

PRINCIPLE 1: COMPLYING WITH APPLICABLE LAWS IN INDONESIA

No	CRITERION	INDICATOR	CHECKLIST
1.1	Holding all permits required to be acknowledged as a business with legal entity basis.	<p>1.1.1 Holding Tax Payer Identification Number (Nomor Pokok Wajib Pajak) in accordance with the company domicile location, Company Deeds of Establishment, Company Registration Certificate (Tanda Daftar Perusahaan) and Business Premises Permit Letter (Surat Izin Tempat Usaha) and Trading Business License (Surat Izin Usaha Perdagangan).</p> <p>Guidance: Accuracy of information to be focused in this point are as follows:</p> <ul style="list-style-type: none"> a) Name and address on Tax Payer Identification Number is the same with the one listed in the Company Deeds of Establishment. b) Information in the Deeds of Establishment of the Company is the latest information in terms of type of business and ownership of the company (Local or PMA). c) Description of business stated in Company Registration Certificate and Business Premises Permit Letter should match with the designated purpose and valid permit in accordance with Indicator 1.5.2. d) Trading Business License is required for plantation without Palm Oil Mill to sell ready to plant-FFB seeds and integrated plantation with Palm Oil Mill that will conduct trading business such as trading of FFB, CPO, PK, PAO, etc. 	<ul style="list-style-type: none"> a. Do name and address in Tax Payer Identification Number body align with the information listed in the Company Deeds of Establishment? b. Is information in the Company Deeds of Establishment updated in terms of scope of business and type of ownership (foreign investment or local)? c. Is scope of business in Company Registration Certificate and Business Premises Permit Letter match with scope of business in Company Deeds of Establishment? d. Does plantation with and without integrated palm oil mill have Trading Business License per the designated purpose? e. Are Company Registration Certificate, Trading Business License and Business Premises Permit Letter still valid?
		<p>1.1.2 Plantation Company/Growers shall hold Location Permit issued by Regent/ Mayor complete with map with 1:100.000 or 1:50.000 scale before conducting the operation.</p>	<ul style="list-style-type: none"> a. Does company have Principle Permit from Local Government? b. Does company have recommendation letter on Regency Area Spatial Planning or Provincial Area Spatial Planning?

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		<p>Guidance: To obtain the location permit, the plantation company should initially obtain Principle Permit from Local Government and recommendation letter on the suitability of Regency Area Spatial Planning (Rencana Tata Ruang Wilayah Kabupaten) for the Regency and Provincial Area Spatial Planning (Rencana Tata Ruang Wilayah Propinsi) for the province.</p>	<p>c. Is issuing date of Location Permit made after issuing date of Principle Permit and Regency Area Spatial Planning/Provincial Area Spatial Planning? d. Is Location Permit map made with 1:100.000 or 1:50.000 scale?</p>
1.2	Fulfilling the legality requirements related to environment in conducting the business.	<p>1.2.1 Conduct Environmental Impact Analysis (Analisa Mengenai Dampak Lingkungan) or Environmental Management Efforts (Upaya Pengelolaan Lingkungan Hidup)-Environmental Monitoring Efforts (Upaya Pemantauan Lingkungan Hidup), in which the Environmental Impact Analysis report includes the Environmental Management Plan (Rencana Pengelolaan Lingkungan) and Environmental Monitoring Plan (Rencana Pemantauan Lingkungan).</p> <p>Guidance: Environmental Impact Analysis is intended for plantation with Location Permit > 3.000 Ha. Environmental Management Efforts-Environmental Monitoring Efforts is intended for plantation with Location Permit < 3.000 Ha. Environmental Impact Analysis report includes Terms of Reference (Kerangka Acuan) of Environmental Impact Analysis (Analisa Mengenai Dampak Lingkungan), Environmental Management Plan (Rencana Pengelolaan Lingkungan) and Environmental Monitoring Plan (Rencana Pemantauan Lingkungan) discussing the result of plantation development impact to the environment, community, economy and local customs.</p>	<p>a. Is Location Permit of the company > 3.000 Ha? b. Does company that have location permit <3.000 Ha area size have Environmental Management Efforts - Environmental Monitoring Efforts? c. Is the stage of making Environmental Impact Analysis in accordance with applicable provision? d. Does company have evidence of involvement with community, government, and other accountable parties in the process of making Environmental Impact Analysis?</p> <p>Note to assessor: To conduct random interview with surrounding community to ensure their involvement in the process of making Environmental Impact Analysis.</p>
		<p>1.2.2 A valid Environmental Permit issued by Regent/ Mayor shall be available.</p> <p>Guidance:</p>	<p>a. Is Environmental Permit issued before Plantation Business Licenses (Izin Usaha Perkebunan)?</p>

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		<p>The environmental permit must be secured by Environmental Impact Analysis or Environmental Management Efforts (Upaya Pengelolaan Lingkungan Hidup)-Environmental Monitoring Efforts (Upaya Pemantauan Lingkungan Hidup) obliged-entity as the prerequisites to obtain Business License in accordance with the Government Regulation No.27 of 2012 on Environmental Permit</p>	<p>b. Is validity period of Environmental Permit in accordance with validity periode of Plantation Business License (Izin Usaha Perkebunan)?</p>
		<p>1.2.3 Documentation of functional conversion stages of the forest area shall be available if there are forest area that shift function to plantation as well as written approval from Ministry of Forestry.</p> <p>Guidance: This indicator is applicable if there is an indication where plantation business license is located inside forest area.</p>	<p>a. Is company Location Permit crossing inside forest area? b. If Location Permit crossing inside forest area, how many Ha did it go inside forest area and does it already have written approval from Ministry of Forestry? c. Does company have record of land acquisition and evidence of land compensation in the forest conversion area?</p>
		<p>1.2.4 Palm Oil Mill shall have Waste Water Processing Installation (Instalasi Pengolahan Air Limbah) and permit to use liquid waste as Land Application or to dispose to water body that comply with the applicable provisions on quality standard.</p> <p>Guidance: This indicator only applicable for plantation with Palm Oil Mill. The requirement to obtain Land Application Permit may refer to <i>Minister of Environment Decree No.29 Year 2003</i></p> <p>Additional Information: Palm Oil Mill may perform land application after fulfilling the following requirements:</p> <ol style="list-style-type: none"> Waste water BOD cannot exceed 5000 mg/liters. Waste pH level ranging between 6-9. It is applied on the land other than peatland. It is applied on the land with permeability between 1.5 cm/ hour up to 15 cm/ hour. 	<p>a. Does plantation have integrated palm oil mill? b. Is Waste Water Processing Installation functioning well (e.g. no leaks on pipe and pond, fence around POME pond, etc)? c. Have Land Application been conducted in accordance with applicable standard requirement?</p>

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		<p>e. It is not allowed to be applied on the land with soil water depth less than 2 meters.</p> <p>f. Building monitoring well.</p>	
		<p>1.2.5 Specification of incinerator for Oil Palm Empty Fruit Bunch shall be in accordance with the applicable requirements and the combustion smoke shall be in accordance with the quality standard.</p> <p>Guidance: This indicator only applicable for plantation with Palm Oil Mill. Quality standard inspection of the water/smoke from the incinerator should be in accordance with the threshold defined in Appendix 1 of Minister of Environment Regulation No.7 Year 2007 and reported to Environmental Agency (Badan Lingkungan Hidup) at minimum once in 6 months</p>	<p>a. Does palm oil mill use incinerator to burn Empty Fruit Bunch?</p> <p>b. If Palm Oil Mill still use it, is incinerator specification in accordance with applicable provision, such as the height of chimney shall be at minimum of 14 meter from the ground and have air quality sampling hole?</p> <p>c. Does the combustion smoke in accordance with the quality standard in Appendix 1 of Minister of Environment Regulation No.7 Year 2007?</p> <p>d. Does Palm Oil Mill report the result combustion smoke/air quality to Environmental agency at minimum once in 6 months?</p>
		<p>1.2.6 Permit and Temporary Storage of Hazardous Waste issued by Regent/ Mayor shall be available. Accountable person in charge at temporary storage of hazardous waste shall be available as well.</p> <p>Guidance: Hazardous waste is remnants of a business and/or activities that contains the substance, energy, and/or other components that because of the nature, concentration, and/or amount, either directly or indirectly, may pollute and/or damage the environment, and/or endanger the environment, health, as well as the survival of humans and other living beings. The Hazardous Waste Temporary Storage Permit refers to Government Regulation (Peraturan Pemerintah) No. 101 Year 2014 and Appendix 1</p> <p>Additional Information:</p>	<p>a. Is permit of temporary storage of hazardous waste still valid?</p> <p>b. Is building requiremet for hazardous waste in accordance with each designated type of hazardous waste?</p> <p>c. Is there accountable person in charge to monitor and to control operations at hazardous waste temporary storage?</p>

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		<p>B3 (hazardous) Waste Temporary Storage shall fulfil the following requirements</p> <p>Location Requirement:</p> <ol style="list-style-type: none"> Temporary Storage Facilities (Tempat Penyimpanan Sementara) location should be in the activity area The location is an area free from flood Distance from river (that flows the whole year) is minimum 50 meter Location distance is at minimum 100 meters to residential area or public facilities Location distance to protected areas such as natural conservation, protected forest, or sanctuary area is at minimum 300 meters <p>General Requirements of the building:</p> <ol style="list-style-type: none"> Have construction design and width of storage space which are suitable with the type, characteristics and volume of stored hazardous waste Building uses non-combustible rooftop material, with sufficient air ventilation Protected from rain water, either directly or indirectly Have sufficient lighting system (lamp/ sunlight) Waterproof floor, not wavy, strong and not cracking Have wall from non-combustible materials Building is equipped with Occupational Health and Safety (OHS) symbol and tools Equipped with lightning rod, if required <p>Specific Requirements of the building:</p> <ol style="list-style-type: none"> The building that used to store combustible hazardous waste must fulfill the following criteria: <ul style="list-style-type: none"> - Wall from reinforced concrete or red brick or non-combustible brick 	
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		<ul style="list-style-type: none"> - The location must be protected from the fire-trigger source and/ or heat source b. The building used to store easily reactive, corrosive and poisonous hazardous waste must fulfil the following requirement: <ul style="list-style-type: none"> - Wall should be constructed with easy to remove structure, to secure hazardous waste easily during emergency. - Roof, wall and floor must be constructed with corrosion-proof and fire-proof structure c. The building used to store easy to explode hazardous waste must fulfil the following criteria: <ul style="list-style-type: none"> - Construction of the building, either floor, wall or roof must be made from explosion-proof and water-proof materials - Construction of wall and floor must be stronger than the roof, so that in case of heavy blast, it will be directed to the top (instead of to the side) - Room temperature must be able to be controlled to stay in normal condition d. For 100% liquid hazardous waste, the storage requires a storage tank (to store in case of leaking/ spills) with minimum 100% volume of the largest existing package. 	
1.3	Have all legal documents related to operational permit.	<p>1.3.1 Land Use Right (Hak Guna Usaha) shall be owned and legalized in accordance with Agrarian Basic Regulation No. 5 Year 1960.</p> <p>Guidance: Ensure that Land Use Right has been acquired lawfully and supporting documents such as land acquisition documents are available.</p>	<ul style="list-style-type: none"> a. Is Land Use Right located inside company Location Permit? b. Has all land inside Land Use Right been lawfully acquired? c. Does company have all land acquisition document?

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		<p>1.3.2 Plantation company with >25 Ha area size that does not have Palm Oil Mill shall have Plantation-Cultivation Business License (Izin Usaha Perkebunan-Budidaya) and Plantation Business License (Izin Usaha Perkebunan) for plantation with >1000 Ha area width that has integrated Palm Oil Mill.</p>	<p>a. How many Ha of plantation the company own? b. For plantation with integrated palm oil mill, is the location permit >1000 Ha and does it have Plantation Business License? c. For plantation with area >25 Ha and <1000 Ha, does it have Plantation-Cultivatioin Business License?</p>
		<p>1.3.3 All buildings with category of semi-permanent shall have Building Permit (Izin Mendirikan Bangunan) and Building Rights Title Certificate (Hak Guna Bangunan) in accordance with applicable Local Regulation.</p> <p>Guidance: A building with utilization time of more than 5 years is required to have Izin Mendirikan Bangunan, for example building like employee dormitory, office, warehouse and workshop</p> <p>Additional Information: Classification of semi-permanent building refers to Article 5 Paragraph 3 of Government Regulation No. 36 Year 2005</p>	<p>a. Does company have list of building at the plantation? b. Does the list have information of completion development date/month/year of each building? c. Do the buildings have foundation made of concrete to be categorized as semi-permanent building? d. Do every semi-permanent and permanent buildings have Building Permit and Building Rights Title certificate? e. Does building with Building Rights Title certificate utilize the building in accordane with its provision?</p>
		<p>1.3.4 Land and Building Tax (Pajak Bumi Bangunan) every year, Income tax (Pajak Penghasilan) and Value Added Tax (Pajak Pertambahan Nilai) shall be paid in accordance with applicable provisions. Annual Tax Invoices (Surat Pemberitahuan Tahunan) shall be reported in accordance with local Regulation provisions.</p> <p>Guidance: Payment receipt and tax report can be accessed from Finance Department. If it is not available at plantation office, it can be requested from head office.</p>	<p>a. Does company have proof of Land and Building Tax payment records for the last 5 years? b. Does company have proof of Income Tax and Income Tax payment to local tax office for the last 3 years? c. Does company report Annual Tax Invoices for the last 5 years?</p>

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<p>1.4</p>	<p>Submitting plantation progress report to the relevant government office.</p>	<p>1.4.1 The implementation reports of Environmental Management Plan (Rencana Pengelolaan Lingkungan) and Environmental Monitoring Plan (Rencana Pemantauan Lingkungan)/ Environmental Management Efforts (Upaya Pengelolaan Lingkungan Hidup) and Environmental Monitoring Efforts (Upaya Pemantauan Lingkungan Hidup) Palm Oil Mill and/or plantation shall be submitted to local Environmental Agency (Badan Lingkungan Hidup) once every 6 months.</p> <p>Guidance: Format of Environmental Management Plan and Environmental Monitoring Plan / Environmental Management Efforts and Environmental Monitoring Efforts implementation report should be in accordance with the format defined in Minister of Environment Decree No.45 Year of 2005.</p> <p>Additional information: or Environmental Management Efforts and Environmental Management Plan and Environmental Monitoring Plan Monitoring Efforts permit report includes several separated reports to be incorporated, such as:</p> <ol style="list-style-type: none"> 1. Report of waste water quality checking at Waste Water Processing Installation outlet, which is conducted 1 (once) a month and reported once per 3 (three) months to local Environmental Agency. 2. Report of air quality and emission from fixed source (noise, vibration and odor) is reported once in 6 months to local Environmental Agency. <p>1.4.2 Annual report on plantation progress shall be submitted to the local government agency that issued Plantation Business License.</p> <p>Guidance:</p>	<ol style="list-style-type: none"> a. Does implementation report of Environmental Management Plan and Environmental Monitoring Plan tie up with Environmental Management Plan and Environmental Monitoring Plan in Environmental Impact Analysis? b. For those who are not mandatory Environmental Impact Analysis, does implementation report of Environmental Management Efforts and Environmental Monitoring Efforts tie up with corridor of Environmental Management Efforts and Environmental Monitoring Efforts? c. Is format of implementation report in accordance with the format defined in Minister of Environment Decree No.45 Year of 2005? d. Does company have reporting evidence of Environmental Management Plan and Environmental Monitoring Plan or Environmental Management Efforts and Environmental Monitoring Efforts implementation to local Environmental Agency once every 6 months? <ol style="list-style-type: none"> a. What is the issuance date of Plantation Business License? b. Does annual report on plantation describe all company's activities within 1 year period?
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		<p>Annual Report on Plantation Business Program is a comprehensive report describing all company's activities that have been implemented within 1 year period, such as: progress on permit implementation, partnership implementation, field activities, processing plant, marketing, and environmental management</p> <p>Additional Information: The plantation progress annual report is a combination of Environmental Management Plan and Environmental Monitoring Plan implementation report and several separated reports, such as:</p> <ol style="list-style-type: none"> 1. Report of fire prevention which is submitted per 6 (six) months to local Government 2. Report of Occupational Health and Safety (OHS) implementation which is submitted per 3 (three) months to <i>Disnaker</i> (Manpower Office) 3. Annual Report of manpower progress which is submitted to <i>Disnaker</i> 	<p>c. Does company have reporting evidence of annual plantation progress to Regent/Mayor?</p>
1.5	Have system to monitor and update the validity of legal documents	<p>1.5.1 A person or party accountable to monitor the validity of all legal documents shall be available.</p> <p>1.5.2 List of all legal documents shall be owned by the company, containing the following information, including but not limited to:</p> <ol style="list-style-type: none"> a. name of document, b. Date of issuance of the document, c. Expiry date of the document. <p>Guidance: The validity periods of legal documents are as follows:</p> <ol style="list-style-type: none"> a. Company Registration Certificate (Tanda Daftar Perusahaan) is valid for 5 years b. Trading Business License (Surat Izin Usaha Perdagangan) is valid for 5 years 	<p>a. Does the accountable party or person have work order in accordance with its responsibilities?</p> <p>a. Can the accountable party or person provide legal document master list owned by the company?</p> <p>b. Does the legal document masterlist have following minimum information:</p> <ul style="list-style-type: none"> - Name of document - Date of issuance of document - Expiry date of document <p>c. Are all legal documents still valid in accordance with respective provisions?</p>

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		<ul style="list-style-type: none"> c. Business Premises Permit Letter (Surat Izin Tempat Usaha) is valid for 3 years d. Disruption Permit-(HinderOrdonnantie) is valid for 3 years e. Land Use Right (Hak Guna Usaha) is valid for 35 years and can be extended 2 times with 25 years of extension period each f. Operator License (Surat Izin Operator) is valid for 5 years g. Building Rights Title Certificate (Hak Guna Bangunan) is valid for 30 years h. Hazardous Waste Management Permit (including hazardous waste temporary storage) is valid for 5 years refers to Minister of Environment Regulation No.18 Year 2009 	
PRINCIPLE 2: ENVIRONMENTAL PROTECTION BY CONDUCTING ACCOUNTABLE PLANTATION PRACTICE			
2.1	No deforestation	<p>2.1.1 Have written policy approved by management and socialized across the company and plantation, stating that the company will only develop palm oil plantation at the permitted location by the government and/ or not indicated as High Conservation Value area.</p> <p>Guidance: Forest area is region set by the Government of Indonesia to be maintained its existence as permanent forest. No deforestation policy should be supported by the implementation of responsible land opening procedure in accordance with 'no deforestation' policy that already legalized</p>	<ul style="list-style-type: none"> a. Has no deforestation policy been socialized to related parties? b. Is information about no deforestation can be easily accessed? c. Is no deforestation policy included inside the land clearing procedure?
		<p>2.1.2 HCV identification and other protected area in the company's concession area shall be identified and</p>	<ul style="list-style-type: none"> a. Is there any involvement of all affected parties while conducting HCV identification?

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		<p>documented, by either company's HCV internal team or by involving HCV expert, Government, impacted community and non-governmental institution. Report of HCV identification shall be available at the estate and head quarter office.</p> <p>Guidance: Identification process of HCV Area refers to HCV Toolkit Indonesia, with the following general description:</p> <ul style="list-style-type: none"> a. HCV 1, 2, and 3 for the area with scarce or protected biodiversity. b. HCV 4 for the area functioned as natural environment services that may be useful as water source, flood control, erosion prevention, or the natural barriers to prevent forest fires expansion. c. HCV 5 for the area functioned as local community needs fulfillment. d. HCV 6 for the area which is the traditional culture identity of local community. <p>The identified HCV Areas must be included in the plantation concession map and provided with clear description as HCV area in accordance with respective criteria.</p>	<ul style="list-style-type: none"> b. Does HCV Identification report cover whole aspects of HCV 1,2,3,4,5, and 6? c. Has all HCV area been identified on the map of company's Location Permit? d. Is HCV identification report available at the estate and head quarter office?
		<p>2.1.3 Identified HCV and other protected areas management planning shall be available.</p> <p>Guidance: Management plan of HCV and other protected areas must be explained completely per HCV category 1 – 6 that have been identified. The plan development must involve parties that its areas are impacted from HCV management plan to have a comprehensive management plan that will not cause negative impact in the future.</p>	<ul style="list-style-type: none"> a. Does the development of HCV management plan involve all impacted parties? b. Do all impacted parties agree with HCV management plan? c. Can HCV management plan actively prevent continuing damage to the protected areas? d. Can HCV management plan protect the existence of endangered flora and fauna?

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		<p>Additional Information: Placement of marker or signage stating an area as the HCV area is not sufficient to prove of a HCV management practices.</p>	
		<p>2.1.4 HCV and other protected areas shall be managed and performed regular monitoring at minimum once a year. Guidance: HCV management and monitoring report along with the evidences are prepared and maintained by the party appointed by company. Report of HCV management and monitoring should be made available at the estate and head quarter office.</p>	<p>a. Is there implementation evidence of HCV monitoring and management? b. Is HCV monitoring and management report available at the estate and head quarter office?</p>
2.2	No new development in peatland area regardless its depth.	<p>2.2.1 Have written policy, approved by management and disseminated to all employees of the company and plantation, stating that there will be no new development in peatland after 2015. Guidance: Policy of no new development in peatland after May 2015 refers to Presidential Instruction of Moratorium No. 8 Year 2015 concerning Postponement of New License and Refinement of Primary Natural Forest and Peatland Governance. Additional Information: Government regulation related to no new development in peatland is: (Presidential Instruction of Moratorium No.8 Year 2015: Postponement of New License and Refinement of Primary Natural Forest and Peatland Governance). This inpres is issued in May 2015</p>	<p>a. Is no new development in peatland policy accessible to anybody? b. Does the policy clearly state time limit for not conducting new development in peatland? c. Do workers at the plantation and buyers of FFB product and its derivative know this policy?</p>
		<p>2.2.2 Documents that describe the peatland identification and map of peat depth within the Land Use Right (Hak Guna</p>	<p>a. Is peatland identification map and its depth made in 1:50.000 or 1:100.000 scale?</p>

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		<p>Usaha) area shall be reported to the relevant government institution.</p> <p>Guidance: Identification result and peatland depth mapping with 1:50.000 or 1:100.000 scale should be included in the Environmental Management Plan (Rencana Pengelolaan Lingkungan) and Environmental Monitoring Plan (Rencana Pemantauan Lingkungan) or Environmental Management Efforts (Upaya Pengelolaan Lingkungan Hidup) and Environmental Monitoring Efforts (Upaya Pemantauan Lingkungan Hidup) implementation report. Result of this peatland identification should be made available at the estate and headquarter office.</p>	<p>b. Is peatland identification map and its depth included in the Environmental Management Plan (Rencana Pengelolaan Lingkungan) and Environmental Monitoring Plan (Rencana Pemantauan Lingkungan) or Environmental Management Efforts (Upaya Pengelolaan Lingkungan Hidup) and Environmental Monitoring Efforts (Upaya Pemantauan Lingkungan Hidup) implementation report?</p> <p>c. Is the result of peatland identification map and its depth available at the estate and head quarter office?</p>
2.3	<p>Peatland management in the area already planted with oil palm should follow the peatland Best Management Practice (BMP).</p> <p>Note: Criterion 2.3 is only applicable for plantation that has planted oil palm in the peatland.</p>	<p>2.3.1 There shall be procedures applied for the oil palm planting and maintenance in peatland in accordance with BMP and applicable laws.</p> <p>Guidance: Procedure of oil palm planting and maintenance in peatland should be received by appointed officer in the company. BMP practices in peatland refers to Minister of Agriculture Regulation No. 14/Permentan/PL.110/2/2009 concerning Guideline of Peatland Utilization for Palm Oil Cultivation</p> <p>2.3.2 Water level of peatland which is measured by piezometer at 40-60 cm height below land surface from the center of peatland, or 50-70 cm below land surface from water canal shall be maintained to curb GHG emission.</p> <p>Guidance: Referring to the monitoring report of water level in peatland, either by measurement with piezometer or measurement at the water canal. Perform random inspection towards the water level monitoring result in the peatland</p>	<p>a. Is planting procedure of oil palm in peatland in accordance with BMP and applicable laws?</p> <p>b. Is there evidence that the procedure has been received by accountable person for planting and upkeeping in peatland?</p> <p>a. Is there reporting result of measuring water level in peatland both by using piezometer and staff gauge?</p> <p>Note: Random checking to the field needs to be done against the reporting result to ensure report data accuracy</p>

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		<p>2.3.3 Monitoring report on subsidence and peatland damage level shall be available.</p> <p>Guidance: Supporting documents of the monitoring report should be included as evidence for subsidence and peatland damage that have occurred, such as photos, historical fire incidents in peatland, etc.</p>	<p>a. Does company have peatland subsidence monitoring annual report?</p> <p>b. Does the annual report have photo evidence of monitoring sites?</p> <p>c. Are historical fire incidents in peatland inside plantation concession area available?</p>
2.4	No fire for land preparation, re-planting, burning waste and other development activities, and have fire prevention system	<p>2.4.1 Have written policy that has been approved by the management and socialized across the company and plantation, stating that it is not allowed to conduct burning activities within the company's concession area.</p> <p>Guidance: For 2.4.1 and 2.4.2 Burning of Oil Palm Empty Fruit Bunch in the incinerator, hot chimney smoke, heat points from the processing activity at Palm Oil Mill (Pabrik Kelapa Sawit) are not included as hotspots that come from prohibited burning practices</p>	<p>a. Has this policy been endorsed by authorized management personnel?</p> <p>b. Is socialization evidence of this policy to related parties available?</p>
		<p>2.4.2 There shall be evidence that supports no burning activity within plantation concession area, such as historical hot spots in concession area, identification of traces of ash from the burning, Official Report (BAP) of land opening with mechanical system, etc</p>	<p>a. Does company have evidence to support no burning activities ever done inside company's concession area?</p>
		<p>2.4.3 There shall be fire prevention and control procedures, that has been approved by the authorized management of the company and receipt of documents by the plantation fire prevention team as evidence.</p>	<p>a. Is the procedure developed in accordance with company's implementation capability?</p> <p>b. Is there evidence that the procedure has been received by accountable party for preventing and controlling fire?</p>
		<p>2.4.4 There shall be fire response implementation document, also documents on supervision and maintenance towards</p>	<p>a. Does company have fire response implementation document and trainings?</p>

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		<p>firefighting infrastructure and facilities that reported periodically to the relevant institutions.</p> <p>Guidance: The report of OHS implementation should be submitted once in 3 months to the local <i>Disnaker</i>. This refers to Minister of Manpower and Transmigration Regulation No. 2 Year 1992.</p>	<p>b. Does company have fire facilities and infrastructure maintenance records?</p> <p>c. Is fire response implementation document included in quarterly OHS implementation report to local Disnaker?</p>
2.5	<p>Identifying Green House gases (GHG) sources and have system to reduce GHG impact.</p>	<p>2.5.1 There shall be record of inventory and monitoring of GHG source.</p> <p>Guidance: GHG source can be identified through some activities in the plantation, such as:</p> <ol style="list-style-type: none"> Historical land opening within 3-5 years back: map of land clearing, occurrence of fire in land clearing area, land clearing at identified hcv area, land clearing in peatland area, etc Data of chemical fertilizer utilization within 3-5 years back: usage of chemical fertilizer utilization that contains nitrogen. Record of fossil fuel utilization within 3-5 years back: usage of diesel or unleaded fuel for generator, operational vehicles inside concession area. Data of pesticide/ herbicide utilization within 3-5 years back: usage of pesticide/herbicide utilization that contains nitrogen. 	<ol style="list-style-type: none"> Does company have historical record of land clearing for the last 3-5 years that may have following information: <ul style="list-style-type: none"> Land clearing map? Fire in land clearing area? Land clearing in conservation area, such as forest area, riparian river, or land with certain slope? Land clearing in peatland area? Does company have historical record of chemical fertilizer utilization for the last 3-5 years that may have following information: <ul style="list-style-type: none"> Chemical fertilizer utilization that contains nitrogen? Does company have historical record of fossil fuel utilization for the last 3-5 years that may have following information: <ul style="list-style-type: none"> Usage of diesel or unleaded fuel for generator set, operational vehicles inside concession area? Does company have historical record of pesticide/herbicide utilization for the last 3-5 years that may have following information: <ul style="list-style-type: none"> Pesticide/herbicide utilization that contains nitrogen?

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		<p>2.5.2 There shall be mitigation procedure for GHG emission with written approval from the authorized Company management, and have reception receipt of procedure from the accountable company person.</p> <p>Guidance: GHG mitigation procedure should be made in language that is easy to comprehend by the users.</p>	<p>a. Is mitigation procedure for GHG emission made in understandable language for users? b. Is the procedure approved by authorized company management? c. Is there evidence that the procedure has been received by accountable company person?</p>
		<p>2.5.3 There are some stages of land function shifting from forest area to plantation, if there are land that shift function and its written approval from Ministry of Forestry shall be available.</p> <p>Guidance: Plantation should provide map of its HGU overlaid with map of forest area from the Ministry of Forestry to know whether any overlapping occurs. Conversion process of the area to be plantation should be in accordance with the provisions in Government Regulation No. 104 Year 2015</p>	<p>a. Does company have forest are map overlaid with company's HGU map? b. Is there indication that HGU map overlapping with forest area? c. If there was and indication of overlapping with forest area, do the company have written approval from Ministry of Forestry?</p>
		<p>2.5.4 There shall be documentation of GHG mitigation implementation and socialization to workers.</p> <p>Guidance: Evidence of GHG mitigation implementation should cover the following activities, but not limited to:</p> <ul style="list-style-type: none"> a. Utilization of liquid waste (POME) for Land Application and/or methane power plant b. Utilization of <i>tankos</i> (oil palm empty fruit bunch) as part of organic fertilizer c. Utilization of shell and fiber as the boiler fuel to reduce solar usage 	<p>a. Does company do GHG mitigation sources socialization to workers? b. Does company do waste utilization to reduce GHG emission? c. Does company do regular maintainance service to its machinery? d. Does company do regular emission test to operational vehicle, diesel engine and/or boiler? e. Does company have go green activities in certain location?</p>

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		<ul style="list-style-type: none"> d. Electricity consumption saving for all plantation operations, including AC utilization e. Regular maintenance record of the machinery f. Any other activities that can reduce effect of GHG 	
PRINCIPLE 3: RESPECTING HUMAN RIGHTS			
3.1	Settling the dispute happened either internally or externally of the company by relying on deliberation and consensus.	<p>3.1.1 Conducting Free Prior Information Consent (FPIC) to all impacted parties in all stages of plantation development</p> <p>Guidance: Identification process of Environmental Impact (Analisa Mengenai Dampak Lingkungan), identification of social impact (<i>Social Impact Assessment</i>), Identification of HCV Area and Participative Mapping are the prerequisite of FPIC.</p> <p>FPIC is conducted not only at the initial stage of plantation development, but also throughout the whole development process going forward.</p> <p>The things can be seen from documentation of FPIC process, up to obtaining agreement from the people that impacted by the development activities of the plantation, such as land clearing, Palm Oil Mill construction, road development, CPO transportation route, etc.</p>	<ul style="list-style-type: none"> a. Does company do participation mapping? b. Does company do Social Impact Assessment? c. Does company have socialization evidence to all impacted parties in plantation development?
		<p>3.1.2 There shall be a system to share and solve complaint from internal or external parties of the company, along with its records.</p> <p>Additional Information: FPIC is conducted to avoid conflict occurrence in the future. There is still possibility that even though FPIC has been conducted, the potential conflict can still occur. However, before the complaint</p>	<ul style="list-style-type: none"> a. Does company have complaint delivery and resolution system? b. Does company have records of complaint delivery and resolution?

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		(which is a conflict potential) is growing to be a conflict, it requires a complaint collection and settlement system.	
		<p>3.1.3 Prioritizing deliberation and consensus, before involving external company's security officers to settle the dispute.</p> <p>Guidance: Check the outcome documentation from the dispute settlement with impacted parties (community and other conflicted parties) to ensure intimidation from external company's security officers does not occur.</p>	<p>a. Is there indication that company use oppressive method in settling dispute?</p> <p>Note: Assessor shall do direct-random confirmation with impacted party to ensure no oppressive method has been used to settle in dispute.</p>
		3.1.4 There shall be dispute/conflict settlement document that has been approved and signed by each of disputing party.	<p>a. Is copy of dispute/conflict settlement document owned by each of disputing party?</p> <p>b. Has the dispute/conflict settlement document been agreed and signed by each of disputing party?</p>
PRINCIPLE 4: RESPONSIBILITIES TO WORKERS			
4.1	Fulfilling administration requirement of applicable employment law.	4.1.1 Every worker shall receive copy of Job Contract containing information on the scope of work, wages, allowance etc. as well as Company Regulation that describes completely the applicable regulation and sanctions.	<p>Principle 4: Responsibilities to Workers refers to applicable Employment Law in Indonesia as incorporated in Employment Law No. 13 Year 2003.</p> <p>a. Is copy of Job Contract document owned by both company and workers?</p> <p>b. Is copy of Company Regulation owned by both company and workers?</p> <p>c. Does contain of Job Contract state minimum information on scope of work, wages, allowance and leadership structure?</p> <p>d. Does Company Regulation sufficiently describe rights-obligations and sanctions to both workers and employers?</p>

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		<p>4.1.2 Regional Minimum Wage (Upah Minimum Regional) for all workforce shall be in accordance with the regulation of local Manpower and Transmigration Office (<i>Disnakertrans</i>) and there is evidence that Regional Minimum Wage information has been disseminated to workforce.</p> <p>Guidance: The company is obliged to conduct socialization to the workforce in case of Regional Minimum Wage changes. Salary slip of the workforce must be in accordance with the latest Regional Minimum Wage value defined by local Governor</p>	<p>a. Is the payslip in accordance with local regional minimum wage? b. Does workers regularly receive payslip?</p>
4.2	Providing fair treatment and equal job opportunity to all workforce.	<p>4.2.1 Have written policy stating that the company will not discriminate against the workers based on race, skin color, gender, religion, age, social status and other motives in accordance with the applicable laws. This policy shall be socialized to the workers.</p>	<p>a. Where no discrimination policy is stated? b. Do workers know and understand this no discrimination policy?</p>
		<p>4.2.2 Recruitment procedure or mechanism that supports equal job opportunity and employees' development shall be available.</p>	<p>a. Is recruitment procedure clearly describe to support equal job opportunity and employees' development?</p>
		<p>4.2.3 Workers shall have the right to establish or join labor organization or union.</p> <p>Guidance: Company gives freedom to the workers to establish labor union within the company, or joining the labor union outside of the company.</p>	<p>a. Does company have labor union? b. Do workers can join labor union outside of the company? c. Do workers have records of labor union activities that have been done?</p>
		<p>4.2.4 Workers shall be freed from any abuse, threats, violation either physically or mentally from colleagues or company.</p> <p>Guidance:</p>	<p>a. Does record of workers' grievance show any forms of abuse, threats, or violation to workers? b. Does result of random interview with workers show any occurrence forms of abuse, threats or violation to workers?</p>

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		<p>Any abuse, threats or violation to workers can be visible from the interview result with the workers and documentation record checking of workers' complaints</p>	
<p>4.3</p>	<p>Prohibition to employ under age workers.</p>	<p>4.3.1 Children below 18 years old shall not perform adult job. They are still allowed to work in accordance with the applicable conditions and Law of Employment.</p> <p>Guidance: Under 18 years old workers consist of 2 categories:</p> <ul style="list-style-type: none"> a. 15-17 years old, not allowed to perform job that impose high risk to their health and safety and must not disrupt the education process. b. 12-14 years old, only allowed to perform light works to help their parents in the plantation, where the following conditions must be fulfilled, health, education and safe working condition. <p>Additional information: High Risk work is a work that has a severe impact on the health of workers if an accident occurs. The effect of high risk-work related accidents could lead to hospitalize or even death. Certain condition for children between 15-17 years old to perform adult job category, such as:</p> <ul style="list-style-type: none"> a. Not operating or assisting power machinery or tools. b. Not performing a night work or work more than 3 hours per day. c. Not working near steep cliffs or drop offs, or on high surfaces. d. Not handling chemical and waste related type of works. e. Performing work only after school hours. f. Others jobs that are not required strong physical extortion. 	<ul style="list-style-type: none"> a. What kind of job children under 18 years old do? b. Are children under 18 years old spotted to perform adult job that can impose high risk to their health and safety? c. Do children under 18 years old work during school hours? d. Do children under 18 years old have written permission from their parents to work? e. How many hour do children under 18 years work per day? (maximum 3 hours per day)

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		<p>Light work is a work that does not require strong physical exertion. Children in the age between 12-14 years old are still allowed to perform this light work with the following conditions:</p> <ol style="list-style-type: none"> a. Carrying load not more than 20% of children’s weight. b. Not working near steep cliffs or drop offs, or on high surfaces. c. Must be accompanied by parents or legal guardians whilst performing job. d. Not doing a night work or work more than 3 hours per day. e. Not handling chemical related type of works. <p>The law that regulates on children workers (below 18 years old) is included in the Law No. 13 Year 2003 concerning Employment in Article 68 up to Article 75.</p>	
4.4	Not conducting forced labor or slavery.	<p>4.4.1 There shall be written policy that has been socialized to workers, stating that the company prohibits any form of forced labor or slavery in the operations. The policy shall be socialized to the workers as well.</p>	<ol style="list-style-type: none"> a. Where is no forced labor or slavery policy stated? b. Do workers know and understand this policy?
		<p>4.4.2 Workers have the right of rests and leaves based on applicable Employment Law.</p> <p>Guidance: Arrangement of minimum rests and leaves time in accordance with Employment Law are as follows:</p> <ol style="list-style-type: none"> a. Break time between working hours is minimum 30 minutes after working for 4 hours. b. Weekly break, 1 day after 6 working days. a. Annual leave, at minimum 12 working days after 12 consecutive working months. <p>During the break time and leave, the workers have the right to receive full wage.</p>	<ol style="list-style-type: none"> a. How long is the break time during working hours? b. How long is the annual leave entitled to workers? c. Do workers still have the right to receive full wage?

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		<p>4.4.3 Overtime shall be voluntarily and shall not beyond the defined time limit in the applicable Employment Law. Guidance: Overtime may only be conducted when fulfilling the following conditions:</p> <ul style="list-style-type: none"> a. There is agreement by respective labor/ workers. b. Overtime can only be performed at maximum 3 hours in 1 day and 14 hours in a week. <p>Additional information: The law which regulates working hours is Law No. 13 Year 2003 concerning Employment Article 68 up to Article 79 -84.</p>	<ul style="list-style-type: none"> a. Do workers voluntarily agree to do overtime? b. How many hour of overtime workers have in 1 week?
		<p>4.4.4 There shall be overtime record conducted and overtime calculation which are in accordance with the applicable Employment Law Guidance: Overtime record for the past 6 months</p>	<ul style="list-style-type: none"> a. Does HRD have record of overtime for the last 6 months?
<p>4.5</p>	<p>Providing safe and healthy welfare facilities to support work productivity.</p>	<p>4.5.1 Workers shall have access to clean water, education for school-aged children, health and praying facilities. Guidance: Easy access to the followings, can be indicated from the availability of facilities and infrastructure of:</p> <ul style="list-style-type: none"> a. Clean water for Bathing, Washing and Toilet activities as well as drinking water must be available in all plantation emplacement, such as office and housing. b. Company may provide school transport for the children whose parents working and living in the plantation. c. Health facilities may consist of health insurance, cooperation with clinics/ doctors/ local hospitals for the employees/ workers in the plantation, etc. 	<ul style="list-style-type: none"> a. Is clean water always available in all emplacement? b. Is there any form of educational supports from company for workers' children? c. What kind of health facility workers receive? d. Do workers can perform praying activities in accordance with their beliefs?

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		<p>d. Every worker may perform praying activities in accordance with their beliefs.</p>	
		<p>4.5.2 Clean, safe and health residences shall be available. Guidance: Residence and housing environment has trash collection and disposal system, there is safe septic tank that meets with the health standard, feasible living condition of the housings as well as fire prevention system.</p>	<p>a. Is worker living condition clean? b. Is the condition of the residence inhabitable? c. Do workers residential have adequate garbage disposal? d. Do workers housing complex have fire prevention system?</p>
		<p>4.5.3 Registering the employees, either the permanent employees, daily workers, lumpsum and/ or seasonal workers in Social Security of Health and Employment (<i>BPJS Ketenagakerjaan</i> and <i>Kesehatan</i> Program). Guidance: HRD Department has the list of workers at the plantation as well as their <i>BPJS Kesehatan</i> and <i>BPJS Ketenagakerjaan</i> identification number of each worker. Additional information: The law that regulates <i>BPJS Kesehatan</i> refers to Presidential Regulation No. 111 Year 2013 concerning Amendment of Presidential Regulation No. 12 Year 2013 concerning Health Insurance. The law that regulates <i>BPJS Ketenagakerjaan</i> refers to Presidential Regulation No. 109 Year 2013 concerning Phasing of Participation on Social Insurance Program</p>	<p>a. How many workers company have? b. Do all workers already have BPJS?</p>
PRINCIPLE 5: EMPOWERMENT OF SMALLHOLDERS, INDIGENOUS AND LOCAL PEOPLE			

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5.1	Improving awareness of sustainable plantation to local people.	<p>5.1.1 There shall be productivity improvement programs and implementation available for the local community' plantation</p> <p>Guidance: Conducting training on technical practices of sustainable palm oil plantation, providing premium oil palm seeds for potential plasma farmers, supporting the procurement of fertilizers, etc</p>	<p>a. Does company have productivity improvement program for local community's plantation?</p> <p>b. Does company have evidence of the program implementation?</p>
5.2	Improving the livelihood, economic and social.	<p>5.2.1 There shall be programs to improve the livelihood level of surrounding community in terms of education, health, road construction, plantation, agriculture, social-culture, and religious activities.</p> <p>Guidance: This program must be long term and sustainable to bring significant impact to the local community</p> <p>5.2.2 Conducting business partnership with local people and smallholders.</p> <p>Guidance: The business partnership is conducted by complying with applicable law. Company may suggest to local community who has not had legal entity to establish a legal entity such as cooperative or smallholders group to be FFB supplier for Palm Oil Mill company.</p>	<p>a. Is company's program to improve livelihood, economic and social level of surrounding community long term and sustainable?</p> <p>a. What kind of business partnership company does with local people and/or smallholder?</p> <p>b. Is business partnership conducted in a lawful manner?</p> <p>c. Does palm oil mill have list of FFB suppliers from local community?</p>
PRINCIPLE 6: TRACEABILITY AND TRANSPARENCY			
6.1	FFB source can be traced up to suppliers' estate location.	<p>6.1.1 There shall be list of supplier names, including the middlemen and the coordinate of FFB.</p> <p>6.1.2 Palm Oil Mill shall have procedure of FFB reception to identify source of accepted FFB.</p> <p>Guidance:</p>	<p>a. Does palm oil mill have list of FFB suppliers?</p> <p>b. Does palm oil mill have coordinates of its FFB suppliers?</p> <p>a. Does palm oil mill have FFB reception procedure?</p> <p>b. Does FFB reception procedure have necessary steps to identify source of FFB?</p>

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		<p>Procedure of FFB reception must describe several minimum stages of Delivery Order by including trade contract number of FFB, and other necessary information that can identify source of FFB.</p>	<p>c. Does FFB reception procedure require to have FFB Purchase Contract Agreement for its suppliers?</p>
		<p>6.1.3 There shall be document of FFB reception record at Palm Oil Mill or collection point.</p> <p>Guidance: FFB reception document at the crops collection point is only required if the Palm Oil Mill has FFB reception point other than at Palm Oil Mill.</p>	<p>a. Does palm oil mill have record off FFB reception?</p>
6.2	Fair and transparent FFB price.	<p>6.2.1 Palm Oil Mill shall periodically provide the latest information on FFB price to the suppliers.</p> <p>Guidance: Providing latest information of FFB price to all FFB suppliers, which are shared transparently in accordance with the agreed contract in the FFB trading contract. The information sharing system depend on the facilities and infrastructure of both parties. The latest information of FFB price can be shared by SMS, e-mail or announcement board at FFB reception point at Palm Oil Mill</p>	<p>a. Does palm oil mill provide the latest information of FFB price in accordance with the agreed FFB purchasing contract?</p>

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