day) based on the doctor's examination.
- Memorandum of VPA PSM 5 No. 001/SE/VPA5/12/08 dated December 20th 2008 in term of the pregnant and menstruation women. The company shall not employ them as sprayers.
- Collective labour agreement between Sumatera estate company cooperation and labour union of plantation labour of Indonesia (PP.FSP.OO-SPSI) which contains the menstruation and childbirth day off.

The company informed the policy in term of the sexual harassment, equal treatment and reproduction rights on the socialization follows:

- Socialization of procedure to deal with sexual harassment within the area of PT MNIS and PT BWL on May 24th 2011 at mess room of Indragiri estate (INDE).
- Socialization in term of the equal treatment on the job opportunity, documentation and socialization in term of human right; policy in term of integrity and ethics and prevention over sexual harassment on March 26th 2015. It was socialized by the EM of IDSE at Rumpin of Indrasakti. It was attended by 45 people.

According to the result of interview with sprayers of Indrasakti Estate and gender committee, they have known the government policy in term of equality, menstruation and childbirth day off and protection from the sexual harassment.

Based on the result of document review on the permits list for H1 and H2 and the worker's payroll, the company has given menstruation and childbirth dayoff to the employees with full paid wage.

<b>Status: Comply</b>
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**6.10**
**Growers and mills deal fairly and transparently with smallholders and other local businesses.**

Meeting for the FFB pricing is held every once in two week by the FFB pricing team consisted of the representatives of company, smallholder and government on Riau Province Plantation Agency Office. According to the result of interview with smallholders from Hidup Baru Cooperative Unit, Sejahtera Cooperative Unit, Setia Kawan Cooperative Unit and Karya Bersama Cooperative Unit, the company always open to inform the FFB price and provide information in term of FFB price update.

The contract job with the local business is supported by the contract for service agreement composed by the company and signed noth parties (company and contractor). The contract for service contains information in term of objective and purpose, stage and scope of agreement, period of agreement, obligation and rights of both parties and the end of agreement.

According to the result of interview with the representatives of smallholder from cooperative unit, the FFB payment is routinely conducted on date 5th every month. Follows the example of FFB payment for several suppliers (cooperative units) to Meganusa Intisawit Mill:

**INDRALESTARI Scheme Smallholder:**
**Setia Kawan Cooperative Unit**

- Payment to 6B smallholder group of KSK for period of July 21st – August 20th 2015 for IDR 207,883,900 with total of the delivered FFB for 247.140. It was paid on August 5th 2015.
- Payment to 1A smallholder group of KSK for period of July 21st – August 20th 2015 for IDR 147,794,061 with total of the delivered FFB for 128.101. It was paid on August 5th 2015.

**Karya Bersama Cooperative Unit**

- Payment to Langgeng Jaya Cooperative unit for period of July 21st – August 20th 2015 for IDR 224,611,543 with total of the delivered FFB for 181.440
- Payment to Tani Makmur smallholder group for period of July 21st – August 20th 2015 for IDR 221,128,781 with total of the delivered FFB for 108.000

**INDRALESTARI Scheme Smallholder:**
**Hidup Baru Cooperative Unit:**

- Payment to Suwono on April 29th 2015 for IDR 134,186,272 for Sumber Makmur smallholder groups from Petala Bumi Village. Evidence on payment on May 29th, July 31st and August 31st 2015.
- Payment to Suyana on April 29th 2015 for IDR 108,262,591 for Subur Jaya smallholder group from Petala Bumi Village. The next payment on May 29th, June 30th, August 31st 2015.

**Sejahtera Cooperative Unit**

- Payment to Aris Ariyanto on April 29th 2015 for IDR 157,693,570 for smallholder group 1 from Titian Resak Village (consistent payment every date 29th on May, June and July 2015).
- Payment to Suparman on April 29th 2015 for IDR 145,042,193 for smallholder group 5 from Titian Resak Village (consistent payment every date 29th on May, June and July 2015).

<b>Status: Comply</b>
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**6.11**



**Growers and millers contribute to local sustainable development wherever appropriate.**

The company has maintained the road and open the access to scheme smallholder on the nearby villages including the establishment for scheme smallholder, heavy equipments to maintain the road.

The company has the reports of local development contribution. For example:

- Assistance for the prophet'd birthday to the board of Al Muhajirin Mosque at Division I of nucleus estate on March 12th 2015.
- Assistance for the fund for sport for Buluh Rampai Village for IDR 1,000,000 dated January 2nd 2015.
- Social charity in form of free medical check up with Budha Tzu Chi Foundation for IDR 602,000 dated April 15th 2015.
- Celebration for Kartini Days on Talang Sukamaju Village for IDR 200,000 dated April 15th 2015.
- MTQ Event on Seberida Sub-District for IDR 1,000,000 dated May 2<sup>nd</sup> 2015.
- Assistance for infant education center of Indrasakti for IDR 400,000 dated June 2<sup>nd</sup> 2015.
- Donation for the orphan of villages of Bandar Padang, Seresam, Talang Suka Maju, Buluh Rampai, Titian Resak, Petala Bumi and Pangkalan Kasai.

Evidence of the result of meeting consultation for the charity event and CSR program on 2015. Location on Titiak Resak Village. It was attended by 18 participants with photographs of event on November 25th 2015.

The company has the document of plan of operational fund on 2015. The allocation for fund to pay the workers for scheme smallholder. The men who are employed to monitor and to guide scheme smallholder operational. The employed men are consisted of 1 coordinator of scheme smallholder, 3 scheme smallholder managers, 2 head of assistants, 17 assistants and 37 foremen.

The company contributed on the local development including its human resource for cooperative unit.

**Status: Comply**

**6.12**
**No forms of forced or trafficked labour are used.**

Based on the document review on the list of employee, there is no indication of illegal nor slave workers (enforced workers). According to the document review and interview with the workers, there is no indication of contract substitution on the recruitment process.

There is no migrant nor non permanent workers employed by PT MNIS (IDSE and INKM).

**Status: Comply**

**6.13**
**Growers and millers respect human rights**

The company has had policy over the industrial relation. The company respect the human right. The policy has been communicated to the workers through morning briefing.

**Status: Comply**

**PRINCIPLE #7 Responsible development of new plantings**
**7.1**

**A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.**

There is no new development post November 2005

**Status: Comply**

**7.2**

**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.		
There is no new development post November 2005		
	<b>Status: Comply</b>	
<b>7.3</b>		
<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.</b>		
There is no new development post November 2005		
	<b>Status: Comply</b>	
<b>7.4</b>		
<b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>		
There is no new development post November 2005		
	<b>Status: Comply</b>	
<b>7.5</b>		
<b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>		
There is no new development post November 2005		
	<b>Status: Comply</b>	
<b>7.6</b>		
<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.</b>		
There is no new development post November 2005		
	<b>Status: Comply</b>	
<b>7.7</b>		
<b>Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>		
There is no new development post November 2005		
	<b>Status: Comply</b>	
<b>7.8</b>		
<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>		
There is no new development post November 2005		
	<b>Status: Comply</b>	
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>		
<b>8.1</b>		
<b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>		
<p>The internal report of RSPO audit for unit of Indrasakti Plasma, Indragiri Plasma, Indralestari Plasma, Indrasakti Estate, and Indrasakti Mill. The internal audit was held on July 29th – August 10th 2015. It was conducted by Mr Riki A. Fauzi, Mr. Denni Herlambang, Mr. Mahendra Valentino, Mr. Dede M. Nasir and Mr. Ade Putra. The management unit has conducted corrective action for all the identified nonconformities. The conclusion of the internal audit is that all the identified nonconformities have been complied.</p> <p>The company has continued to perform continuous improvement. Among others:</p> <ul style="list-style-type: none"> <li>• Ambient air quality monitoring and quality of emissions that has been implemented and routine. If there was parameters passing of quality standard company soon evaluate it.</li> <li>• Greenhouse gases mitigation by implements renewable fuel use. For example the use of internal shell and fiber as</li> </ul>		

fuel boiler.

- Monitoring of POME application.
- Communicating with the concerned village if there are activity a company that has implications negative and immediately repair if it appears the negative effects of company.
- Reduce the use of pesticides and implement integrated pest management.

All recording the implementation of continuous improvement are provided and can be shown on the auditors. Was also carried out to all workers to make sure that the information is understood by workers.

In addition to ensure operational estate and mill walk in planning, every six months done to internal audit operational. Aspect in observation in internal auditing starting from administration, operational estate and mill, labor (payment, jamsostek, incentives, overtime, etc). Internal audit is conducted by the department of internal auditing operational (OIA).

<b>Status: Comply</b>
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**3.1.2 2 Summary of RSPO Certification Assessment Report for Smallholders**

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<b>1.1</b>	<b>Plantation and Palm Oil Factory have to give adequate information for stakeholders in appropriate language and forms, to ensure the effective participation of stakeholders in decision-making.</b>	
	<p>Cooperative unit has the record of respond over the assistance request from locals, for example:</p> <p><b>Indragiri Scheme Smallholder</b></p> <ul style="list-style-type: none"> <li>Setia Kawan Cooperative Unit: Assistance request letter from the board of Bukit Indah 009 Elementary School dated May 16th 2015 in term of he invitation. It has been responded by the cooperative unit to attend the invitation.</li> <li>Karya Bersama Cooperative Unit: Assistance request letter from the committee of MTQ of Batang Cenaku dated April 14th 2015. It has been responded by teh cooperative unit by giving IDR 2,200,000 dated April 20th 2015.</li> </ul> <p><b>Indrasakti Scheme Smallholder</b></p> <ul style="list-style-type: none"> <li>Sejahtera Cooperative Unit: Assistance request letter from the committee of prophet's birthday event dated January 3rd 2015. It has been responded by the cooperative unit by giving IDR 500,000 dated January 10th 2015.</li> <li>Hidup Baru Cooperative Unit: Assistance request letter from the committee of Madam Association's birthday event dated May 3rd 2015. It has been responded by the cooperative unit by giving IDR 500,000 dated May 22nd 2015.</li> </ul>	
	<b>Status: Comply</b>	
<b>1.2</b>	<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.</b>	
	<p>Each cooperative has had list of information for the stakeholder in term of;</p> <ol style="list-style-type: none"> <li>Contract between scheme smallholder management and smallholder.</li> <li>Land ownership official letter/ownership official letter.</li> <li>Training materials in term of IPM and the usage of safe chemicals for agriculture.</li> <li>EIA document and Implementation Report of Environmental Management and Monitoring Plan.</li> <li>Book of Complaint Record.</li> <li>Procedure of price calculation and determining FFB quality.</li> <li>Recent record of debt and payment, discount and cost.</li> </ol> <p>Cooperative unit has the record of respond over the assistance request from locals. For example:</p> <p><b>Indragiri Scheme Smallholder</b></p> <ul style="list-style-type: none"> <li>Setia Kawan Cooperative Unit: Assistance request letter from the board of Bukit Indah 009 Elementary School dated May 16th 2015 in term of he invitation. It has been responded by the cooperative unit to attend the invitation.</li> <li>Karya Bersama Cooperative Unit: Assistance request letter from the committee of MTQ of Batang Cenaku dated April 14th 2015. It has been responded by teh cooperative unit by giving IDR 2,200,000 dated April 20th 2015.</li> </ul> <p><b>Indrasakti Scheme Smallholder</b></p> <ul style="list-style-type: none"> <li>Sejahtera Cooperative Unit: Assistance request letter from the committee of prophet's birthday event dated January 3rd 2015. It has been responded by the cooperative unit by giving IDR 500,000 dated January 10th 2015.</li> </ul> <p>Hidup Baru Cooperative Unit: Assistance request letter from the committee of Madam Association's birthday event dated May 3rd 2015. It has been responded by the cooperative unit by giving IDR 500,000 dated May 22nd 2015.</p>	
	<b>Status: Comply</b>	
<b>PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS</b>		

**2.1**
**There is compliance with all applicable local, national and ratified international laws and regulations.**

Karya Bersama Cooperative Unit, Sejahtera Cooperative Unit, Hidup Baru Cooperative Unit and Setia Kawan Cooperative Unit have complied all laws in term of manpower and OHS including the proper PPE provision.

The compliance over the law of hazardous waste has been conducted. The hazardous waste is washed for 3 times before having it returned to the vendor. The hazardous waste like rage and used oil are stored at Indrasakti Estate hazardous waste and shall then given to the third party.

The cooperative unit (smallholder organization) has complied the applied law and regulation. The compliance over regulation in level of smallholder organization is proven by:

- Well maintained documents of legality. For example:
  - Official paper of change of cooperative unit that has been updated based on the applied law.
  - The updated business permit for location.
  - The updated list of cooperative unit.
  - The updated modest plantation business permit (PM).
  - Taxpayer ID Number.
  - Copy of land certificate for each cooperative unit member.
- Payment for business location permit retribution.
- Cooperative unit has the list of the applied law as reference over the compliance to law.

According to the result of document review and field visit, the cooperative unit does not disobey the applied law

	<b>Status: Comply</b>
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**2.2**
**The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights**

The cooperative unit (smallholder organization) has complied the applied law and regulation. The compliance over regulation in level of smallholder organization is proven by:

- Well maintained documents of legality. For example:
  - Official paper of change of cooperative unit that has been updated based on the applied law.
  - The updated business permit for location.
  - The updated list of cooperative unit.
  - The updated modest plantation business permit (PM).
  - Taxpayer ID Number.
  - Copy of land certificate for each cooperative unit member.
- Payment for business location permit retribution.
- Cooperative unit has the list of the applied law as reference over the compliance to law.
- According to the result of document review and field visit, the cooperative unit does not disobey the applied law.

According to the result of interview with the head and member of cooperative unit, there is no claim or objection from other parties in term of the land ownership of the cooperative unit member.

	<b>Status: Comply</b>
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**2.3**
**Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.**

According to the result of interview with the head and member of cooperative unit, there is no claim or objection from other parties in term of the land ownership of the cooperative unit member.

	<b>Status: Comply</b>
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**PRINCIPLE #3 COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY**

**3.1**

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

Each cooperative unit of smallholder has had document of data of production estimation for the next 10 years (2013 – 2023). It was composed by the cooperative unit board and was assisted by the assistant and estate manager. According to the document of production estimation for each cooperative, the budget of production on 2015 is 29,585.01 ton and for Hidup Baru Cooperative Unit for 23,843.66 ton. The budget shall always be evaluated annually by the board and manager of scheme smallholder.

**Status: Comply**

**PRINCIPLE #4 USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS**
**4.1**

**Operating procedures are appropriately documented and consistently implemented and monitored.**

According to the document observation, guideline of agronomy operational used by scheme smallholder under Sinarmas Grup is consisted of:

The guidelines are consisted of several sub-guidelines like:

- Guideline of FFB harvest since April 2nd 2012. It was composed by the head of cooperative unit and scheme smallholder manager and was legalized by RC.
- Guideline of loosen fruit picking since April 2nd 2012. It was composed by the head of cooperative unit and scheme smallholder manager and was legalized by RC.
- Guideline of FFB transport since April 2nd 2012. It was composed by the head of cooperative unit and scheme smallholder manager and was legalized by RC.
- Guideline of circle and harvesting path maintenance since April 2nd 2012. It was composed by the head of cooperative unit and scheme smallholder manager and was legalized by RC.
- Guideline of harvesting path maintenance since April 2nd 2012. It was composed by the head of cooperative unit and scheme smallholder manager and was legalized by RC.
- Guideline of manuring program since April 2nd 2012. It was composed by the head of cooperative unit and scheme smallholder manager and was legalized by RC.
- Guideline of pest and disease control since April 2nd 2012. It was composed by the head of cooperative unit and scheme smallholder manager and was legalized by RC.

According to the document review, the company has documented the GAP program as written on the documents follow:

**Indrasakti Scheme Smallholder**

- **Hidup Baru Cooperative Unit:** it has been written on the MOP manuring program on June 2015 in entire area of Hidup Baru Cooperative Unit on the Division Work Program on 2015.
- **Sejahtera Cooperative Unit:** it has been written on the record of barn owl box monitoring for 25 barn owl boxes on the Division Work Program (PKD) on 2015. According to the record, all barn owl boxes are active.

**Indragiri Scheme Smallholder**

- **Karya Bersama Cooperative Unit:** operational have been documented on the division work program (PKD). For example, the plan and realization of circle and harvesting path program on 2015. It has been conducted regularly (monthly) like in smallholder group 1 on July for 84 Ha.
- **Setia Kawan Cooperative Unit:** there is a record of harvesting path spraying program on June 2015 for 32 Ha at block E20.

**Status: Comply**

**4.2**

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



According to the document review, the company distributed several type of fertilizer with several volume to all cooperative units under them. There is a list of fertilizer distribution on 2015 (untill August 2015) follows:

Cooperative Unit	Year	Urea (ton)	MOP (ton)	CiRP (ton)	TSP (ton)	Dolomite (ton)	Kieserite (ton)	HGFB (ton)
Hidup Baru Cooperative Unit	2015	151.5	170.95	-	132.55	-	112.2	7.44
Sejahtera Cooperative Unit	2015	113.2	201.05	-	94.75	-	76.45	6.82
Karya Bersama Cooperative Unit	2015	162.75	324.5	-	195.6	162.75	-	16.3
Setia Kawan Cooperative Unit	2015	84	147.45	-	99,25	-	100,45	4,96

The distributed fertilizer and pesticide is one of the company's support over the smallholders with payment system of installment with agreement. The smallholders do not use empty fruit bunch.

According to the document review, the company has documented the record of productivity in last few years. For example;

Cooperative Unit	hectarage (Ha)	2013		2014		2015	
		Production (ton)	Ton/ha	Production (ton)	Ton/ha	Production (ton)	Ton/ha
Hidup Baru Cooperative Unit	763	21.276.000	27.89	21.199.000	28	16.190.230	-
Sejahtera Cooperative Unit	967	22.429.000	23.19	23.407.000	24.21	18.155.090	-
Karya Bersama Cooperative Unit	1.289	39.770.290	30.85	35.168.540	27.28	24.976.660	19.38
Setia Kawan Cooperative Unit	768	21.055.940	27.42	21.238.150	27.65	15.191.150	19.78

**Status: Comply**

#### 4.3

##### Practices minimize and control erosion and degradation of soils.

According to the document review, interview with the board of cooperative unit and observation on 4 area of cooperative unit, they are located on wavy topography (<40%). Therefore, there is no specific attempt to conserve area. Implication of the area is by not containing chemicals application of fertilizer and pesticide and determine the signboard of chemicals application boundary. The weed control on the riparian area or waterway is manually implemented.

According to the document review, all palm oil plants on the scheme smallholder area were planted during period of 1997 – 2001. Hence, there is no longer immature phase estate.

Based on the information from the board of cooperative unit during the field visit, there have been soil layer plants planting like kacang *Peuraria javanica* (Pj) and *Calopogonium mucoides* (Cm) on the land clearing and previous planting program. there have been photographs of LCC planting despite all plants are being matured now so there is no longer soil layer. Meanwhile, on the pahes of mature plant, the smallholders maintain the practice to keep the existence of fern (*Nephrolepis bisserata*) as soil layer plants to reduce the evaporation.

According to the document review and interview with the board of cooperative unit and field observation to 4 cooperative units area, there is no peat soil area. All scheme smallholders area are located on mineral soil area.

**Status: Comply**

#### 4.4

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

The company has held training and socialization in term of attempt to conserve soil and water.

- Socialization for soil and water conservation on August 10th 2015 at IDSE rumpin. It was attended by the smallholders Indragiri Estate guided cooperative unit.
- Socialization for soil and water conservation on June 27th 2015 at IDSE rumpin. It was attended by the smallholders Indrasakti Estate guided cooperative unit.

According to the field observation on the waterway like on block M12 of smallholder group 2 of Karya Bersama Cooperative Unit, there have been signboard which inform the prohibition to apply chemicals on the riparian area. Futhermore, there have been erosion resittance plants such as bamboo and vetiver grass.

The distributed fertilizer and pesticide is one of the company's support over the smallholders with payment system of installment with agreement. All the distributed pesticides and fertilizers are directly taken from the agrochemicals warehouse of PT. Meganusa Intisawit to be applied on the same day so the smallholders don't have to save the fertilizer first.

According to the document review, the company distributed several type of fertilizer with several volume to all cooperative units under them. There is a list of fertilizer distribution on 2015 (untill August 2015) follows:

Cooperative Unit	Year	Urea (ton)	MOP (ton)	CiRP (ton)	TSP (ton)	Dolomite (ton)	Kieserite (ton)	HGFB (ton)
Hidup Baru Cooperative Unit	2015	151.5	170.95	-	132.55	-	112.2	7.44
Sejahtera Cooperative Unit	2015	113.2	201.05	-	94.75	-	76.45	6.82
Karya Bersama Cooperative Unit	2015	162.75	324.5	-	195.6	162.75	-	16.3
Setia Kawan Cooperative Unit	2015	84	147.45	-	99.25	-	100.45	4.96

There is a list of type and volume of pesticide distributed to smallholders on 2015 from January to August:

Type of Pesticide	Hidup Baru Cooperative Unit	Sejahtera Cooperative Unit	Karya Bersama Cooperative Unit	Setia Kawan Cooperative Unit
Rolixone/Gramoxone	320 ltr	320	60	40
Roll Up/Round up	160 ltr	200	280,01	180
Erkafuron	24 kg	26	17,01	11

According to the result of interview with the board of cooperative unit, all pesticides and fertilizers have been aplied to the land.

**Status: Comply**

4.5

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

Basically, the integrated pest management has been implemented in all scheme smallholders under management of PT. Meganusa Intisawit. For example:

- Census of palm oil leaf eater caterpillar is conducted routinely every 2 months. According to the result of census on January – July 2015, there was no palm oil leaf eater caterpillar attack which exceed the economy threshold on the cooperative units under PT. Meganusa Intisawit. Therefore, the cooperative unit only control it by planting more beneficial plants like *Turnera subulata* dan *Antigonon leptosus* on the edge of main road and collection road.
- The rat census is held routinely every quarter (4 times of rotation per year). According to the document review, there is no rat attack which exceed the economy threshold (>5%). Hence, the company only control it by providing barn owl box. There are 19 units of barn owl boxes (763 Ha) in which entirely are active on Hidup Baru Cooperative Unit, 25 units of barn owl boxes (967 Ha) in which 15 units are active on Sejahtera Cooperative Unit, 43 units of barn owl boxes (1,289 Ha) in which 6 units are broken on Karya Bersama Cooperative Unit and 28 unit of barn owl boxes (768 ha) in which entire are active on Setia Kawan Cooperative Unit. The barn owl box monitoring is conducted monthly by the assistant and is supported by foreman and is reported to the smallholders through cooperative unit.

The smallholders of cooperative unit under PT. Meganusa Intisawit have gotten training of restricted pesticide use (paraquat). The sprayer team on each cooperative unit has participated on the restricted pesticide use held by Commission of Pesticide and Fertilizer Monitoring of Riau Province Plantation Agency on April 17th 2012. The event was attended by all members of sprayer team of cooperative unit under PT. Meganusa Intisawit.

During the field visit and interview with the smallholders on smallholder group 2 of Karya Bersama Cooperative Unit and smallholder group 13 of Hidup Baru Cooperative Unit, the smallholders can describe and demonstrate the principle of integrated pest management. For example, paling beneficial plants (*Turnera subulata*, *Casia cobanensis* dan *Antigonon leptosus*) to deal with palm oil leaf eater caterpillar. Furthermore, the smallholder are not killing the predators for pest like barn owl, eagle and snake to keep the balance of ecosystem.

**Status: Comply**

4.6

**Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorized as World Health Organization Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.**

The pesticides used by the smallholder are the active isopropyl aminaglifosat, parakuat diklorida and metil metsulfuron. All the pesticide have been registered and the permits are still valid as written on the book of pesticide for agriculture and forestry issued by the Direktorat General of Fertilizer and Pesticide of Direktorat General of Agriculture Facilities of Indonesia Republic Agriculture Ministry Year 2015.

The smallholder groups cooperated with the company to compose the list of pesticide which inform the weed/pest target, dose, period o use. Furthermore, the company and smallholder groups have composed the consultation program in term of integrated pest management.

One of the evidence of pesticide use based on the target is written on the daily report of sprayers for circle and harvesting path of each cooperative unit. According to the report, the herbicide used by is isopropyl aminaglifosat with dose of 0.35 liter/Ha. The realization has been adjusted with the recommended dosage.

According to the field observation, the cooperative unit has had pesticide storage and washing station. There are also PPE like boots, masker, apron, rubber gloves, glasses and helmet. Furthermore, there have been symbols of hazardous waste and

MSDS at storage.

According to the document review, the company has documented the pesticide management. There is an official record of pesticide containers transport from Usaha Manunggal Cooperative Unit, Sejahtera Cooperative Unit, Hidup Baru Cooperative Unit, Sumber Rezeki Cooperative Unit, Talang Sukajadi Cooperative Unit and Jaya Bersama Cooperative Unit on August 21st 2015 for 69 jerry cans and 274 bottles of pesticide.

The smallholders under the cooperative unit established by PT. Meganusa Intisawit have received training to use restricted pesticide (paraquat). The sprayers on each cooperative unit has followed training of restricted pesticide use held by Commission of Fertilizer and Pesticide of Riau Province Plantation Agency on April 17th 2012. The training was attended by all sprayers from all cooperative units under PT. Meganusa Intisawit.

There is a list of type and volume of pesticide distributed to smallholders on 2015 from January to August:

Type of Pesticide	Hidup Baru Cooperative Unit	Sejahtera Cooperative Unit	Karya Bersama Cooperative Unit	Setia Kawan Cooperative Unit
Rolixone/Gramoxone	320 ltr	320	60	40
Roll Up/Round up	160 ltr	200	280,01	180
Erkafuron	24 kg	26	17,01	11

According to the result of field observation, each cooperative unit has had facilities like pesticide storage and washing station. There are PPE like masker, apron, rubber gloves, glasses and helmet on the storage. Furthermore, there are symbols of hazardous waste and MSDS on each storage.

For another job like harvesting, the auditor found that the harvesters have been equipped with proper PPE like helmet, glasses and sickle and sickle cover.

In order to manage hazardous waste, the cooperative unit has managed it well. The waste (pesticide and fertilizer containers) are not incinerated. The management for pesticide and fertilizer containers based on the procedure of containers washing on the provided location. The containers are washed till it completely clean (3 times for pesticide containers and 1 time for fertilizer containers), the water used to wash it should not overflow and contaminate underground water. The washed pesticide containers should be given check mark and separately stored while the washed fertilizer sack should be dried and stored at storage.

Post the chemicals containers washing, the cooperative unit store the containers on the hazardous waste storage of nucleus estate (Indrasakti Estate). There is a document of hazardous waste transport from cooperative unit to nucleus estate. For example, the logbook of Karya Bersama Cooperative Unit hazardous waste for period of 2015. It records the type of hazardous waste, date of incoming hazardous waste, maximum period of storing, date of outgoing for hazardous waste, destination and rest of hazardous waste at storage. For example, official record of pesticide containers transport on August 3rd 2015 from KKB Cooperative Unit to Indragiri Scheme Smallholder for 7 pcs of jerry cans and bottle of 26 pcs. Official record of pesticide containers of Setia Kawan Cooperative Unit on August 3rd 2015 for 24 containers (jerry can and bottle).

The regular medical check up for the sprayers of cooperative unit has been routinely held. The medical check up is cooperating with Pekanbaru Thamrin Clinic once in two years. For example, the report of medical check up for period of March 2015 for INDA (scheme smallholder) for 32 workers. The type of medical check up are CHE and Spirometri. According to the result of document review on the result of medical check up, the result of CHE and Spirometri are showing normal condition.

Furthermore, the sprayers are also regularly examined by the company's doctor. For example, medical check up for KSK

cooperative unit workers (5 workers) on May 26th 2015. All of them were normal and ready to work.

Status: Comply

#### 4.7

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

**There is no change over the guideline of OHS control for scheme smallholder since ASA-1.**

The cooperative unit has the book of occupational health and safety implementation guideline which describes the OHS like on chapter 1 which contains:

1. OHS Policy  
The cooperative unit has the OHS policy which has been signed by the board of cooperative unit. The policy shows the commitment of OHS implementation on workplace.
2. OHS Guiding Committee  
OHS Guiding Committee is formed on the scheme smallholder in which the structure is constituted by the employees of scheme smallholder. The program is to monitor and guide the cooperative unit the aspect of occupational health and safety.
3. First Aid  
The company determines the location of first aid kit on two stations on cooperative unit office and on estate.
4. Emergency Response  
It covered handy fire extinguisher, emergency telephone number and emergency response flowchart.
5. Personal Protective Equipment  
Use of PPE to reduce the level of harm caused by work accident adjusted with the job station.
6. Training and Socialization for Workers  
It covers the training program for workers and socialization for workers.
7. Medical Check Up  
The medical check up for sprayers and foreman has been conducted by the certified company's doctor of nucleus estate.
8. Safety Signboard/Poster  
Signboard of safety is purposed to give information to the workers about the hazard on workplace, advise to use PPE and direction (compass).

All the documents of OHS guideline have been well maintained and saved on the cooperative unit office. According to the interview result with Karya Bersama Cooperative Unit, Sejahtera Cooperative Unit, Hidup Baru Cooperative Unit and Setia Kawan Cooperative Unit, the information in term of OHS system and environment management have been routinely socialized and the implementation has been well monitored. For example, the interview with smallholder in Kavling No. 2387 (Karya Bersama Cooperative Unit) and in Kavling No. 205 and 209 (Sejahtera Cooperative Unit), the smallholder and employees of cooperative unit have known the policy of OHS and its implementation like safe work procedure and PPE use.

The training program and socialization of OHS have been routinely held by the assistant of cooperative unit and PIC of OHS to the smallholders and workers of scheme smallholder. According to the result of interview with Karya bersama Cooperative Unit, Sejahtera Cooperative Unit, Hidup Baru Cooperative Unit and Setia Kawan Cooperative Unit, the smallholders or the workers (like harvester) and the head of smallholder group were able to describe the stages and preparation for working safely. All workers have been equipped with PPE and first aid kits on work location.

Misalnya :

- Simulation of earthquake on October 1st 2014. The trained materials were the implementation for actions that should be taken during earthquake and its evacuation.
- Simulation of land and building fire on October 1st 2014. The trained materials were the identification and reporting of fire, training to extinguish fire by using club, fire club and hydrant and first aid action on work accident. It was attended by 40 participants.

Awareness over work accident emergency response and first aid action has been done to the cooperative unit and its workers and smallholders. The related training programs have been held.

The documents of evidence of training program have been maintained and well-saved. For example, the simulation for land and building fire on October 1st 2014. The training program material was the identification and reporting of fire, training to extinguish fire by using club, fire club, hydrant and first aid action over work accident. It was attended by 40 participants. All workers have been equipped with PPE and first aid kits are provided on the site.

The monitoring over the work accident has been routinely conducted by the cooperative unit. For example, the work accident shall always reported on the recapitulation of work accident on Indragiri and Indrasakti Scheme Smallholder during period of July to December 2015. It informs the period of monitoring, data of victim, cause of work accident, estimation of loss and control action. Based on the result of document review on the report of work accident during period of July – August 2015, there is no work accident on Indragiri and Indrasakti Scheme Smallholder.

According to the result of interview with Karya Bersama Cooperative Unit workers, the cooperative unit has provided medical service facility for the emergency response. The workers have also been equipped with PPE and first aid kit. Therefore, the work accident could immediately handled.

The OHS meeting is routinely held. The minute of meeting of the assembly are well maintained and saved on the cooperative unit office. The company can also show the minute of meeting of OHS assembly to the auditor. For example:

- OHS meeting of Indragiri Scheme Smallholder Cooperative Unit on July 8th 2015 for period of April – June 2015. It discussed the inventory of need and lack of OHS signboard, calibration for spraying equipments nozzle, re-inventory for PPE for all stations. It was attended by 20 participants. OHS meeting on April 10th 2015. It discussed the awareness over PPE use, specific medical check up for sprayers and socialization of OHS, PPE to smallholder and workers.
- Meeting of OHS Guiding Committee with the board of cooperative unit for period of April – July 2015. It was held on July 25th 2015. It discussed the medical check up for workers, investigation and analysis for work accident and implementation of OHS norms. It was attended by 24 participants.

The OHS equipments for cooperative unit workers have been well provided, the provided PPE have throughr hazard and risk identification on a program. The cooperative unit was able to show the document of PPE distribution and document of first aid kits provision to the auditor. For example:

- Evidence of PPE distribution of Karya Bersama Cooperative Unit on May 14th 2015 for glasses, helmet and safety cover for 13 pcs for each of it. There is an evidence of distribution in form of worker's signature.
- Evidence of PPE distribution of Setia Kawan Cooperative Unit on May 15th for apron, glasses, masker and gloves for 5 employees. There is an evidence of distribution in form of worker's signature.
- Official record of PPE distribution of Sejahtera Cooperative Unit on March 6th 2015 for apron, plastic glasses, masker, rubber gloves and boots for 6 sprayers. Evidence are in form of attendance list and employee's signature.
- Official record of PPE distribution for harvesters of Hidup Baru Cooperative Unit on March 5th 2015 for helmet, sickle cover and plastic glasses.

The cooperative unit also conducts monitoring over the use of PPE by its workers. The monitoring is routinely conducted (monthly). The cooperative unit could show the evidence of monitoring in form of the checklist of ispection of PPE use compliance on 2015.

<b>Status: Comply</b>	
<b>4.8</b>	
<b>All staff, workers, smallholders and contractors are appropriately trained.</b>	
Document of Training Programs for Cooperative Unit on 2015,	
<b>Material</b>	<b>Plan</b>



Risk Analysis	January
OHS	February
RSPO ISCC	March
PPE	March
MSDS and use of chemicals	April
Sexual Harassment	May
Land Conflict	June
Zero burning and environment	July
SOP, SE and flowchart	August
IPM	September
First Aid Action	October
Emergency Response Simulation	October

Several records of training for scheme smallholder cooperative unit follows:

- Training of Zero burning at Mess of INDE dated July 12th 2015. It was attended by 20 participants.
- Training of OHS at Mess INDE dated February 28th 2015. It was attended by 78 participants. (all cooperative units).
- Socialization of land conflict on Hidup Baru Cooperative Unit dated June 20th 2015. It was attended by 19 participants.
- Training of MSDS and use of chemicals at Karya Bersama Cooperative Unit dated April 6th 2015. It was attended by 10 participants.
- Training of RSPO, ISCC and use of PPE at Sejahtera Cooperative Unit dated March 20th. It was attended by 25 participants.

**Status: Comply**

## **PRINCIPLE #5 ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY**

### **5.1**

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

Similar with ASA – 1.

Document of environment impact assessment on the cooperative unit is written on the document of EIA of PT MNIS. The document of environment impact assessment for PT Meganusa Intisawit on the 6,000 ha of nucleus estate and 14,000 ha of scheme smallholder on Siberida Sub-District, Indragiri Hulu District. The document has been legalized by the Head of Agribusiness Division of Agriculture Ministry in No. 22/ANDAL/RKL-RPL/BA/VI/1998 dated June 8th 1998.

The substance of document of EIA should be socialized to the smallholders in form of the signboard of advise and prohibition. The advise to keep maintaining the environment, not hunting the endanger animals, not burning the land nor using chemicals on HCV area.

The cooperative unit has the copy of document of environment impact assessment (EIA) in each cooperative unit office. Document of reporting and implementation of environment impact management is put into one with the document of environmental impact management and monitoring of PT MNIS nucleus estate.

The report of environmental management and implementation in 1st semester of 2015 has been reported to the Indragiri Hulu District Environment Agency on August 27th 2015. Based on the information from Indragiri Hulu District Environment Agency, PT MNIS is routinely reporting the environmental management and monitoring plan.

	<b>Status: Comply</b>	
<b>5.2</b> <b>The status of rare, threatened or endangered species and high conservation value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.</b>		
<p>According to the result of interview with the member of Sejahtera Cooperative Unit on 409 of Smallholder Group 25, the smallholders showed that they have known the preserved animals and its management as well as the prohibition of hunting, harming and killing the animals. They have known that the riparian area should not be applied with chemicals based on the spraying program boundary area where there are boundary mark on palm oil plants.</p> <p>Each cooperative unit has had specific Officer to manage the HCV area with task and responsibility to monitor HCV, manage HCV and socialize HCV to the locals and the employees. The HCV Officer for each cooperative Unit are Muhidin (HCV Officer of Setia Kawan Cooperative Unit), Hafiz (HCV Officer of Karya Bersama Cooperative Unit), Ngatiman (HCV Officer of Sejahtera Cooperative Unit) and Ngateman (HCV Officer of Hidup Baru Cooperative Unit).</p> <p>The smallholder groups maintained the document of HCV identification which was conducted by PT MNIS in form of the result of HCV identification on 2012. It was conducted by the internal staff (<i>Biodiversity and Conservation Section – PT SMART Tbk</i>). There have been 38 type of the identified flora, 27 type of birds, 10 type of mammals and 4 type of reptiles. According to the preservation status, there were 19 type of the preserved flora and fauna such as cekakak belukar, kengkareng hitam, kipasan belang, betet ekor panjang, etc.</p> <p>Socialization of HCV to the locals on Saturday, April 18th 2015 at Indrasakti Estate. It was attended by 13 participants of smallholder group 09, SG 15B, SG 4, BP, SG 14 B, SG 22, SG 10. The socialization is the type of HCV, character of HCV, the management and response of the locals in term of HCV and the management when the locals have known the boundary and agreed to management the environment on PT Meganusa Intisawit.</p>		
	<b>Status: Comply</b>	
<b>5.3</b> <b>Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</b>		
<p>The cooperative unit has plan to manage agrochemicals waste on the flowchart of pesticide containers and fertilizer sacks washing.</p> <ol style="list-style-type: none"> <li>1. The sack/containers which have been washed are collected on the cap and fertilizer sack washing station.</li> <li>2. The washing of pesticide containers is conducted by filling to water to the containers and shake it to clean up to three times. The water used to wash it is filled on the tank to be use for spraying program and water used to wash the fertilizer sack is used to water the plant.</li> <li>3. The pesticide containers that have been washed are used to spray or have it returned to the vendor. The pesticide sacks that have been washed are used for the operational.</li> </ol> <p>In order to manage the hazardous waste, the cooperative unit has managed it well. The waste (pesticide and fertilizer containers) are not incinerated. It is cleaned on the washing station for 3 times for pesticide and 1 time for fertilizer container. The water used to wash it is not overflowing nor contaminating underground water. The pesticide containers that have been cleaned shall be given check mark and shall be maintained separately while the sack shall be directly dried and stored at the storage.</p> <p>Example of the official record of pesticide container washing on July 29th 2015. Washing of 4 jerry can and 16 used bottles of Hidup Baru Cooperative Unit.</p> <p>Once the chemicals containers are washed, the cooperative unit maintain it on the nucleus estate hazardous waste (Indrasakti Estate). There are documents of official record of hazardous waste transport from cooperative unit to Indragiri Estate like:</p>		

- Log book of Hazardous Waste of Karya Bersama Cooperative Unit during period of 2015 which record the type of hazardous waste, the maximum storing period, date of outgoing hazardous waste, destination and rest of hazardous waste at storage. For example, official record of transport for pesticide containers on August 3rd 2015 from KKB Cooperative Unit to Indragiri Scheme Smallholder for 7 pcs of jerry cans and 26 pcs of bottles.
- Official record of transport for pesticide containers of Setia Kawan Cooperative Unit on August 3rd 2015 for 24 pcs of jerry cans and bottles.
- Recording of chemicals containers of Sejahtera Cooperative Unit on 2015. For example, erkafuron containers per August 1st for 16 pcs. It has been transported on August 30th to PT Rolimex.

#### Evidence of Hazardous Waste transport to the vendor

The generated chemicals containers are collected on the scheme smallholder. It shall be then given to the vendor. There is an evidence of hazardous waste transport to PT Rolimex Kimia Nusamas on August 4th 2015 with type of 25 pcs of round up jerry can, 146 pcs of erkapuron jerry can and 14 pcs of gramoxone jerry can.

According to the result of interview with environment staff of PT MNIS, there is no complain in term of waste disposal for scheme smallholder.

Status: Comply

#### 5.4

#### Efficiency of energy use and use of renewable energy is maximized.

The PIC on the partnership has composed the guideline to improve the efficiency of the renewable energy consumption on the estate. The guideline is written on the circular. For example:

- **Setia Kawan Cooperative Unit.** There is a circular from the Head of Setia Kawan Cooperative Unit dated January 2nd 2015 in term of the energy retrenchment to all Heads of Smallholder Groups under Setia Kawan Cooperative Unit, members of Setia Kawan Cooperative Unit, employees of Setia Kawan Cooperative Unit and the associated contractor. According to the content of the circular, in order to realize sustainable environment on the Setia Kawan Cooperative Unit area, the energy retrenchment should be implemented such as the use of electricity, switching off the lamp at day and use the electricity as it needed; reducing the petroleum fuel consumption and water.
- **Hidup Baru Cooperative Unit.** There is a circular from the Head of Hidup Baru Cooperative Unit dated March 1st 2015 in term of the energy retrenchment to all heads of smallholder groups under Hidup Baru Cooperative Unit, the Cooperative Unit's members, employees and the associated contractors. According to the content of the circular, in order to realize sustainable environment on the Hidup Baru Cooperative Unit area, the energy retrenchment should be implemented such as the use of electricity, switching off the lamp at day and use the electricity as it needed; reducing the petroleum fuel consumption and water.
- **Sejahtera Cooperative Unit.** There is a circular from the Head of Sejahtera Cooperative Unit dated February 13th 2014 in term of the energy retrenchment to all heads of smallholder groups under Sejahtera Cooperative Unit, its members, employees and the associated contractor. According to the content of the circular, in order to realize sustainable environment on the Sejahtera Cooperative Unit area, the energy retrenchment should be implemented such as the use of electricity, switching off the lamp at day and use the electricity as it needed; reducing the petroleum fuel consumption and water.
- **Karya Bersama Cooperative Unit.** There is a circular from the Head of Karya Bersama Cooperative Unit dated September 2nd 2014 in term of the energy retrenchment to all heads of smallholder groups under Karya Bersama Cooperative unit, its members and employees and the associated contractor. According to the content of the circular, in order to realize sustainable environment on the Karya Bersama Cooperative Unit area, the energy retrenchment should be implemented such as the use of electricity, switching off the lamp at day and use the electricity as it needed; reducing the petroleum fuel consumption and water..

According to the result of interview with the smallholders during the field visit to Setia Kawan Cooperative Unit, Hidup Baru

Cooperative Unit, Sejahtera Cooperative Unit and Karya Bersama Cooperative Unit, the smallholders only use human to harvest the FFB.		
	<b>Status: Not Applicable</b>	
<b>5.5</b> <b>Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>		
<p>According to the result of document review of the realization of planting and plan for each cooperative unit. There is no replanting program soon. Based on long term projection documents that had been developed by the cooperative units, there is no replanting plan until the 2019. Interview with representative management states that the oldest plant now is 15 years old and still in the optimal production.</p> <p>The company has held socialization for the replanting program on each cooperative unit as follow:</p> <ul style="list-style-type: none"> <li>- Socialization of replanting program by using system of chipping, zero burning on April 16th 2015 at Sejahtera Cooperative Unit. It was attended by 54 members of cooperative unit.</li> <li>- Socialization of zero burning dated May 16th 2015 at Harapan Baru Cooperative Unit. It was attended by 17 members of cooperative unit.</li> <li>- Socialization of zero burning dated April 16th 2015 at Sejahtera Cooperative Unit. It was attended by 18 participants consisted of cooperative unit members and employees of PT MNIS.</li> </ul> <p>Smallholder group (cooperative unit) has composed the flowchart of fire control as follow:</p> <ul style="list-style-type: none"> <li>– Attempt to extinguish the fire directly for the one who find it first,</li> <li>– Reporting it immediately to the board of cooperative unit if the fire is hard to control.</li> <li>– The emergency response team should prepare the equipments to the hotspot.</li> <li>– Once the fire could be controlled, the emergency response team should investigate the cause of fire.</li> <li>– The board of cooperative unit should report it to the authority (village government, police sector and military base).</li> </ul> <p>Training and socialization of OHS has been routinely held by the cooperative unit assistant and PIC of OHS to the smallholders and workers of scheme smallholder. According to the result of interview with Karya Bersama Cooperative Unit, Sejahtera Cooperative Unit, Hidup Baru Cooperative Unit and Setia Kawan Cooperative Unit, the smallholders and workers (like harvesters) and head of smallholder groups can describe the preparation to work safely. All workers have been equipped with PPE and first aid kits in whole work area.</p> <p>For example:</p> <ul style="list-style-type: none"> <li>- Simulation of earthquake on October 1st 2014. The training material was the implementation of actions should be taken during earthquake and its evacuation.</li> <li>- Simulation of land and building fire on October 1st 2014. The training material was the identification and reporting of fire, training to extinguish the fire with club and fire club, hydrant and first aid kit on accident. It was attended by 40 people.</li> </ul> <p>There have been proper facilities at all cooperative units. For example, fire extinguisher, wet sack, sickle, sand, bucket, machete, hoe and spade. The cooperative unit can also informs the nucleus estate to lend their proper emergency response equipments to deal with emergency situation.</p>		
	<b>Status: Comply</b>	
<b>5.6</b> <b>Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</b>		
<p>Cooperative unit is assisted by PT. MNIS. It has composed plan to reduce pollution. The reduction over pollution is written on the document of list and evaluation of environment aspect of Indrasakti Scheme Smallholder and Indragiri Scheme Smallholder on 2015. It was signed by the estate top manajemen kebun on January 20th 2015. For example:</p> <ul style="list-style-type: none"> <li>• Maintenance program; sub-program: weed spraying; aspect of program in form of herbicide application at land; aspect of environment in form of the spillage of herbicide from the spraying equipments; type of waste is chemicals; potential for</li> </ul>		

impact: soil contamination; action plan in form of the obyeance over the work instruction and ensuring the good condition of spraying equipments.

- Harvesting program; sub-program: FFB transport truck; aspect of program: FFB picking at FFB collecting point; dispatch to mill and back to cooperative unit; aspect of environment in fom of FFB transport truck emission (GHG emission); action plan in form of regular maintenance and consumption for fuel based on need.
- Office activity; sub-program: use of supporting goods; aspect of program, waste dispose of office's garbage; environment aspect in form of solid waste (plastic, can, ATK, etc); type of the waste: solid waste; impact potential: soil contamination; action plan: having it collected on the garbage can and have it gathered on garbage bin and have it hoarded on landfill.

Cooperative unit is assisted by PT. MNIS. It has composed plan to reduce pollution. The reduction over pollution is written on the document of list and evaluation of environment aspect of Indrasakti Scheme Smallholder and Indragiri Scheme Smallholder on 2015. According to the document, the type of program, aspect of environment, status (important or not) and then the action plan should be taken:

- Type of program: herbicide spraying equipments to the estate. The must-conducted attempt is by working based on the work instruction and ensuring that herbicide containers used by is on good condition.
- Type of program: FFB picking at FFB collecting point, dispatch to the mill and back to cooperative unit. The must conducted actions to reduce pollution are by maintaining the vehicle regularly and use petroleum fuel as the need for it.

Status: Comply

#### PRINCIPLE #6 RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLS

##### 6.1

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

The company has composed EIA consisted of;

- Estate on behalf of PT Meganusa Intisawit which was agreed by Agribusiness Division, Agriculture Department in letter No. 22/Andal/RKL-RPL/BA/VI/1998 dated June 8th 1998 in scope of study for 6,000 Ha of nucleus estate and scheme smallholder for 14,000 Ha. The capacity of POM planned on EIA is consisted of POM I with capacity of 60 ton of FFB/hour and POM II with capacity of 60 ton of FFB/hour. The crucial social impacts that should be monitored are:
  - Control over the social restlessness caused by the change on LU I and LU II.
  - Control over the social restlessness caused by land dispute.
  - Control over the social restlessness caused by the objection on customary forest within nucleus estate plan.
  - Control over the social restlessness caused by the continuation of crops business.
  - Control over the social restlessness caused by the disturbance over the community's health.
  - Control over the social restlessness caused by the oil drilling conducted by PT Ekspand.
  - Job Opportunity.
  - Increase of income.
  - Existence of cooperative unit.

Of 6,000 Ha of the planned nucleus estate during EIA study, only 875.158 Ha of the realized plan.

- POM on behalf of Buana Wira Lestari (document of environmental management and monitoring effort) which has been approved by the Indragiri Hulu District Environment Contamination Control Agency in letter No. 794/Bapedalda-Inhu/IX/2003 dated September 30th 2003 in term of the approval for environmental management and monitoring effort for POM of Buana Wiralestari Mas. The capacity of POM on EIA is 60 Ton of FFB/Hour. According to the

environmental management and monitoring effort, the identified social impact that might be caused by the POM operation are;

- Activity of work absorption (local workforce absorption, social jealousy, unemployment rate, income rate)
- FFB transport and purchase (assurance for FFB marketing, business opportunity)
- POM operational (community's restlessness nearby POM area, business opportunity, social jealousy)
- CPO dispatch (positive and negative perception of the community)

The company has also composed the social impact assessment identification study within scope of POM, nucleus and scheme smallholder estate. It was composed by the Environment and Sustainability Division PT SMART Tbk on November 2012.

The implementation of social impact assessment management and monitoring is attached on the document of report of environmental management and monitoring plan implementation (RKL-RPL) of PT Meganusa Intisawit in 1<sup>st</sup> Semester (January – June) of 2015. Furthermore, it describes the managed and monitored programs on the nucleus estate as well as on scheme smallholder at Rakit Kulim Sub-District, Indragiri Hulu District, Riau Province. The managed and monitored social impacts are:

- Reduction of the air quality (mill's activity).
- Air pollution and air quality reduction due to the dust on the road during FFB dispatch to mill during drought season.
- Social restlessness caused by the change of land for business (LU 1, crops field = 0.25 Ha and LU 2, estate = 0.75 Ha) to be palm oil plantation by the smallholder.
- Land ownership dispute.
- Continuation of crops business.
- Community's health.
- Job opportunity.
- Increase of income.
- Increase of cooperative unit existence.

The social impact management for the smallholder's program has been composed along with the implementation of environmental management and monitoring plan of PT Meganusa Intisawit. It covers;

- Control over social restlessness caused by the change of land for business : LU 1 and LU II for every quarter.
- Control over social restlessness caused by the dispute over the land ownership for every month.
- Control over social restlessness caused by the existence of customary forest on the area for every month.
- Control over social restlessness caused by the continuation of crops business for every semester.
- Control over social restlessness caused by the disturbance over the community's health for every quarter.
- Increase of job opportunity for every semester.
- Increase of income for every quarter.
- Increase of the existence of cooperative unit for every year.

**Status:Comply**

## 6.2

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

Cooperative unit has the record of communication with the locals. For example:

### **Indragiri Scheme Smallholder**

Setia Kawan Cooperative Unit

- Assistance request letter from the board of Bukit Indah 009 Elementary School dated May 16th 2015 in term of he invitation. It has been responded by the cooperative unit to attend the invitation.



**Karya Bersama Cooperative Unit**

- Assistance request letter from the committee of MTQ of Batang Cenaku dated April 14th 2015. It has been responded by the cooperative unit by giving IDR 2,200,000 dated April 20th 2015.

**Indrasakti Scheme Smallholder****Sejahtera Cooperative Unit**

- Assistance request letter from the committee of prophet's birthday event dated January 3rd 2015. It has been responded by the cooperative unit by giving IDR 500,000 dated January 10th 2015.

**Hidup Baru Cooperative Unit**

- Assistance request letter from the committee of Madam Association's birthday event dated May 3rd 2015. It has been responded by the cooperative unit by giving IDR 500,000 dated May 22nd 2015.

The cooperative unit has the record of routine meeting, for example:

**Indragiri Scheme Smallholder****Setia Kawan Cooperative Unit**

1. Document of RKO meeting on 2nd semester dated May 28th 2015. It was attended by 9 participants. It discussed:
  - Order for fertilizer via company.
  - Each smallholder group must conduct on time manuring program.
  - Payment deduction for 6 times.
  - Payment for fertilizer fee shall be given when all smallholder groups have applied fertilizer.
2. Document of Member's Annual Meeting for the report of board's responsibility on 2014 dated May 16th 2015. It was attended by all members.

**Karya Bersama Cooperative Unit**

1. Document of Member's Annual Meeting for the report of board's responsibility dated February 18th 2015. It was attended by all smallholder groups and members.
2. Document of RKO meeting on 1st semester of 2015 dated December 20th 2014 in term of:
  - Request for fertilizer price addendum.
  - Deduction for road maintenance.
  - Deduction for IPM.
  - General administration cost.
  - FFB loading wage.
  - Maximum loading standard for 10 ton
3. Document of RKO on 2nd semester dated May 15th 2015. It discussed:
  - Cost for fertilizer purchase via company.
  - RI independence day event.
  - FFB grading based on POM standard.
  - Road maintenance becomes the responsibility of the company.

**Indrasakti Scheme Smallholder****Sejahtera Cooperative Unit**

1. Document of Member's Annual Meeting for the report of board's responsibility dated February 18th 2015.
2. RKO of 2nd semester on May 2nd 2015. It was attended by 18 participants.
  - Improvement on the FFB harvesting based on standard.
  - Use and order for fertilizer based on the recommendation of SMARTRI
  - Control of owner over the workers on his/her land.
  - Planting of turnera on the land.
  - Cutting down the tree at the edge of trench to reduce bagworm population.

- Loosen fruit picking along with the harvesting program.
- Smallholder groups should monitor and maintain the barn owl box.
- Monitoring over the hotspot.

**Hidup Baru Cooperative Unit**

1. Document of Member's Annual Meeting for the report of board's responsibility dated February 17th 2015.
2. RKO of 1st and 2nd semester on August 3rd 2015. It was attended by 32 participants:
  - Better loosen fruit picking.
  - Warn the immature FFB harvester.
  - Maximum loan and allowance.
  - Each cooperative unit shall be given circle racking equipments.

**Cooperative unit has the book of aspiration and response as follow:**

**Indragiri Scheme Smallholder**

- Setia Kawan Cooperative Unit: Assistance request letter from the board of Bukit Indah 009 Elementary School dated May 16th 2015 in term of the invitation. It has been responded by the cooperative unit to attend the invitation.
- Karya Bersama Cooperative Unit: Assistance request letter from the committee of MTQ of Batang Cenaku dated April 14th 2015. It has been responded by the cooperative unit by giving IDR 2,200,000 dated April 20th 2015.

**Indrasakti Scheme Smallholder**

- Sawit Sejahtera Cooperative Unit: Assistance request letter from the committee of prophet's birthday event dated January 3rd 2015. It has been responded by the cooperative unit by giving IDR 500,000 dated January 10th 2015.
- Hidup Baru Cooperative Unit: Assistance request letter from the committee of Madam Association's birthday event dated May 3rd 2015. It has been responded by the cooperative unit by giving IDR 500,000 dated May 22nd 2015.

Scheme Smallholder Cooperative Unit has Officer in charge of consultation matter such as:

**Indragiri Scheme Smallholder**

- Setia Kawan Cooperative Unit has appointed person in charge of social matter named Ismail.
- Karya Bersama Cooperative Unit has appointed person in charge of social matter named Samsir.

**Indrasakti Scheme Smallholder**

- Hidup Baru Cooperative Unit has appointed person in charge of social matter named Samsir Suprpto.
- Sejahtera Cooperative Unit has appointed person in charge of social matter named Beladina on January 2nd 2012.

**Status: Comply**

**6.3**

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

The cooperative unit has procedure to receive complain.

**Indragiri Scheme Smallholder**

Setia Kawan and Karya Bersama Cooperative Unit

The cooperative unit has composed the flowchart of complain management which describes the complain delivery, process of complain management and its recording. According to the procedure, the complain could be informed orally or via smallholder group or to advise box in front of the office of cooperative unit. According to the result of monitoring over the advise box and book of complain since January 2015 to the end of ASA-2, there is no complain sent to cooperative unit.

**Indrasakti Scheme Smallholder**

Sejahtera and Karya Bersama Cooperative Unit

The cooperative unit has composed the flowchart of complain management which describes the complain delivery, process of complain management and its recording. According to the procedure, the complain could be informed orally or via smallholder group or to advise box in front of the office of cooperative unit. According to the result of monitoring over the advise box and book of complain since January 2015 to the end of ASA-2, there is no complain sent to cooperative unit.

Cooperative unit has book of complain management.

#### Indragiri Scheme Smallholder

Setia Kawan and Karya Bersama Cooperative Unit

According to the result of monitoring over the advise box and book of complain since January 2015 to the end of ASA-2, there is no complain sent to cooperative unit.

#### Indrasakti Scheme Smallholder

Sejahtera and Karya Bersama Cooperative Unit

According to the result of monitoring over the advise box and book of complain since January 2015 to the end of ASA-2, there is no complain sent to cooperative unit.

According to the result of interview with the Head of Setia Kawan Cooperative Unit and board of Sejahtera Cooperative unit and member of smallholder group, there is no and never any dispute occurred.

**Status: Comply**

#### 6.4

**Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.**

According to the result of interview with the Head of Setia Kawan Cooperative Unit, board of Sejahtera Cooperative Unit and member of smallholder group, all land have been owned by the smallholder groups as government's program from division of transmigration and not a customary land (traditional right).

**Status: Comply**

#### 6.5

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

The payment for employee has been conducted on time. The cooperative unit was able to show the evidence of payment for employee for period of July 2015 as follow:

- Karya Bersama Cooperative Unit of INDA. 6 workers were paid on July 6th 2015.
- Setia Kawan Cooperative Unit of INDA. 5 workers were paid on August 31st 2015.
- Hidup Baru Cooperative unit. 6 workers were paid on June 2nd 2015.
- Sejahtera Cooperative Unit. 6 workers were paid on July 2015.

Each workers who work for cooperative unit has had and signed an agreement letter which set the contract between the cooperative unit and the workers. The cooperative unit could show the collective labour agreement. For example:

- Collective labour agreement for temporary period No.: 01/KUD-KB/PKWT/15 dated January 3rd 2015 for Karya Bersama Cooperative Unit's worker.
- Collective labour agreement No. 01/KUD-KT/PKWT/14 dated January 2nd 2014 for Setia Kawan Cooperative Unit's worker.
- Collective labour agreement No. 01/KOPSA-SJT/PKWT/14 dated January 10th 2014 for Sejahtera Cooperative Unit's worker.
- Collective labour agreement No. 58/KUD-HB/PKWT/II/15 dated August 5th 2015 for Hidup Baru Cooperative Unit's worker.

According to the collective labour agreement, the task and responsibility of workers and cooperative unit, wage and payment

data, period of agreement, conflict resolution and end of agreement are described.		
	<b>Status:Comply</b>	
<b>6.6</b> <b>The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</b>		
<p>The cooperative unit has policy on freedom to unite.</p> <p><b>Indragiri Scheme Smallholder</b></p> <ul style="list-style-type: none"> <li>- Circular from the Head of Karya Bersama Cooperative Unit No. 11/KKB-SE/III/2014 dated March 1st 2014 in term of the freedom to unite, gather and express the opinion. In order to realize the harmonic, dynamic and fair work environment, the circular informs the freedom to unite, gather and express the opinion to all workers, member of each cooperative unit and workers of cooperative unit within Karya Bersama Cooperative Unit.</li> <li>- Circular from the Head of Setia Kawan Cooperative Unit No. 14/KSK SE/01/2015 dated January 2nd in term of the freedom to unite, gather and express the opinion. In order to realize the harmonic, dynamic and fair work environment, the circular informs the freedom to unite, gather and express the opinion to all workers, member of each cooperative unit and workers of cooperative unit within Karya Bersama Cooperative Unit.</li> </ul> <p><b>Indrasakti Scheme Smallholder</b></p> <ul style="list-style-type: none"> <li>- Circular from the Head of Sejahtera Cooperative Unit No. 10 /SJT-SE/03/2013 dated March 1st 2014 in term of the freedom to unite, gather and express the opinion. In order to realize the harmonic, dynamic and fair work environment, the circular informs the freedom to unite, gather and express the opinion to all workers, member of each cooperative unit and workers of cooperative unit within Sejahtera Cooperative Unit.</li> </ul> <p>Circular from the Head of Hidup Baru Cooperative Unit No. 10/KUD-KT/SE/VI/2014 dated June 1st 2014 in term of the freedom to unite, gather and express the opinion. In order to realize the harmonic, dynamic and fair work environment, the circular informs the freedom to unite, gather and express the opinion to all workers, member of each cooperative unit and workers of cooperative unit within Hidup Baru Cooperative Unit.</p>		
	<b>Status:Comply</b>	
<b>6.7</b> <b>Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education program. Children are not exposed to hazardous working conditions.</b>		
<p>According to the document review on the list of Setia Kawan Cooperative Unit, Karya Bersama Cooperative Unit, Sejahtera Cooperative Unit and Hidup Baru Cooperative Unit, there is no indication of underage workers employed by PT MNIS Cooperative Unit.</p>		
	<b>Status: Comply</b>	
<b>6.8</b> <b>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</b>		
<p>According to the document review on the list of Setia Kawan Cooperative Unit, Karya Bersama Cooperative Unit, Sejahtera Cooperative Unit and Hidup Baru Cooperative Unit, there is no indication of discrimination over workers of PT MNIS Cooperative Unit.</p>		
	<b>Status:Comply</b>	
<b>6.9</b> <b>Policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.</b>		
<p>According to the result of document review, the company has policy to prevent sexual harassment and domestic violence over women including the reproduction right protection in form of circular issued by each Head of Cooperative Unit. The circular are:</p> <ul style="list-style-type: none"> <li>• Circular of Head of Talang Sukajadi Cooperative Unit No. 05/KUD-HB/III/2011 dated March 1st 2011 in term of the policy to prevent sexual harassment in form of violence over women and to protect women's reproduction right. Sukajadi</li> </ul>		

Cooperative Unit prohibited entire forms of sexual harassment and domestic violence over women on cooperative unit work environment including the protection over women's reproduction rights.

- Circular of Head of cooperative unit in term of policy to prevent sexual harassment prevention and several forms of domestic violence to protect women's reproduction rights No. 03/SJT-SE/2013 dated March 1st 2013. It contains that all elements in Sejahtera Cooperative Unit operational must implement harmonic and free discrimination including sexual harassment and domestic violence over women.

The cooperative unit held socialization to inform the policy to the members so it could be implemented. For example:

- Socialization of sexual harassment on Friday may 15th 2015 in Joglo INDE with the keynote person named Dr. Noverma. It was attended by 20 participants consisted of employee and member of cooperative unit. Attendance list and photographs are available.
- Socialization in term of the circular of sexual harassment and several domestic violence and to protect reproduction right on February 4th 2015 on Sejahtera Cooperative Unit. It was attended by the Petani Smallholder Group and board of cooperative unit. Attendance list and minute of meeting are attached.

**Status: Comply**

#### 6.10

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

According to the result of consultation with the cooperative unit, there is no any complain from the business partners (company or local business partner).

There is an announcement paper for FFB price from PT MNIS for every FFB price change each Wednesday – Tuesday (every week). According to the result of interview with the Head of Cooperative Unit, the FFB price update is informed to each cooperative unit and on the board of each cooperative unit office. For example, the announcement for FFB price from PT MNIS during period of August 5th 2015 – August 11th 2015 No. IDSE/KUD/III/2015 dated August 6th 2015 to Usaha Manunggal Cooperative Unit, Sejahtera Cooperative Unit, Hidup Baru Cooperative Unit, Sumber Rejeki Cooperative Unit, Manunggal Cooperative Unit, Talang Sukajadi Cooperative Unit, Jaya Bersama Cooperative Unit.

The FFB transport from estate of cooperative unit members to PT MNIS POM is conducted by the third party. The cooperative unit has composed agreement with the FFB transporter (contractor) as follows:

➤ **KUD Karya Bersama**

Contract of FFB transport No. 01/KKB/SPK/II/2014 in term of FFB transport between Samsir (Head of Karya Bersama Cooperative Unit) and Riyanto (Owner of FFB truck of Karya Bersama Cooperative Unit) since January 3rd 2014 – December 31st 2016 with semester-based evaluation. The payment for FFB transport cost is based on the result of FFB weighing of Indrasakti POM and is paid every date 20th of the month (date of close book). The contract is signed by both parties.

➤ **Setia Kawan Cooperative Unit**

Contract of FFB transport No. 01/KKB/SPK/II/2014 in term of FFB transport between A. Gunardi (Head of Setia Kawan Cooperative Unit) and Selamat S. (Owner of FFB truck of Setia Kawan Cooperative Unit) since January 3rd 2014 – December 31st 2016 with semester-based evaluation. The payment for FFB transport cost is based on the result of FFB weighing of Indrasakti POM and is paid every date 20th of the month (date of close book). The contract is signed by both parties.

➤ **Karya Bersama Cooperative Unit**

Contract of FFB transport No. 051/KOPSA Sejahtera/01/2015 in term of the FFB transport between Sawab S.Ag (Head of Sejahtera Cooperative Unit) and Imron Budianto (owner of FFB truck of Setia Kawan Cooperative Unit) on Titian Resak Village, Seberida Sub-District, Indragiri Hulu District since January 3rd 2014 – January 1st 2016 with quarter-based evaluation. The payment for FFB transport cost is based on the result of FFB weighing of Indrasakti POM and is paid every date 20th of the month (date of close book). Price of FFB transport based on the agreement is IDR 63,-/kg of FFB. The contract is signed by both parties.

➤ **HIDUP BARU Cooperative Unit**

New contract to transport FFB No. 008/KUD-HB/I/2015 in term of the FFB transport between Suprpto (Head of Hidup Baru Cooperative Unit) and Sutris (owner of FFB transport of Hidup Baru Cooperative Unit) in Petala Bumi Village, Seberida Sub-District, Indragiri Huly District since January 8<sup>th</sup> 2015 to January 7<sup>th</sup> 2016 and it shall be reviewed. The payment for FFB transport is based on the result of FFB weighing of Indrasakti POM and it shall be paid every date 20<sup>th</sup> every month (date of close book). The price of FFB transport payment is based on the agreed contract for IDR 59,-/kg of FFB for the dispatch to Indrasakti POM plus IDR 85/kg for the dispatch to Bumi Palma Mill by using wooden container truck and IDR 84,-/kg if using dump truck paid by the company. The contract is signed by both parties.

According to the result of document review, the FFB transport payment to the contractor is conducted punctually every month. Based on the result of interview with the Head of Cooperative Unit, the FFB transport payment is always paid post the FFB payment by PT MNIS POM to the smallholders. The example of FFB payment to the local contractor follows:

➤ **KUD Setia Kawan**

Official record of FFB transport payment for Setia Kawan Cooperative Unit on August 6<sup>th</sup> 2015 for period of July 2015 for 1,854,410 kg of FFB for IDR 77.2/kg and total payment for IDR 143,160,452 to contractor named Selamat S.

➤ **KUD Karya Bersama**

Official record of FFB transport payment on August 6<sup>th</sup> 2015 for period of July 2015 for 2,939,200 kg of FFB for IDR 76/kg and total payment for IDR 233,379,200

➤ **KUD Hidup Baru**

Evidence of FFB transport payment for contractor named Sutris which was paid by Akrom (Treasurer of Hidup Baru Cooperative Unit) on July 6<sup>th</sup> 2015 for IDR 141,995,770 in cash.

➤ **KOPSA Sejahtera**

Evidence of payment for FFB transport for contractor on behalf of Imron which was paid by Belandina (treasurer of cooperative unit) on July 6<sup>th</sup> 2015 for IDR 186,267,660 in cash.

In order to deal with KKPA loan scheme, the cooperative unit members have paid the entire loan. However, the company also give loan for operational like fertilizer. The credit payment is conducted by deducting the FFB payment in each smallholder group.

According to the result of consultation with Setia Kawan and Sejahtera Cooperative Unit, the cooperative units do not have contract for cooperation with the other business partners but the company (PT. Meganusa Intisawit) as FFB supplier.

**Status: Comply**

**6.11**

**Growers and millers contribute to local sustainable development wherever appropriate.**

The cooperative unit for scheme smallholder has the record of local development. For example:

**Indragiri Scheme Smallholder**

**Setia Kawan Cooperative Unit**

- Donation for the school rehabilitation on April 16<sup>th</sup> 2015 for IDR 2,500,000,-
- Sport event for elementary school dated April 22<sup>nd</sup> 2015 for IDR 1,500,000,-
- Repairment over At Taqwa Mosque dated May 16<sup>th</sup> 2015 for IDR 3,600,000,-
- Fund for education for Bukit Indah Elementary School on June 16<sup>th</sup> 2015 for IDR 2,000,000,-
- Donation for youth soccer tournament on June 20<sup>th</sup> 2015 for IDR 1,500,000,-

**Karya Bersama Cooperative Unit**

- MDA for Kerubung Jaya Village for January dated February 6<sup>th</sup> 2015 for IDR 2,500,000,-
- Donation for maternal and baby clinic on Kerubung Jaya Village dated February 13<sup>th</sup> 2015 for IDR 2,000,000,-
- MDA on February dated March 7<sup>th</sup> 2015 for IDR 2,000,000,-



- Maternal and baby clinic on March 12th 2015 for IDR 2,500,000,-
- MDA on March dated April 6th 2015 for IDR 2,500,000,-
- Maternal and baby clinic on March 13th 2015 for IDR 2.000.000,-
- MTQ Event for Batang Cenaku Village dated April 20th 2015 for IDR 2,200,000.
- MDA on April dated May 6th 2015 for IDR 2,500,000,-
- Maternal and baby clinic on period of April dated May 14th 2015 for IDR 2,000,000
- Soccer tournament on May 16th 2015 for IDR 3,000,000,-
- MDA on May dated June 6th 2015 for IDR 2,500,000
- Maternal and baby clinic on May dated June 13th 2015 for IDR 2,000,000,
- MDA on June dated July 5th 2015 for IDR 2,500,000,-
- Maternal and baby clinic on June dated July 12th 2015 for IDR 2,000,000,

**Indrasakti Scheme Smallholder**
**Sawit Sejahtera**

- Donation for the birth of prophet celebration dated January 10th 2015 for IDR 500,000
- Competition for birthday of Bunga Rampai Village dated January 21st 2015 for IDR 500,000
- Competition for teacher and children of Raudlaatul Athfal dated May 25th 2015 for IDR 300,000
- Event of celebration for healthy physic and life dated June 3rd 2015 for IDR 200,000
- Donation for RI independence day celebration on Petala Bumi Village dated August 17th 2015 for IDR 500,000

**Hidup Baru**

- Donation for race of Buluh Rampai dated January 21st 2015 for IDR 500,000.
- Birthday of Madam Association of Petala Bumi dated May 22nd 2015 for IDR 500,000
- Construction of Musholla Al Hidayah on Petala Bumi dated May 10th 2015 for IDR 1,000,000
- Fund for MTQ of Seberida Sub-District dated April 30th 2015 for IDR 500
- Construction of bridge and hoarded soil dated August 18th 2015 for IDR 500,000
- Mobile spiritual praise (takbir) dated July 16th 2015 for IDR 500,000
- Construction of Musholla on Buluh Rampai dated July 7th 2015 for IDR 500,000

**Status:Comply**
**PRINCIPLE #7 RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS**
**7.1**

**A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.**

The company did not carry out any new development after November 2007.

**Status:Not Applicable**
**7.2**

**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.**

The company did not carry out any new development after November 2007.

**Status:Not Applicable**
**7.3**

**New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.**

The company did not carry out any new development after November 2007.		
	<b>Status:Not Applicable</b>	
<b>7.4</b> <b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>		
The company did not carry out any new development after November 2007.		
	<b>Status:Not Applicable</b>	
<b>7.5</b> <b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>		
The company did not carry out any new development after November 2007.		
	<b>Status:Not Applicable</b>	
<b>7.6</b> <b>Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>		
The company did not carry out any new development after November 2007.		
	<b>Status:Not Applicable</b>	
<b>7.7</b> <b>Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>		
The company did not carry out any new development after November 2007.		
	<b>Status:Not Applicable</b>	
<b>PRINCIPLE #8 COMMITMENT TO CONTINUOUS IMPROVEMENT IN KEY AREAS OF ACTIVITY</b>		
<b>8.1</b> <b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>		
<p>There is a plan for sustainable corrective action / innovation of programs:</p> <ul style="list-style-type: none"> <li>Preparing the long term plant on replanting program save to fund the estate establishment on replanting program on future.</li> <li>Making Barn owl box <i>Ferrocement</i> to control rat population.</li> <li>Constructing harvesting bridge and routine road maintenance to ensure the effectiveness of production.</li> </ul> <p>The innovation has been conducted since 2012 and shall be maintained until ASA-2.</p> <p>The internal report of RSPO audit for unit of Indrasakti Plasma, Indragiri Plasma, Indralestari Plasma, Indrasakti Estate, and Indrasakti Mill. The internal audit was held on July 29th – August 10th 2015. It was conducted by Mr Riki A. Fauzi, Mr. Denni Herlambang, Mr. Mahendra Valentino, Mr. Dede M. Nasir and Mr. Ade Putra. The management unit has conducted corrective action for all the identified nonconformities. The conclusion of the internal audit is that all the identified nonconformities have been complied.</p>		
	<b>Status:Comply</b>	

**3.2. Summary of Assessment Report of Supply Chain Requirement**

Clause	(Module D) CPO Mills – Identity Preserved Requirements
<b>D1</b>	<b>Definition</b>
<b>D.1.1</b>	<p><b>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&amp;C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</b></p> <p>During ASA-2 assessment, the company implemented SCCS IP supply chain model. According to the document review on SOP of SCCS owned by the company and documents of FFB receipt, all the received FFB are the certified FFB. The company only receive FFB supply from the certified estate which is Indrasakti Estate, Indrasakti Scheme Smallholder, Indragiri Scheme Smallholder, Indralestari Scheme Smallholder. The company was able to show the evidence of FFB receipt in form of FFB ticket, weightbridge ticket and daily and monthly report of FFB receipt.</p> <p>According to the result of interview with the Officers in charge on FFB receipt (security Officer and Weightbridge Operator), Indrasakti POM did not receive non-certified FFB.</p>
	<b>Status: Comply</b>
<b>D.2</b>	<b>Explanation</b>
<b>D.2.1</b>	<p><b>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</b></p> <p>Indrasakti POM has determined the estimation for CPO and PK production produced by the certified mill. The tonnage estimation is attached on the document of budget projection for one year. The estimation of FFB for period of 4 December 2015 to 3 December 2016 was <b>418,000 ton</b>, estimation of CPO was <b>90,599.20 ton</b> with extraction for <b>21.67%</b> and PK estimation for <b>22,989.99 ton</b> with extraction for <b>5.50%</b>.</p>
	<b>Status: Comply</b>
<b>D.2.2</b>	<p><b>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).</b></p> <p>INKM was able to show all requirements and registrations for supply chain reporting via RSPO supply chain with ID No. RSPO_PO1000001065.</p> <p>According to the data received from RSPO E-trace, there is no sales with CSPO claim conducted by the company during period of certificate (December 4th 2014 to August 31st 2015).</p> <p>INKM has conducted CSPK sales on August 2015. The buyer was PT Ivo Mas Tunggal-LIOK with Sales Contract No. 2350/KER/2050/15/L001 for <b>266,020 kg</b>.</p>
	<b>Status: Comply</b>
<b>D.3</b>	<b>Documented procedures</b>
<b>D.3.1</b>	<p><b>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:</b></p>

- a. Complete and up to date procedures covering the implementation of all the elements in these requirements;**  
**b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.**

INKM has composed and applied procedure of Supply Chain for RSPO Model Identity Preserved Product in document No. MNIS-INKM-SCCS/SOP/01 dated April 1st 2015. It has been legalized by the Production Controller. According to chapter 3 clause 3.1, the key personnels in charge of the implementation of SCCS-IP are:

- Security Officer: ensuring the FFB covering paper, checking the inside of truck and CPO tank and ensuring the seal to be well installed on the CPO tank.
- Weightbridge Clerk: ensuring the weightbridge device, checking all documents of vehicle, ensuring the position of vehicle during the weighing activity and ensuring that the raw material comes from the certified estate and ensuring the document attributes on raw material.
- Grading Foreman: ensuring grading program.
- Dispatch Operator: monitoring the process of loading to tank, recording the production data and product stock stored on the storage.
- Laboratory Analyst: analyzing quality losses, conducting sounding, ensuring the product quality based on budget and INKM target.
- Production Clerk: ensuring all data have proper and giving it to Head of Administration.
- Processing Stage Assistant : ensuring the processing stage based on SOP.
- Head of Administration: responsible on the administration process of SCCS IP model implementation.
- Mill Unit Head: responsible over the implementation of system and standard
- PC: ensuring that all the products could be traced back.

Support Depart: Assisting the control over the sales of certified product and communicating with the party with interest.

**Status: Comply**

### **D.3.2**

**The site shall have documented procedures for receiving and processing certified and non-certified FFBs.**

INKM has composed and applied procedure of Supply Chain for RSPO Model Identity Preserved Product in document No. MNIS-INKM-SCCS/SOP/01 dated April 1st 2015. It has been legalized by the Production Controller.

According to the work procedure on clause 6.1 in term of the raw material receipt, the stages and terms of FFB receipt and person in charge of it are described.

Based on clause 6.4 in term of processing stage, the processing stage of the certified product is described. It is started from grading and sortation, lab and quality analysis to ensure the CPO/PK product entering the storage. According to the SOP, the implementation of SCCS IP Model is also described to ensure that the product is 100% pure without contamination.

**Status: Comply**

### **D.4**

**Purchasing and goods in**

#### **D.4.1**

**The site shall verify and document the volumes of certified and non-certified FFBs received.**

The company is now implementing SCCS IP model where the FFB is only received from the certified estate. The company was able to show the documents of FFB receipt follow:

- FFB covering paper :  
Nucleus: FFB covering paper for FFB receipt from nucleus estate (Indrasakti Estate) dated August 31st 2015; FFB

covering paper No. 2320; block G.42, G.43 and G.41; license plate No. BM 8412 TN; quantity of FFB: 470; nett: 7,990 kg.

Indragiri Scheme Smallholder: FFB covering paper No. 001514; dated August 31st 2015; license plate No. BA 9008 RA; Setia Kawan Cooperative Unit; year of planting on 97; quantity of FFB: 560; nett: 8,700 kg; loosen fruit: 300 kg; total weight: 9,000 kg.

- Weightbridge Ticket:

Nucleus Estate: August 31st 2015 informed the ticket No. 10124; nett: 6,880 kg; license plate No. BM 8412 TN; source: Indrasakti Estate Division 1; delivery note : 2320/TBS/01/15/08/2015; name of transporter/driver id : 300565.

Indragiri Scheme Smallholder:

Weightbridge ticket informed the date of FFB receipt such as the receipt of August 31st 2015 in license plate No. BM 8412 TN; Driver's ID: 713276; Source: Setia Kawan Cooperative Unit; nett: 8,600 kg; Del Note No. INDA/TBS/07/15/08/1514

All documents of FFB receipt whether FFB covering paper or weightbridge ticket have been certified with RSPO certificate ID No stamp.

Furthermore, the company has also recorded and recapitulated the daily FFB receipt in form of document of weightbridge distribution. For example, the company showed the report of weightbridge distribution on August 31st 2015, date, type of product (FFB), source, gross, tarra and nett.

During period of August 31st 2015, Indrasakti POM received **1,186,160 kg**.

**Status: Comply**

#### D.4.2

**The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.**

The company has recorded the FFB receipt and CPO and PK dispatch in quarter-based period. The company was able to show the record for period of December 4th 2014 to August 31st 2015.

According to the document review on the report of FFB receipt and CPO and PK dispatch owned by INKM, there is no overproduction of CPO and PK compared with the recorded projection written on the attachment of INKM certificate. Total of CPO production during period of December 4th 2014 to August 31st 2015 was **63,628.63 ton** and PK production was **15,576.593 ton**.

**Status: Comply**

#### D.5

**Record keeping**

##### D.5.1

**The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.**

The company has recorded the FFB receipt and CPO and PK dispatch in quarter-based period. The company was able to show the record for period of December 4th 2014 to August 31st 2015 as described on tabel below:

Periode	FFB Proses (kg)	CPO Prod (kg)	Kernel Prod (kg)	CPO Despatch	Kernel Despatch
Jan 2015 – March 2015	91,498,500	19,194,480	4,812,325	-	-
April 2015 – June 2015	112,408,280	22,549,901	6,653,753	-	-

According to the document review on the report of FFB receipt and CPO and PK dispatch owned by INKM, there is no overproduction of CPO and PK compared with the recorded projection written on the attachment of INKM certificate. Total of CPO production during period of December 4th 2014 to August 31st 2015 was **63,628.63 ton** and PK production was **15,576.593 ton**.

**Status: Comply**

#### **D.6 Processing**

##### **D.6.1**

**The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage**

INKM has composed and applied procedure of Supply Chain for RSPO Model Identity Preserved Product in document No. MNIS-INKM-SCCS/SOP/01 dated April 1st 2015. It has been legalized by the Production Controller.

Based on clause 6.4 in term of processing stage, the processing stage of the certified product is described. It is started from grading and sortation, lab and quality analysis to the ensure the CPO/PK product entering the storage. According to the SOP, the implementation of SCCS IP Model is also described to ensure that the product is 100% pure without contamination.

According to clause 6.7, the stages and terms of certified product dispatch is described. The product dispatch is based on the received DO. The Head of Administration shall inform the code of DO to the dispatch Operator. All documents that have to do with certified product are splitted from the non-certified documents.

**Status: Comply**

##### **D.6.2**

**The objective is for 100 % segregated material to be reached**

INKM has composed and applied procedure of Supply Chain for RSPO Model Identity Preserved Product in document No. MNIS-INKM-SCCS/SOP/01 dated April 1st 2015. It has been legalized by the Production Controller.

Based on clause 6.4 in term of processing stage, the processing stage of the certified product is described. It is started from grading and sortation, lab and quality analysis to the ensure the CPO/PK product entering the storage. According to the SOP, the implementation of SCCS IP Model is also described to ensure that the product is 100% pure without contamination.

According to clause 6.7, the stages and terms of certified product dispatch is described. The product dispatch is based on the received DO. The Head of Administration shall inform the code of DO to the dispatch Operator. All documents that have to do with certified product are splitted from the non-certified documents.

**Status: Comply**



**3.3. Conformity Checklist of Certificate and Logo Use**

<b>1.</b>		<b>X or√</b>
<b>ASA-02</b>	PT Meganusa Intisawit has had permit/approval of certificate use in No. MUTU-RSPO/033.	<b>X</b>
	<b>Status: NA</b>	
<b>2.</b>		<b>X or√</b>
<b>ASA-02</b>	PT Meganusa Intisawit was never use the certificate and logo whether <i>on-product</i> or <i>off-product</i> since they got RSPO certificate on December 4th 2013.	<b>X</b>
	<b>Status: NA</b>	
<b>3.</b>		<b>X or√</b>
<b>ASA-02</b>	PT Meganusa Intisawit was never use the certificate and logo whether <i>on-product</i> or <i>off-product</i> since they got RSPO certificate on December 4th 2013.	<b>X</b>
	<b>Status: NA</b>	
<b>4.</b>		<b>X or√</b>
<b>ASA-02</b>	PT Meganusa Intisawit was never use the certificate and logo whether <i>on-product</i> or <i>off-product</i> since they got RSPO certificate on December 4th 2013.	<b>X</b>
	<b>Status: NA</b>	

**3.4. Summary of RSPO Partial Certification.**

<b>Management unit(s) observed:</b> Unit of Sawita Mill (South Kalimantan Province) has been assessed for Pre Assessment RSPO held by other certification body on 24 – 25 March 2015, and the others unit under PT. Ivo Mas Tunggal has been certified (RSPO).		
<b>2.1</b>	<b>There is compliance with all applicable local, national and ratified international laws and regulations.</b>	<b>X or√</b>
	Results of audits by other CB for Sawita Mill there are no issues regarding compliance with laws and regulations	√
	<b>Status: Full Compliance</b>	
<b>2.2</b>	<b>The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.</b>	<b>X or√</b>
	Results of audits by other CB for Sawita Mill has gained the HGU of 8,724 ha, but there is an area of 155.87 ha is in the process to obtain the HGU which has been carried Meeting of B Committee (HGU in the process).	√
	<b>Status: Full Compliance</b>	
<b>6.3</b>	<b>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.</b>	<b>X or√</b>
	The Company has provided the mechanisms to receive complaints and disputes through SOP/SMART/SIGS-CSR/SADV/1/003 on reporting guidelines complaints and dissatisfaction that comes from internal and external. Results of audits by SGS no major issues.	√
	<b>Status: Full Compliance</b>	
<b>6.4</b>	<b>Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	<b>X or√</b>
	All Results of audits by other CB there is no issues concerning to the community who experience loss of legal or customary rights.	√
	<b>Status: Full Compliance</b>	
<b>7.3</b>	<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.</b>	<b>X or√</b>
	Results of audits by other CB known that the Estate dan Sawita Estate was planted after November 2005. HCV Activity Assessment has been carried out, but reports of HCV is still in the process of completion.	√
	<b>Status: Full Compliance</b>	
<b>7.5</b>	<b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	<b>X or√</b>
	Results of audits by other CB known that there were no issues concerning to new planting (above of January 2010) on community area without FPIC.	√
	<b>Status: Full Compliance</b>	
<b>7.6</b>	<b>Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>	<b>X or√</b>
	Results of audits by other CB known that there were no issues concerning to new planting (above of January 2010) on community area without FPIC.	√
	<b>Status: Full Compliance</b>	

**3.5 Finding Identification, Corrective Action, Observation, Opportunity for Improvement and Noteworthy Positive Component.**
**3.5.1.1 Finding Identification, Corrective Action and Observation during *Surveillance-01* Assessment**

NCR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
-	-	There is no identified nonconformity during ASA-1 assessment.	-	-	-	-	-	-	-

**3.5.3.1 Finding Identification, Corrective Action and Observation during *Surveillance-02* Assessment**

NCR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
-	-	There is no identified nonconformity during ASA-2 assessment.	-	-	-	-	-	-	-

**3.5.3.2 Opportunity for Improvement during *Surveillance-02* Assessment**

No	Ref Std	Descriptions
1.	<b>Major 2.2.1</b>	<ul style="list-style-type: none"> <li>The company has opportunity to follow up the information in term of document process showing the abstract of title.</li> <li>The company need to communicate with National Land Agency and Plantation Agency of Indragiri Hulu District in term of the land dispute between the building use title (HGB) and the plantation business permit for processing issued by.</li> </ul>
2.	<b>Minor 4.7.6</b>	Communicating with the associated agency (BPJS and Manpower Agency of Indagiri Hulu District) in term of the implementation of non-permanent labour insurance payment law.

**3.5.3.3 Noteworthy Positive Components during *Surveillance-02* Assessment**

No	Descriptions
1	The company's commitment to implement principles of sustainable palm oil plantation.
2	The human resource has good knowledge over the awareness and capability for sustainability standard.
3	The company has gotten blue ribbon award.

**3.6 Summary of Arising Issues from Public, Management and Auditor Response**

Issue from Stakeholders	Management Response	Auditor Response
<p><b>September 1st 2015</b> <b><u>Indragiri Hulu District National Land Agency</u></b></p> <ul style="list-style-type: none"> <li>PT. MNIS did not have Land Use Title (HGU);</li> <li>Cadastral measurement and court of committee B for PT. MNIS has been held;</li> <li>Land Use Title (HGU) of PT. MNIS is not yet issued due to the spatial issue that is not finished on level of government yet;</li> <li>There is no indication of enclave/wasteland within PT MNIS area which is identified by Indragiri Hulu District National Land Agency;</li> <li>There is no indication of area overlap managed by PT. MNIS with mining complex;</li> <li>There is no issue of land dispute within PT MNIS area;</li> <li>There is a indigenous people of Talang Mamak nearby estate;</li> <li>PT. BWL has had Building Use Title (HGB);</li> </ul>	<ol style="list-style-type: none"> <li>The company has processed Land Use Title (HGU). However, National Land Agency cannot issue it due to the issue of spatial which is not yet finished on level of government.</li> <li>The company cooperated with National Land Agency to conduct cadastral measurement.</li> <li>The company has used PT MNIS area for palm oil plantation so there is no indication of an enclave/wasteland.</li> <li>The company did not have overlapped area with mining complex.</li> <li>The company did not have disputed land with the locals.</li> <li>There is still an indigenouse people of Talang Mamak and the company still maintain relation with them.</li> <li>The company has had Building Use Title (HGB) for establishment of mill, office and settlement.</li> </ol>	<p>Auditors has been verify with the land ownership and mastery owned by companies. Field observation has been done to ensure that operations in the area owned. This has been discussed in report on criteria 2.2.</p>
<p><b>September 1st 2015</b> <b><u>Dinas Perkebunan Kab. Indragiri Hulu</u></b></p> <ul style="list-style-type: none"> <li>There has been estate class assessment for PT. MNIS.</li> <li>Result of estate class assessment categorized PT. MNIS on class III (modest);</li> <li>The lowest score of the estate class assessment lied on the aspect of legality and economy of region;</li> <li>Recommendation, suggestion and follow up of the estate</li> </ul>	<ol style="list-style-type: none"> <li>The company has had the result of estate class assessment on class III (modest). The score was assessed from the process of legality and economy of the region.</li> <li>The company still attempt to communicate with the associated parties to finish Land Use Title (HGU).</li> <li>The company keeps empowering the local workers to improve local economy aspect.</li> </ol>	<p>Auditors has been verify with the land ownership and mastery owned by companies. Field observation has been done to ensure that operations in the area owned. This has been discussed in report on criteria 2.2.</p> <p>Connection with obligations that must be fulfilled by companies associated with the regular reporting, has</p>

Issue from Stakeholders	Management Response	Auditor Response
assessor team requested PT MNIS to complete the Land Use Title (HGU) process and improve the recruitment for local workers;		been fulfilled by the company. The evidence for submitting reports to relevant agencies has been verified report , whole have examined in 2.1 and indicators 1.1 in this report
<ul style="list-style-type: none"> <li>The estate class assessment for PT. BWL (POM) estate is not yet conducted;</li> <li>PT. MNIS and PT. BWL has had plantation business permit;</li> <li>The facilities to control and prevent fire on PT. MNIS and PT. BWL are adequate;</li> <li>There is no land fire issue within PT MNIS area;</li> <li>There is no land dispute issue;</li> <li>There is no environment contamination issue;</li> <li>There is an indigeneous people named Talang Mamak nearby estate;</li> <li>PT. MNIS has had scheme smallholder;</li> <li>There is no indication of land overlap on PT MNIS area with mining complex;</li> <li>PT. MNIS area is not bordering with Tesso Nilo National Park;</li> <li>PT. MNIS and PT. BWL are routinely reporting the plantation business progress;</li> <li>PT. MNIS has reported the land fire monitoring routinely;</li> <li>PT. MNIS &amp; PT. BWL has given routine social donation to the nearby villages.</li> </ul>	<ol style="list-style-type: none"> <li>The estate class assessment for PT MNIS has included PT BWL (POM)</li> <li>The company has had plantation business permit (IUP) for PT MNIS and PT BWL</li> <li>The company has took attempt to prevent and control fire and environment contamination issue.</li> <li>The company did not have land under dispute with the locals.</li> <li>There is still an indigeneous people of Talang Mamak and the company still maintain relation with them.</li> <li>The company has cooperated and guided smallholders joined on cooperative unit.</li> <li>The company did not have overlap area with mining complex.</li> <li>The estate area is not bordering with Tesso Nilo National Park.</li> <li>The company is routinely reporting the plantation business progress, land fire monitoring to the associated parties.</li> <li>The company gave routine social donation to the community of nearby villages.</li> </ol>	The management of employment and OHS aspects been carried out by the company well, corporation cooperating with the union in terms of employment, the company also consult with worker and transmigration agency. All of employment and OHS is made clear in indicators 4.7, 6.5, 6.7 and 6.8.
<b>September 1st 2015</b> <b>Indragiri Hulu District Manpower Agency</b> <ul style="list-style-type: none"> <li>There was one industrial relation complain from worker of PT</li> </ul>		

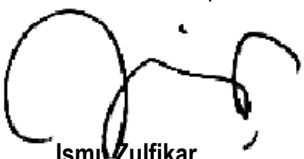



Issue from Stakeholders	Management Response	Auditor Response
<p>MNIS on behalf of Mr Usman in term of the work contract termination;</p> <ul style="list-style-type: none"> <li>Indragiri Hulu District Manpower Agency has held mediation over the complain;</li> <li>PT. MNIS and PT. BWL has had the registered labour union to Manpower Agency;</li> <li>PT. MNIS and PT. BWL has had collective labour agreement with the workers and it has been registered to Manpower Agency;</li> <li>PT. MNIS and PT. BWL has had OHS Guiding Committee and it has been legalized by Manpower Agency;</li> <li>PT. MNIS and PT. BWL has implemented sectoral minimum wage standard for plantation in Indragiri Hulu District;</li> <li>There is no work accident within PT. MNIS and PT. BWL area;</li> <li>There is no issue of underage workers;</li> <li>PT. MNIS and PT. BWL report OHS Guiding Committee routinely;</li> <li>PT. MNIS and PT. BWL conducts Manpower Mandatory Report routinely;</li> <li>PT. MNIS and PT. BWL are expected to improve the use of local workers from the nearby villages;</li> </ul>	<ol style="list-style-type: none"> <li>The company has coordinated with Manpower Agency in term of the contract termination of Mr. Usman</li> <li>The company has had labour union and collective labour union which have been registered to Manpower Agency.</li> <li>The company has had the Manpower Agency-legalized OHS Guiding Committee.</li> <li>The company has implemented sectoral minimum wage standard for plantation for estate in Indragiri Hulu District.</li> <li>The company gives routine report of OHS Guiding Committee (each quarter) and manpower mandatory report to Manpower Agency.</li> <li>The company shall not employ underage workers.</li> <li>The company shall employ local workforce to improve local economy aspect.</li> </ol>	<p>Management activities social environment has been verified by auditors, both documents observation and based on the field, have examined in criteria 5.3, 6.1, 6.2 and 6.11.</p>
<p><b>September 1st 2015</b>  <b><u>Indragiri Hulu District Environment Agency</u></b></p> <ul style="list-style-type: none"> <li>Reporting of environmental management and monitoring should include CSR program realization;</li> <li>PT. MNIS and PT. BWL has had hazardous waste storage permit;</li> </ul>	<ol style="list-style-type: none"> <li>The company shall include the realization of CSR program on the environmental management and monitoring plan report.</li> <li>The company has had permit for hazardous waste storage</li> </ol>	<p>The auditors has verify the management aspects of partnership with the village cooperative, explained in indicators 6.11.</p>

Issue from Stakeholders	Management Response	Auditor Response
<ul style="list-style-type: none"> <li>• PT. MNIS and PT. BWL has had permit to use effluent on <i>land application</i> program;</li> <li>• PT. MNIS and PT. BWL are expected to empower the locals to control land fire;</li> <li>• PT. BWL has gotten blue ribbon award on 2014;</li> <li>• There is no issue of environment contamination;</li> <li>• There is no issue of land fire;</li> <li>• PT. MNIS and PT. BWL has reported the hazardous waste management routinely;</li> <li>• PT. MNIS and PT. BWL has reported the effluent management routinely;</li> <li>• PT. MNIS and PT. BWL has reported environmental management and monitoring routinely;</li> </ul>	<p>and effluent use for land application program and has routinely reported the hazardous waste and effluent management to the associated parties.</p> <ol style="list-style-type: none"> <li>3. The company has gotten blue ribbon award on 2014.</li> <li>4. The company has held socialization to the workers and the locals in term of prevention over fire and environment contamination.</li> </ol>	
<p><b>Ismail (Head of Setia Kawan Cooperative Unit)</b> Member of cooperative unit/community is very assisted with the partnership with the company, guidance and training are conducted to maintain the commitment to produce proper FFB based on the company's standard. The company has allocated its human resource to monitor and guide the locals so the FFB production stays optimum.</p>	<ol style="list-style-type: none"> <li>1. The company has maintained partnership and guidance to the member of cooperative unit/the locals in order to maintain the commitment to produce proper FFB based on the company's standard. The company has allocated its human resource to monitor and guide the locals so the FFB production stays optimum.</li> </ol>	<p>The auditors has verify the management aspects of partnership with the village cooperative, explained in indicators 6.11.</p>
<p><b>Herman (Chief of Bandar Padang Village – Manunggal Cooperative Unit Advise Board)</b> In general, the relation between the company and the locals runs well and it improves the conomy development on Bandar Padang Villagers. It is supported by the information of the existence of scheme smallholder for 215 family heads (415 Ha) and several CSR assistances like:</p>	<ol style="list-style-type: none"> <li>1. The company keeps maintaining the good relation with the locals and it improves the conomy development on Bandar Padang Villagers. It is supported by the information of the existence of scheme smallholder for 215 family heads (415 Ha) and several CSR assistances like:</li> </ol>	<p>Auditors have verified associated with implementing the policy of freedom of assembly, this has been described in criteria 6.6.</p>

Issue from Stakeholders	Management Response	Auditor Response
<p>The donation for basic commodities during flood, local workers recruitment, free medical check up, road maintenance, donation for the orphans, socialization and training to the scheme smallholder, etc.</p> <p>Aspiration :</p> <ol style="list-style-type: none"> <li>1. Realization of scheme smallholder establishment on stage III.</li> <li>2. Assistance for ambulance car as village's inventory.</li> <li>3. Report/recapitulation of CSR program to the village government.</li> </ol>	<p>The donation for basic commodities during flood, local workers recruitment, free medical check up, road maintenance, donation for the orphans, socialization and training to the scheme smallholder, etc.</p> <p>Aspiration:</p> <ul style="list-style-type: none"> <li>• Realization of scheme smallholder establishment on stage III.</li> <li>• Assistance for ambulance car as village's inventory.</li> <li>• Report/recapitulation of CSR program to the village government.</li> </ul>	
<p><b>Cooperative Unit</b></p> <p>The employee cooperative unit of PT. MNIS conducts well running operational to support the welfare improvement for the employees. However, the board of cooperative unit was not able to show the document of member's annual meeting on period 2014.</p>	<ol style="list-style-type: none"> <li>1. The company supports the employee cooperative unit to improve the welfare of the employees. The company shall facilitate the cooperative unit to hold member's annual meeting for period of 2014.</li> </ol>	
<p><b>Labour Union</b></p> <p>In general, the company has given freedom to unite on labour union. The company has implemented rights and obligations of workers based on the company's law. The relation with the management is quite harmonic.</p>	<ol style="list-style-type: none"> <li>1. the company has given freedom to unite on labour union. The company has implemented rights and obligations of workers based on the company's law. The relation with the management is quite harmonic.</li> </ol>	
<p><b>Ahmad Saebani (Local Contractor)</b></p> <p>In business aspect, the company cooperated with the local contractors or suppliers. Each small to medium scall project shall be conducted by the local contractor nearby estate area and the company shall hold socialization in term of OHS to the workers and contractor.</p>	<ol style="list-style-type: none"> <li>1. The company cooperated with the local contractors or suppliers. Each small to medium scall project shall be conducted by the local contractor nearby estate area and the company shall hold socialization in term of OHS to the workers and contractor..</li> </ol>	<p>Relating to contributed to economy development locals been carried out by the company one of them by using local contractors. Auditors has verify that, described criteria 6.11.</p> <p>The company has selection mechanism for contractor</p>

Issue from Stakeholders	Management Response	Auditor Response
		conducted in transparent and by virtue of qualifications required by company and not confirmed the the act of a bribe.This has explained to a criterion 1.3
<p><b>Women Commission on PT MNIS</b></p> <ul style="list-style-type: none"> <li>• The company supported the establishment of women commission and support their programs.</li> <li>• The complain of employees is weel responded by the company as well as its solution.</li> <li>• The complain in term of the medical service using BPJS when the employees are requested for the illegal cost. It shall be followed up by contacting BPJS directly.</li> <li>• There is an employee's restlessness in term of the use of BPJS as health insurance for employees due to the illegal costing.</li> </ul>	<ol style="list-style-type: none"> <li>1. The company supported the establishment of women commission and support their programs.</li> <li>2. The complain of employees is weel responded by the company as well as its solution.</li> <li>3. The company shall coordinated with BPJS and shall facilitate the employees through BPJS program including the law monitoring over the illegal costing based on the employee's complain.</li> </ol>	<p>The application of against its policies regarding the protection of the rights of reproduction and sexual harassment has been described in criterion 6.9.</p>

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end; margin-top: 100px;"> <div style="text-align: center;"> <p>PT. Meganusa Intisawit Head of Environmental Departement</p>  <p><u>Ismu Zulfikar</u> 5 October 2015</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Sandra Purba</u> 5 October 2015</p> </div> </div>

**Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process**

No	Institution/NGO/Community	Address	Phone/Email	Form of Contact	Date of Contact	Response	
						Yes	No
1	National Land Agency	Indragiri Hulu District	-	Interview	September, 1 <sup>st</sup> 2015	√	
2	Plantation Agency	Indragiri Hulu District	-	Interview	September, 1 <sup>st</sup> 2015	√	
3	Social, Labor and Transmigration Agency	Indragiri Hulu District	-	Interview	September, 1 <sup>st</sup> 2015	√	
4	Environmental Agency	Indragiri Hulu District	-	Interview	September, 1 <sup>st</sup> 2015	√	
5	Village head and community leader of Bandar Padang Village	Indragiri Hulu District	-	Interview	September, 1 <sup>st</sup> 2015	√	
6	Cooperation Leader of Manunggal	Indragiri Hulu District	-	Interview	September, 1 <sup>st</sup> 2015	√	
7	Worker Union	Indragiri Hulu District	-	Interview	September, 1 <sup>st</sup> 2015	√	
8	Local Contractor	Indragiri Hulu District	-	Interview	September, 1 <sup>st</sup> 2015	√	
9	Gender Comitee	Indragiri Hulu District	-	Interview	September, 1 <sup>st</sup> 2015	√	
10	WWF	Jakarta		Email			√
11	Walhi	Jakarta		Email			√
12	Sawit Watch	Bogor		Email			√



**Appendix 2. Assessment Program**

DATE / TANGGAL		31 August s.d 05 September 2015						
PLANNED TIME <i>RENCANA WAKTU</i>	ACTUAL DURATION <i>DURASI AKTUAL</i>	PROCESSES / CLAUSES TO BE AUDITED <i>PROSES / HAL YANG DIAUDIT</i>	AUDITOR					
			SP	AR	AP	PH	YM	
Monday/Senin, 31 Agustus 2015								
06.00 – 08.00 08.30 – 15.00 15.00 – 16.00 16.00 – 17.00		Jakarta – Pekanbaru Pekan Baru – Site (PT Meganusa Intisawit) Opening Meeting Verification of RSPO ASA-01 Nonconformance	√	√	√	√	√	
Tuesday/Selasa, 01 September 2015								
08.00 – 12.00		Stakeholders consultation to Related Government Institution at Rengat and local NGO		√				
		Stakeholders consultation to Company surrounded village and community leader (confirmation for meeting venue)				√		
		Indrasakti Estate: • Manuring, Spraying, Harvesting, best agricultural practices • Worker Welfare (payments, complaint mechanism) • Verification of RSPO ASA-01 Nonconformance			√			
		Indrasakti Mill: Mill Processing, OHS Implementation, POM waste management, SCCS, etc.  Verification of RSPO ASA-01 Nonconformance	√				√	
12.00 -14.00		Break						
14.00 – 17.00		Continue Field Observation to Indrasakti POM	√	√				
		• RSPO and ISPO Document Review and Review of Previous Visit Non-conformance (ASA-01 RSPO) - Legal Aspect		√				
		- Law and legal compliances					√	
		- Environment		√			√	
		- Best Management Practices and FFB Proces			√			
		- Conservation					√	
		- GRK		√				
		- Social				√		
		- Labour	√			√		
		- OHS	√	√				
		- Continuous improvement	√	√	√	√	√	
		• Clarification of Public Consultation and field observation	√	√	√	√	√	
Wednesday/Rabu, 02 September 2015								
08.00 – 12.00		KUD Setia Kawan: • Legal boundary, HCV management area, land fire		AR		PH		

DATE / TANGGAL		31 August s.d 05 September 2015					
PLANNED TIME <i>RENCANA WAKTU</i>	ACTUAL DURATION <i>DURASI AKTUAL</i>	PROCESSES / CLAUSES TO BE AUDITED <i>PROSES / HAL YANG DIAUDIT</i>	AUDITOR				
			SP	AR	AP	PH	YM
		<ul style="list-style-type: none"><li>Manuring, Spraying, Harvesting, IPM, Workers safety</li><li>Facilities &amp; Waste management</li></ul>					
		<b>KUD Karya Bersama:</b> <ul style="list-style-type: none"><li>Legal boundary, HCV management area, land fire</li><li>Manuring, Spraying, Harvesting, IPM, Workers safety</li><li>Facilities &amp; Waste management</li></ul>	SP		AP		
		<b>Indraskti Estate:</b> Workers facilities (housing, health care, school, union, etc.), Waste management (landfill, sanitary), land fire facility, Warehouse.					
12.00 – 14.00		<b>Break</b>					
14.00 – 17.00		<ul style="list-style-type: none"><li><b>RSPO Document Review and Review of Previous Visit Non-conformance (ASA-01)</b></li></ul>	√	√	√	√	√
<b>Thursday/Kamis, 03 September 2015</b>							
08.00 – 12.00		<b>KUD Sawit Sejahtera :</b> <ul style="list-style-type: none"><li>Legal boundary, HCV management area, land fire</li><li>Manuring, Spraying, Harvesting, IPM, Workers safety</li><li>Facilities &amp; Waste management</li></ul>	√			√	√
		<b>KUD Hidup Baru :</b> <ul style="list-style-type: none"><li>Legal boundary, HCV management area, land fire</li><li>Manuring, Spraying, Harvesting, IPM, Workers safety</li><li>Facilities &amp; Waste management</li></ul>					
12.00 – 14.00		<b>Break</b>					
14.00 – 17.00		<b>RSPO Document Review and Review of Previous Visit Non-conformance (ASA-01)</b>	√	√	√	√	√
<b>Friday/Jumat, 04 September 2015</b>							
08.00 – 10.00		<b>RSPO Document Review and Review of Previous Visit Non-conformance (ASA-01)</b> <b>Closing Meeting</b>	√	√	√	√	√
10.00 – 12.00							
13.00 - .....							
<b>Saturday/Sabtu, 05 September 2015</b>							
10.00 - .....		<b>Pekan Baru - Jakarta</b>	√	√	√	√	√