Roundtable on Sustainable Palm Oil
Annual Surveillance Audit Report

Report no.: ASA2-18501482

Surveillance assessment against the RSPO Principles & Criteria Indonesia National Interpretation (INA-NI) year 2008, RSPO SCCS Nov 2011 and RSPO Scheme Smallholder Indonesia National Interpretation (INA-NI) year 2009

Wilmar International Limited
PT AMP Plantation Palm OIL MILL
PT AMP Plantation, PT Primatama Mulyajaya, PT Karya Agung Megah Utama, PT Perkebunan Anak Negeri Pasaman, Koperasi Perkebunan Kelapa Sawit Tompek Tapian Kandis

Date of assessment : 07-12 July 2014

Report prepared by:
Hendra Fachrurozy
(RSPO Lead Auditor)

Certification decision by :
Muhammad B. Asana
(COO PT TUV Rheinland Indonesia)

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# TABLE OF CONTENTS

## 1.0 SCOPE OF ANNUAL SURVEILLANCE AUDIT 3

1.1 National Interpretation Used 3
1.2 Type of Assessment 3
1.3 Certification Details 3
1.4 Location and Maps 4
1.5 Organisational Information / Contact Person 5
1.6 Description of Supply Base 5
1.7 Actual production volumes, tonnages and projected outputs. 8
1.8 Dates of Plantings and Replanting Cycles 8
1.9 Area of Plantation (Total, Planted and Mature) 9
1.10 Progress Against Time Bound Plan 10
1.11 Compliance to Rules for Partial Certification 12
1.12 Progress of associated smallholders or outgrowers towards RSPO compliance 12

**or! Bookmark not defined.**

1.13 (Revised) Approximate Tonnages Certified 12

## 2.0 ASSESSMENT PROCESS 13

2.1 Certification Body 13
2.2 Qualifications of Lead Assessor and Assessment Team 13
2.3 Assessment Methodology & Agenda 14

## 3.0 ASSESSMENT FINDINGS 17

3.1 Summary of Findings 17
3.2 Status of Previously Identified Non-conformities 17
3.3 Identified Non-conformances, Corrective Actions Taken and Auditors Conclusions 54
3.4 Noteworthy Positive Components 54

**or! Bookmark not defined.**

3.5 Issues Raised by Stakeholders and Findings Pertaining to Issues 65

## 4.0 CERTIFIED ORGANISATION’S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY 66

4.1 Date of Next Surveillance Visit 66
4.2 Acknowledgements of Internal Responsibility and Formal Sign-Off by Client 66

## APPENDICES 67

Appendix 1: Details of Revised Certificate (if applicable) 67
Appendix 2: List of Abbreviations 68
Appendix 3: List of Stakeholders Interviewed and Contacted 68
Appendix 4: Observations and Opportunities for Improvement 69
1.0 SCOPE OF ANNUAL SURVEILLANCE AUDIT

1.1 National Interpretation Used
The operations of the palm oil mill and its supply base of FFB were assessed against the Indonesia National Interpretation (INA-NI) year 2008 of the RSPO Principles & Criteria, RSPO SCCS November 2011 and RSPO Scheme Smallholder October 2009.

1.2 Type of Assessment
The annual surveillance assessment was carried out on 1 (one) mill and 4 (four) estates under PT AMP Plantation and 1 (one) estate under PT Primatama Muria Jaya owned by Wilmar International limited, 1 (one) estate under PT Karya Agung Megah Utama and 1 (one) estate under PT Perkebunan Anak Negeri Pasaman and the main assessment on 1 (one) scheme smallholder under Cooperative (Koperasi Perkebunan Kelapa Sawit) Tompek Tapian Kandis.

1.3 Certification Details
The details of RSPO certification of PT AMP Plantation Palm Oil Mill are as per the table below

Table 1: RSPO Certification details of PT AMP Plantation

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>RSPO Membership no.:</td>
<td>2-0017-05-000-00.</td>
</tr>
<tr>
<td>RSPO Certificate no.:</td>
<td>824 502 15017</td>
</tr>
<tr>
<td>Date of first RSPO certificate &amp; validity:</td>
<td>June 07, 2012 &amp; valid until June 06, 2017</td>
</tr>
<tr>
<td>Date of certification audit:</td>
<td>July 04 to 09, 2011</td>
</tr>
<tr>
<td>Date of previous surveillance audit:</td>
<td>June 17-22, 2013</td>
</tr>
<tr>
<td>Date of revised RSPO certificate &amp; validity (if applicable):</td>
<td>January 30, 2015 &amp; valid until June 06, 2017</td>
</tr>
<tr>
<td>CPO tonnages claimed:</td>
<td>55,880</td>
</tr>
<tr>
<td>PK tonnages claimed:</td>
<td>15,083</td>
</tr>
</tbody>
</table>
1.4 Location and Maps

Figure 1: Location of PT AMP Plantation, PT PMJ, PT KAMU, PT PANP and the cooperative of Tompek Tapian Kandis in West Sumatera

Figure 2: The plantation area of PT AMP Plantation, PT PMJ, PT KAMU, PT PANP and cooperative of Tompek Tapian Kandis
### 1.5 Organisational Information / Contact Person

Contacts details of the company are as follows:

<table>
<thead>
<tr>
<th>Company Name</th>
<th>PT AMP Plantation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Address:</strong></td>
<td>Head office: Multivision Tower 15th floor, Jl.Kuningan Mulia Kav.9B, Jakarta Selatan, Indonesia</td>
</tr>
<tr>
<td><strong>Estate:</strong></td>
<td>Tapian Kandis village, Palembayan Sub District, Agam District, West Sumatera Province</td>
</tr>
<tr>
<td><strong>Contact Person:</strong></td>
<td>Mr. Lew Kiem Seng</td>
</tr>
<tr>
<td><strong>Telephone:</strong></td>
<td>+ 62 0812 6626 505 / + 62 0812 6605 686 / + 62 0852 7403 3078</td>
</tr>
<tr>
<td><strong>Email:</strong></td>
<td><a href="mailto:lks@wilmar.co.id">lks@wilmar.co.id</a></td>
</tr>
</tbody>
</table>

### 1.6 Description of Supply Base

PT AMP Plantation palm oil mill is one of the palm oil mills that is owned by Wilmar International located in West Sumatera. PT AMP Palm Oil Mill was established in 1992 with a production capacity of 60 tonnes/hours in accordance the decision letter no. 570/21/T/Pertanian/BKPPMD-2003 from the Head of the Modal Capital Investment Coordination Board (‘Badan Koordinasi Penanaman’- BKPM) of West Sumatra regarding handover of Permanent Business Permit (Izin Usaha Tetap) for PT Agramasang Perkasa Plantation (PT AMP Plantation) valid for January 1998 to January 2028. The company’s head office location is at Tapian Kandis village, Palembayan Sub Districts, Agam District, West Sumatera Province. PT AMP Plantation Mill receives supplies from its 4 company-owned es-
states, FFB from PT Primatama Mulia Jaya, as well other estates under Wilmar International Indonesia located within company’s West Sumatera such as PT Permata Hijau Pasaman and PT Gersindo Minang Plantation. Moreover, the mill has received FFB from PT Karya Agung Megah Utama, PT Perkebunan Anak Negeri Pasaman, smallholders and outgrowers as describe below. The scope of this assessment only covers the fourth company owned estate under PT AMP Plantation, PT Primatama Mulia Jaya, PT Karya Agung Megah Utama, PT Perkebunan Anak Negeri Pasaman and village cooperative (Koperasi Perkebunan Kelapa Sawit) Tompek Tapian Kandis.

**Table 3.a : FFB Supply Information for PT AMP Plantation Palm Oil Mill**

<table>
<thead>
<tr>
<th>FFB Contributors</th>
<th>FFB supplied Jan-Dec 2013</th>
<th>FFB supplied Jan-June 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tonnes</td>
<td>%</td>
</tr>
<tr>
<td><strong>I. Company owned estates:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PT AMP I</td>
<td>49,392.99</td>
<td>13.32</td>
</tr>
<tr>
<td>PT AMP II</td>
<td>58,732.31</td>
<td>15.84</td>
</tr>
<tr>
<td>PT AMP III</td>
<td>32,385.57</td>
<td>8.74</td>
</tr>
<tr>
<td>PT AMP IV</td>
<td>19,573.77</td>
<td>5.28</td>
</tr>
<tr>
<td>Sub total I</td>
<td>160,084.64</td>
<td>43.19</td>
</tr>
<tr>
<td><strong>II. Other company in group:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PT Primatama Mulia Jaya</td>
<td>30,126.56</td>
<td>8.13</td>
</tr>
<tr>
<td>PT Permata Hijau Pasaman I</td>
<td>11,335.82</td>
<td>3.06</td>
</tr>
<tr>
<td>PT Permata Hijau Pasaman II</td>
<td>961.75</td>
<td>0.26</td>
</tr>
<tr>
<td>PT Gersindo Minang Plantation</td>
<td>3,418.96</td>
<td>0.92</td>
</tr>
<tr>
<td>Sub total II</td>
<td>45,843.09</td>
<td>12.37</td>
</tr>
<tr>
<td><strong>III. Outgrower:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PT Perkebunan Anak Negeri Pasaman</td>
<td>24,503.73</td>
<td>6.61</td>
</tr>
<tr>
<td>PT Karya Agung Megah Utama</td>
<td>16,791.30</td>
<td>4.53</td>
</tr>
<tr>
<td>PT Siak Permai Sakti (qq PT WINA)</td>
<td>37,038.98</td>
<td>9.99</td>
</tr>
<tr>
<td>KTA Tenera</td>
<td>860.66</td>
<td>0.23</td>
</tr>
<tr>
<td>Sub total III</td>
<td>79,194.67</td>
<td>21.36</td>
</tr>
<tr>
<td><strong>IV. Smallholder:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>A. AMP I</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Koperasi Tompek Tapian Kandis (Plasma 1)</td>
<td>7,789.14</td>
<td>2.10</td>
</tr>
<tr>
<td>KUD Damai Sejahtera (ke-II) (Plasma 2)</td>
<td>5,615.86</td>
<td>1.51</td>
</tr>
<tr>
<td>KUD Mutiara Sawit Jaya (Plasma 3)</td>
<td>5,554.56</td>
<td>1.50</td>
</tr>
<tr>
<td>KUD Bukik Sandiang Tigo (Plasma 4)</td>
<td>4,573.36</td>
<td>1.23</td>
</tr>
<tr>
<td><strong>B. AMP II</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Koperasi Perkebunan Sawit Agro Wira Masang (Plasma Kinali)</td>
<td>14,048.74</td>
<td>3.79</td>
</tr>
</tbody>
</table>
Table 3.b: FFB Supply Information for PT AMP Plantation Palm Oil Mill with Based on Certified or Non-Certified FFB Contributors

<table>
<thead>
<tr>
<th>FFB Contributors</th>
<th>FFB supplied Jan-Des 2013</th>
<th>FFB supplied Jan-Juni 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tonnes</td>
<td>%</td>
</tr>
<tr>
<td>YTM Mangopoh</td>
<td>8,383.16</td>
<td>2.26</td>
</tr>
<tr>
<td>KUD Mangopoh I</td>
<td>24,007.02</td>
<td>6.48</td>
</tr>
<tr>
<td><strong>C. AMP III</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kelompok Tani Labuhan Subang-Subang &amp; KUD Mutiara Sawit Jaya (Plasma Tiku)*</td>
<td>1,450.53</td>
<td>0.39</td>
</tr>
<tr>
<td>KUD Damai Sejahtera (Kedua)</td>
<td>1,841.73</td>
<td>0.50</td>
</tr>
<tr>
<td><strong>D. PMJ</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KUD Damai Sejahtera (Pertama)</td>
<td>12,307.02</td>
<td>3.32</td>
</tr>
<tr>
<td><strong>Sub total IV</strong></td>
<td>85,571.11</td>
<td>23.08</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>370,693.51</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Note:
*) Period of January to October 2013 that management of areas on behalf village cooperative (KUD) Mutiara Sawit Jaya and period of November 2013-now on behalf Kelompok Tani Labuhan Subang-Subang

Table 3.b: FFB Supply Information for PT AMP Plantation Palm Oil Mill with Based on Certified or Non-Certified

<table>
<thead>
<tr>
<th>FFB Contributors</th>
<th>FFB supplied Jan-Des 2013</th>
<th>FFB supplied Jan-Juni 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tonnes</td>
<td>%</td>
</tr>
<tr>
<td>PT AMP Plantation</td>
<td>160,084.64</td>
<td>43.19</td>
</tr>
<tr>
<td>PT Primatama Mulia-ya</td>
<td>30,126.56</td>
<td>8.13</td>
</tr>
<tr>
<td>PT Perkebunan Anak Negeri Pasaman</td>
<td>24,503.73</td>
<td>6.61</td>
</tr>
<tr>
<td>PT Karya Agung Megah Utama</td>
<td>16,791.30</td>
<td>4.53</td>
</tr>
<tr>
<td>PT Permata Hijau Paman I</td>
<td>11,335.82</td>
<td>3.06</td>
</tr>
<tr>
<td>PT Permata Hijau Paman II</td>
<td>961.75</td>
<td>0.26</td>
</tr>
<tr>
<td>PT Gersindo Minang Plantation</td>
<td>3,418.96</td>
<td>0.92</td>
</tr>
<tr>
<td><strong>Sub total I</strong></td>
<td>247,222.76</td>
<td>66.70</td>
</tr>
<tr>
<td><strong>II. Non-Certified</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PT Siak Permai Sakti (qq PT WINA)</td>
<td>37,038.98</td>
<td>9.99</td>
</tr>
<tr>
<td>KTA Tenera</td>
<td>860.66</td>
<td>0.23</td>
</tr>
<tr>
<td>Smallholders</td>
<td>85,571.11</td>
<td>23.08</td>
</tr>
</tbody>
</table>
1.7 Actual production volumes, tonnages and projected outputs.

Table 4: Certified tonnages claimed, certified tonnages purchased or sold, total and projected CPO and PK production from PT AMP Plantation Palm Oil Mill

<table>
<thead>
<tr>
<th>FFB Contributors</th>
<th>FFB supplied Jan-Des 2013</th>
<th>FFB supplied Jan-Juni 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tonnes</td>
<td>%</td>
</tr>
<tr>
<td>Sub total II</td>
<td>123,470.75</td>
<td>33.30</td>
</tr>
<tr>
<td>TOTAL</td>
<td>370,693.51</td>
<td>100.00</td>
</tr>
</tbody>
</table>

1.8 Dates of Plantings and Replanting Cycles

The company follows a replanting cycle of 25 years. Information on the dates of plantings are as per the table below.

Table 5: Age and year of plantings of company estate supplying to PT AMP Plantation Palm oil Mill

<table>
<thead>
<tr>
<th>Age &amp; Year of Plantings</th>
<th>Oil palm planted area at each estate(ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AMP</td>
</tr>
<tr>
<td>0 – 5 yrs (2010 – 2014)</td>
<td>34.26</td>
</tr>
<tr>
<td>5-10 yrs (2005– 2009)</td>
<td>0.00</td>
</tr>
<tr>
<td>10-15 yrs (2000 – 2004)</td>
<td>2,307.33</td>
</tr>
<tr>
<td>15-20 yrs (1995 – 1999)</td>
<td>3,746.52</td>
</tr>
<tr>
<td>20-25 yrs (1990 – 1994)</td>
<td>1,287.36</td>
</tr>
<tr>
<td>25 - 30 yrs (1985 - 1989)</td>
<td>0.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>7,375.47*</td>
</tr>
</tbody>
</table>

Note:
*
(1) Decrease of unplanted areas i.e land clearing (LC) area and HCV areas
**
(2) Decrease of unplanted areas i.e HCV areas

QMF: RSPO-007b-13
Table 6: Planned and actual oil palm replanting activities for PT AMP Plantation, PT PMJ Plantation, PT KAMU and PT PANP

<table>
<thead>
<tr>
<th>Year</th>
<th>Total planned replanting area (ha)</th>
<th>Total planned replanting area for each estate (ha)</th>
<th>Actual total area replanted (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>KAMU*</td>
<td>PANP</td>
</tr>
<tr>
<td>2013</td>
<td>107.87</td>
<td>107.87</td>
<td>0.00</td>
</tr>
<tr>
<td>2014</td>
<td>358.01</td>
<td>190.29</td>
<td>0.00</td>
</tr>
<tr>
<td>2015</td>
<td>717.44</td>
<td>109.83</td>
<td>0.00</td>
</tr>
<tr>
<td>2016</td>
<td>399.11</td>
<td>164.85</td>
<td>0.00</td>
</tr>
<tr>
<td>2017</td>
<td>362.73</td>
<td>131.46</td>
<td>0.00</td>
</tr>
<tr>
<td>2018</td>
<td>479.27</td>
<td>152.08</td>
<td>0.00</td>
</tr>
<tr>
<td>2019</td>
<td>308.96</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Note: *). There is revision of replanting program **). Such as PT AMP: 73.00 ha and PT KAMU: 116.04 ha

1.9 Area of Plantation (Total, Planted and Mature)

Table 7: Oil Palm Planted Area Summary, FFB Production and Average yield/ha for PT AMP Plantation Palm Oil Mill Supply Base Estate

<table>
<thead>
<tr>
<th>Estate Name</th>
<th>Total area (ha)</th>
<th>Oil Palm Planted area (ha)</th>
<th>Mature (Production) area (ha)</th>
<th>Immature (Non-production) area (ha)</th>
<th>FFB Production* (tonnes)</th>
<th>Average yield (tonnes/ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PT AMP</td>
<td>9,226.42</td>
<td>7,375.47</td>
<td>7,365.46</td>
<td>10.01</td>
<td>49,392.99</td>
<td>64.53</td>
</tr>
<tr>
<td>PT PMJ</td>
<td>1,940.00</td>
<td>1,287.51</td>
<td>1,287.51</td>
<td>0.00</td>
<td>30,126.56</td>
<td>23.40</td>
</tr>
<tr>
<td>PT PANP</td>
<td>2,020.25</td>
<td>985.86</td>
<td>985.83</td>
<td>0.00</td>
<td>24,503.73</td>
<td>24.86</td>
</tr>
<tr>
<td>PT KAMU</td>
<td>1,250.00</td>
<td>858.14</td>
<td>616.71</td>
<td>241.43</td>
<td>16,791.30</td>
<td>27.23</td>
</tr>
<tr>
<td>TTK</td>
<td>568.37</td>
<td>495.48</td>
<td>495.48</td>
<td>0.00</td>
<td>7,789.14</td>
<td>15.72</td>
</tr>
<tr>
<td>TOTAL</td>
<td>15,005.04</td>
<td>11,002.46</td>
<td>10,750.99</td>
<td>251.44</td>
<td>128,603.72</td>
<td>11.96</td>
</tr>
</tbody>
</table>

Table 8: Land use data for PT AMP Plantation Palm Oil Mill Supply Base estates

<table>
<thead>
<tr>
<th>Estate Name</th>
<th>Total area (ha)</th>
<th>Oil Palm Planted Area (ha)</th>
<th>HCV/ Potential HCV areas (ha)</th>
<th>Land used for other purposes (ha)</th>
<th>RHD</th>
<th>Nursery</th>
<th>Claim area</th>
<th>Other Land*</th>
</tr>
</thead>
<tbody>
<tr>
<td>PT AMP</td>
<td>9,226.42</td>
<td>7,375.47</td>
<td>230.48</td>
<td>204.93</td>
<td>14.63</td>
<td>1,318.61</td>
<td>82.30</td>
<td></td>
</tr>
<tr>
<td>PT PMJ</td>
<td>1,940.00</td>
<td>1,287.51</td>
<td>0.00</td>
<td>41.67</td>
<td>0.00</td>
<td>610.82</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>PT PANP</td>
<td>2,020.25</td>
<td>985.86</td>
<td>64.91</td>
<td>6.00</td>
<td>0.00</td>
<td>115.14</td>
<td>205.81</td>
<td></td>
</tr>
<tr>
<td>PT KAMU</td>
<td>1,250.00</td>
<td>858.14</td>
<td>15.10</td>
<td>66.23</td>
<td>0.00</td>
<td>953.09</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>TTK</td>
<td>568.37</td>
<td>495.48</td>
<td>0.00</td>
<td>72.89</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>15,005.04</td>
<td>11,002.46</td>
<td>310.49</td>
<td>391.72</td>
<td>14.63</td>
<td>2,997.66</td>
<td>288.11</td>
<td></td>
</tr>
</tbody>
</table>

Note: *). The other land are land clearing areas, not plantable,
### 1.10 Progress Against Time Bound Plan

**Table 7: Time Bound Plan of the Other Management Units**

<table>
<thead>
<tr>
<th>Name of Holding</th>
<th>Location</th>
<th>Time bound plan for certification (year)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sapi (1 + 2)</td>
<td>Sandakan, Sabah</td>
<td>2008</td>
<td>Certified</td>
</tr>
<tr>
<td>Sabahmas</td>
<td>Lahad Datu, Sabah</td>
<td>2008</td>
<td>Certified</td>
</tr>
<tr>
<td>Reka Halus</td>
<td>Sandakan, Sabah</td>
<td>2008</td>
<td>Certified</td>
</tr>
<tr>
<td>Saremas (1 + 2)</td>
<td>Miri Serawak</td>
<td>2008</td>
<td>Certified</td>
</tr>
<tr>
<td>Kaminsky</td>
<td>Miri Serawak</td>
<td>2008</td>
<td>Certified</td>
</tr>
<tr>
<td>Suai</td>
<td>Miri Serawak</td>
<td>2008</td>
<td>Certified</td>
</tr>
<tr>
<td>Segarmas</td>
<td>Miri Serawak</td>
<td>2008</td>
<td>Certified</td>
</tr>
<tr>
<td>Terusan (1 + 2)</td>
<td>Sandakan, Sabah</td>
<td>2009</td>
<td>Certified</td>
</tr>
<tr>
<td>Kiabau</td>
<td>Sandakan, Sabah</td>
<td>2009</td>
<td>Certified</td>
</tr>
<tr>
<td>Ribubonus</td>
<td>Sandakan, Sabah</td>
<td>2009</td>
<td>Certified</td>
</tr>
<tr>
<td>PT Perkebunan Milano (Sungai Daun, Batang Saponggol &amp; Merbau estate)</td>
<td>North Sumatra</td>
<td>2009</td>
<td>Certified</td>
</tr>
<tr>
<td>PT Mustika Sembuluh</td>
<td>Central Kalimantan</td>
<td>2009</td>
<td>Certified</td>
</tr>
<tr>
<td>PT Kencana Sawit Indonesia</td>
<td>West Sumatra.</td>
<td>2010</td>
<td>Certified</td>
</tr>
<tr>
<td>PT Kerry Sawit Indonesia</td>
<td>Central Kalimantan</td>
<td>2010</td>
<td>Certified</td>
</tr>
<tr>
<td>PT Tania Selatan (Burnai Barat &amp; Burnai Timur estate)</td>
<td>South Sumatra</td>
<td>2010</td>
<td>Certified</td>
</tr>
<tr>
<td>Hibumas</td>
<td>Sandakan, Sabah</td>
<td>2010</td>
<td>Certified</td>
</tr>
<tr>
<td>Sri Kamusan</td>
<td>Sandakan, Sabah</td>
<td>2010</td>
<td>Certified</td>
</tr>
<tr>
<td>Sekar Imej</td>
<td>Sandakan, Sabah</td>
<td>2010</td>
<td>Certified</td>
</tr>
<tr>
<td>Aktif Kukuh &amp; Koerasi</td>
<td>Sandakan, Sabah</td>
<td>2010</td>
<td>Certified</td>
</tr>
<tr>
<td>PT AMP Plantation</td>
<td>West Sumatra.</td>
<td>2011</td>
<td>Certified</td>
</tr>
<tr>
<td>PT Primatama Muliajaya</td>
<td>West Sumatra.</td>
<td>2011</td>
<td>Certified</td>
</tr>
<tr>
<td>PT Agro Nusa Investama (Sambas)</td>
<td>West Kalimantan</td>
<td>2012</td>
<td>Certified</td>
</tr>
<tr>
<td>PT Buluh Cawang Plantations (include Bambu Kuning estate (PT Tania Selatan))</td>
<td>South Sumatra</td>
<td>2012</td>
<td>Certified</td>
</tr>
<tr>
<td>PT Bumi Sawit Kencana</td>
<td>Central Kalimantan</td>
<td>2012</td>
<td>Certified</td>
</tr>
<tr>
<td>Name of Holding</td>
<td>Location</td>
<td>Time bound plan for certification (year)</td>
<td>Remarks</td>
</tr>
<tr>
<td>-----------------------------------------------------</td>
<td>------------------------</td>
<td>-----------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>PT Sarana Titian Permata</td>
<td>Central Kalimantan</td>
<td>2012</td>
<td>Certified</td>
</tr>
<tr>
<td>PT Gersindo Minang Plantations</td>
<td>West Sumatra</td>
<td>2013</td>
<td>Main Assessment completed</td>
</tr>
<tr>
<td>PT Daya Labuhan Indah</td>
<td>North Sumatra</td>
<td>2013</td>
<td>Main Assessment completed</td>
</tr>
<tr>
<td>PT Permata Hijau Pasaman</td>
<td>West Sumatra</td>
<td>2013</td>
<td>Main Assessment completed</td>
</tr>
<tr>
<td>PT Perkebunan Milano (Cabang Dua Estate)</td>
<td>North Sumatra</td>
<td>2013</td>
<td>Main Assessment completed</td>
</tr>
<tr>
<td>BBPOP (Benso Plantation)</td>
<td>Ghana</td>
<td>2014</td>
<td>Main Assessment completed</td>
</tr>
<tr>
<td>PT Citra Riau Sarana</td>
<td>Riau</td>
<td>2014</td>
<td>Planned</td>
</tr>
<tr>
<td>PT Mentaya Sawit Mas</td>
<td>Central Kalimantan</td>
<td>2014</td>
<td>Planned</td>
</tr>
<tr>
<td>PT Sinarsiak Dianpermai</td>
<td>Riau</td>
<td>2014</td>
<td>Planned</td>
</tr>
<tr>
<td>PT Pratama Prosentindo</td>
<td>West Kalimantan</td>
<td>2014</td>
<td>Planned</td>
</tr>
<tr>
<td>PT Putra Indotropical</td>
<td>West Kalimantan</td>
<td>2014</td>
<td>Planned</td>
</tr>
<tr>
<td>PT Agronusa Investama (Landak)</td>
<td>West Kalimantan</td>
<td>2014</td>
<td>Pre Assessment completed</td>
</tr>
<tr>
<td>PT Agronusa Investama (Pahauman)</td>
<td>West Kalimantan</td>
<td>2014</td>
<td>Planned</td>
</tr>
<tr>
<td>PT Murini Sam Sam</td>
<td>Riau</td>
<td>2014</td>
<td>Planned</td>
</tr>
<tr>
<td>PT Daya Landak Plantation</td>
<td>West Kalimantan</td>
<td>2014</td>
<td>Planned</td>
</tr>
<tr>
<td>PT Indoresins Putra Mandiri</td>
<td>West Kalimantan</td>
<td>2014</td>
<td>Planned</td>
</tr>
<tr>
<td>PT Agro Palindo Sakti</td>
<td>South Sumatra</td>
<td>2014</td>
<td>Planned</td>
</tr>
<tr>
<td>PT Agro Palindo Sakti</td>
<td>West Kalimantan</td>
<td>2014</td>
<td>Planned</td>
</tr>
<tr>
<td>PT Buluh Cawang Plantation</td>
<td>West Kalimantan</td>
<td>2014</td>
<td>Planned</td>
</tr>
<tr>
<td>PT Musi Banyuasin Indah</td>
<td>South Sumatra</td>
<td>2014</td>
<td>Planned</td>
</tr>
<tr>
<td>PT Karunia Kencana Permaisejati</td>
<td>Central Kalimantan</td>
<td>2015</td>
<td>Planned</td>
</tr>
<tr>
<td>PT Rimba Harapan Sakti</td>
<td>Central Kalimantan</td>
<td>2015</td>
<td>Planned</td>
</tr>
</tbody>
</table>

### 1.11 Compliance to Rules for Partial Certification

AMP mill has 9 (nine) scheme smallholders and 4 (four) independent outgrowers that supplied FFB to their mill. On the this annual surveillance audit, one smallholder scheme (Koperasi Perkebunan Kelapa Sawit Tompek Tapian Kandis) conducting main audit. Whereas, 2 (two) independent outgrowers has been certified during the previous audit (surveillance I). Furthermore, other smallholder and all outgrower planned are gradually in the future.
### 1.12 Compliance to Rules for Partial Certification

Compliance of the uncertified management units of Wilmar International Limited against the rules for partial certification according to RSPO Certification System clause 4.2.4 was assessed by submission self assessment report. A summary of findings is as stated below.

<table>
<thead>
<tr>
<th>Partial Certification Requirements</th>
<th>Audit Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>(a)</em> The parent organization or one of its majority owned and / or managed subsidiaries is a member of RSPO.</td>
<td>Wilmar International Indonesia is RSPO member with membership number <strong>2-0017-05-000-00</strong>.</td>
</tr>
<tr>
<td><em>(b-d)</em> A challenging time-bound plan for certifying all its relevant entities is submitted to the Certification Body (CB) during the first certification audit. The time-bound plan should contain a list of subsidiaries, estates and mills. Any revision to the time-bound plan or to the circumstances of the company shall cause the plan to be reviewed. for whether it is still appropriate, such that changes to the time-bound plan are permitted only where the organisation can demonstrate that they are justified.</td>
<td>See table above, some changes on company's time bound plan due to several reason explained above.</td>
</tr>
<tr>
<td><em>(e)</em> No replacement of primary forest or any area identified as containing High Conservation Values (HCVs) or required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. Any new plantings since January 1st 2010 must comply with the RSPO New Plantings Procedure.</td>
<td>Based on results of self assessment from auditee that no replacement of primary forest or HCV area and there are not New Plantings activities for estates which have not conducted audit by third party.</td>
</tr>
<tr>
<td><em>(f)</em> Land conflicts, if any, are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.</td>
<td>Based on results of self assessment from auditee and evidences submitted to the certification body (for estates which has not been certified above) year 2014 that no land conflict which have been raised.</td>
</tr>
<tr>
<td><em>(g)</em> Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</td>
<td>Based on results of self assessment from auditee and evidences submitted to the certification body (for estates which has not been certified above) year 2014 that no labour disputes which have been raised.</td>
</tr>
<tr>
<td><em>(h)</em> Legal non-compliance, if any, are being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.</td>
<td>Some of Wilmar’s other management units have not complied with certain legal requirements, for example in Sarana Titian Permai, Kerry Sawit Indonesia estate under another Wilmar International management unit, there is an issue with the land area stated in the land use right certificate (HGU). However, the company is taking action by inviting the National Land Agency (BPN) to remeasure the land and resolve the issue. The process is still ongoing.</td>
</tr>
</tbody>
</table>

### 1.13 Approximate Tonnages Certified

The tonnages certified shall be revised from the previous amount stated in the RSPO certificate issued in February 07, 2014 because there is revision of scope audit i.e one smallholder as certified supplier. Based on operational work plan from smallholder it, the revised approximate tonnages certified as follows:

- Crude Palm Oil (CPO) : **57,359 tonnes**
- Palm Kernel (PK) : **15,478 tonnes**
2.0 ASSESSMENT PROCESS

2.1 Certification Body

PT TUV Rheinland Indonesia is member of Group TÜV Rheinland Group, a global leader in independent testing and assessment services. The TUV Rheinland Group was established in 1872 with offices located in over 490 locations in 62 countries on all five continents. PT TUV Rheinland Indonesia offers certification for a wide range of management systems according to established international standards including ISO 9001, ISO 14001, OHSAS 18001, SA 8000, as well as CDM Validations and Verifications, RSPO (No. RSPO-ACC-013 dated on June 06, 2014) and ISPO (No.LS-P&K-005-ISPO dated on May 10, 2012). PT TUV Rheinland Indonesia’s office is located in Jakarta.

2.2 Qualifications of Lead Assessor and Assessment Team

The assessment team members of this surveillance audit that were part of the same assessment team for the certification audit are as follows:
1. Hendra Fachrurozy
2. Fadli

New assessment team members that were not part of the previous assessment team are as per the table below:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Qualifications / Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harso Yuli Antena</td>
<td>Auditor (Trainee)</td>
<td><strong>Education</strong>: Bachelor of Agriculture (social and economic of agriculture) – Bogor Agriculture University.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Trainings attended</strong>: ISO 9001:2008 Lead Auditor training – TUV Rheinland Indonesia, Sustainable Forest Management training – Forest education and training centre, ISPO training - Comission of ISPO.</td>
</tr>
</tbody>
</table>
2.3 Assessment Methodology & Agenda

The surveillance ad extention scope assessment was conducted between July 7 to 12, 2014 as per the assessment program below. The assessment was carried out in accordance with PT TUV Rheinland Indonesia's RSPO audit procedure as well as the RSPO Certification Systems document. During assessment, the qualified TUV Rheinland assessors used the RSPO standard as endorsed for the country in which the assessment took place and recorded their findings.

Due to the location and proximity of the estates, combined with common management systems, it was possible to carry out both field and document assessments of all estates and the mill within the time frame without compromising the integrity of the assessment in anyway.

All 8 estates and 1 mill were visited and the assessment team carried out field and document assessments of compliance to all the RSPO principles and criteria. Common systems were identified and specific evidence was recorded for individual estates. Interviews were conducted at all estates and the mill.

The company proposed the correction and corrective action for all identified non conformities raised to the certification body 30 days after the closing meeting. Verification of closure of major non-conformances was conducted through document checked not longer than 60 days and implementation of corrective actions for minor non-conformities will be verified during the next surveillance audit. The certification assessment agenda is as explained below.

Main Assessment Agenda.

<table>
<thead>
<tr>
<th>Date</th>
<th>Location/ Main sites</th>
<th>Main audit activities</th>
</tr>
</thead>
</table>
| July 7, 2014 | PT AMP Plantation (AMP 2 & 3 estate) | Opening meeting  
Onsite and document verification for all previous audit findings  
Onsite and document verification and following aspects :  
• Comply to laws and regulations  
• Transparency  
• Boundary stone checking  
• Land claims  
• Implementation of HCV management and monitoring plan  
• OSH implementation  
• Environmental aspect and impact program  
• Waste management  
• Agrochemical application  
• Supplier Communication  
• Workers communication  
• Local communities communication  
• Best practices  
• Continues Improvement |
| July 8, 2014 | PT PANP (Batang Bius estate) | Onsite and document verification for all previous audit findings  
Onsite and document verification and following aspects :  
• Comply to laws and regulations  
• Transparency  
• Boundary stone checking  
• Land claims  
• Implementation of HCV management and monitoring plan  
• OSH implementation  
• Environmental aspect and impact program  
• Waste management  
• Agrochemical application  
• Supplier Communication  
• Workers communication  
• Local communities communication  
• Best practices  
• Continues Improvement |
<table>
<thead>
<tr>
<th>Date</th>
<th>Location/ Main sites</th>
<th>Main audit activities</th>
</tr>
</thead>
</table>
| July 9, 2014 | Mess Stay in estate because election of president | • Comply to laws and regulations  
• Transparency  
• Boundary stone checking  
• Land claims  
• Implementation of HCV management and monitoring plan  
• OSH implementation  
• Environmental aspect and impact program  
• Waste management  
• Agrochemical application  
• Supplier Communication  
• Workers communication  
• Local communities communication  
• Best practices  
• Continues Improvement |
| July 10, 2014 | PT PMJ (AMP 4 estate and PT PMJ) | Onsite and document verification for all previous audit findings  
Onsite and document verification and following aspects:  
• Comply to laws and regulations  
• Transparency  
• Boundary stone checking  
• Land claims  
• Implementation of HCV management and monitoring plan  
• OSH implementation  
• Environmental aspect and impact program  
• Waste management  
• Agrochemical application  
• Supplier Communication  
• Workers communication  
• Local communities communication  
• Best practices  
• Continues Improvement |
| July 11, 2014 | PT KAMU | Onsite and document verification for all previous audit findings  
Onsite and document verification and following aspects:  
• Comply to laws and regulations  
• Transparency  
• Boundary stone checking  
• Land claims  
• Implementation of HCV management and monitoring plan  
• OSH implementation  
• Environmental aspect and impact program  
• Waste management  
• Agrochemical application  
• Supplier Communication  
• Workers communication  
• Local communities communication  
• Best practices  
• Continues Improvement |
| Village cooperative (Koperasi Perkebunan Kelapa Sawit) Tompik Tapian Kandis | Onsite and document verification and following aspects:  
• Maintain soil fertility  
• Minimise and control erosion  
• Maintain the quality and availability of surface and ground water  
• IPM  
• Legal land |
<table>
<thead>
<tr>
<th>Date</th>
<th>Location/ Main sites</th>
<th>Main audit activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 12, 2013</td>
<td>PT AMP Plantation Mill</td>
<td>Onsite and document verification for all previous audit findings</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Onsite and document verification and following aspects:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Comply to laws and regulations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Transparency</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Efficiency energy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• OSH implementation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Environmental aspect and impact program</td>
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<tr>
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<td></td>
<td>• Waste management</td>
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<tr>
<td></td>
<td></td>
<td>• POME application</td>
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<td>• Supplier Communication</td>
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<td>• Workers communication</td>
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<td></td>
<td></td>
<td>• Local communities communication</td>
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<tr>
<td></td>
<td></td>
<td>• Best practices</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Continues Improvement</td>
</tr>
</tbody>
</table>

Closing Meeting
3.0 ASSESSMENT FINDINGS

3.1 Summary of Findings

The following is a summary of findings during this surveillance audit for the criteria listed in the RSPO Principles & Criteria Indonesian National Interpretation year 2008, RSPO SCCS November 2011 and RSPO Scheme Smallholder (INA-NI) year 2009. This audit generates 7 nonconformities RSPO P&C (4 major nonconformities where two of them are escalation from minor nonconformities and 7 minor nonconformities), 3 nonconformities RSPO SCCS and 12 nonconformities RSPO Scheme Smallholder (6 major nonconformities and 6 minor nonconformities)

- RSPO P&C

<table>
<thead>
<tr>
<th>Principle 1: Commitment to transparency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criteria assessed : CR1.1, CR1.2</td>
</tr>
<tr>
<td>Criteria not assessed : -</td>
</tr>
</tbody>
</table>

Findings:

There is no change on company’s procedure regarding request of information, information requested by stakeholders. Both for AMP mill and all relevant estates were recorded in one document together with any other requests or letters received from stakeholders in company’s log book, as required by the company’s procedure. This procedure also applies for PT KAMU and PT PANP. Until 2nd surveillance audit, there is no specific information requested by stakeholder, incoming letter more relevant for request of donation. Due to company’s commitment for transparency, all incoming letter has been responded and recorded on the log book, for example as follows:

1. Letter from Kelompok Tani Tompek Plasma II, no. 10/KTT/extrn/I/2014 on 30 January 2014 to AMP Plantation subject to annual loan for Board of Kelompok Tani Tompek. The company’s response was Bank Nagari transfer slip on 11 February 2014 as Rp. 28,500,000 to the Kelompok Tani.

2. Letter of Committee of Dastra Cooperative, no. 010/KUD-DS/XI/14, on 29 January 2014, to AMP Plantation subject to payment process of account payable of Kelompok Tani Plasma II Tompek. The evidence of company’s response was list of attendants on 15 March 2014 meeting of the both parties.

3. Letter of Kelompok Tani Plasma II Tompek no. 15/KT.T/II-2014 on 19 February 2014 to AMP Plantation subject to loan request and donation for youth activities of Kapundung Village. The evidence of response was bank slip transfer as Rp. 3,000,000 to the Kelompok Tani.

4. Letter on 18 March 2014, subject to donation request for social work of Panti Asuhan Aisiyah of SMAN 1 Kinali, Pasaman Barat. As a company response evidence there was bank payment transfer slip as Rp. 200,000 on 17 April 2014.

5. Letter on 1 April 2014, subject to donation request from Islamic boarding school at Air Rau Jorong 6 village, Kinali. There was payment slip as Rp. 300,000 on 7 May 2014.

There is a request for information from the Cooperative Agro Plantation Wira Masang by letter no 009/KP-AWM/IV/2013 dated 24 April 2013 regarding the surplus reserve fund KKPA Plasma Kinali for an area of 810 Ha. The company’s response was to make arrangements before Notary in April 2013. There is also letter from center of statistic office west sumatera dated April 15, 2013 regarding request for research information on the effect of the performance of the business on the national economy. Requested data has been provided by the Accounts Department

PT KAMU has standard operating procedure Pro-Gen-002, rev 02, dated January 1, 2013, that the company shall maintained all records of requests for information and responses made by the company for at least 7 years.

According to company letter 20/RO-AMP/Ext-VII/2010 dated July 10 revised in year 2013, there are some documents that publicly available as determined on company’s procedure no. PRO-BNM-006 this document also apply for PT KAMU and PT PANP i.e. company’s social and environmental impact assessment (DPL i.e. Environmental Management Document), environmental management and monitoring reports (‘laporan RKL/RPL’), the company annual reports, company policies, copies of licenses, monthly mill and
estates operational reports, area statements, soil maps, hydrology maps, topography maps, maps of estate and village boundaries, traditional rights areas, estate and mill procedures, company organization structure, high conservation value (HCV) reports and management plans, social impact assessment (SIA) report, company magazine and bulletins, investment activity reports, estate activity reports, estate statistic monitoring reports, company worker information, expatriate information, land usage information, CPO purchasing information and the company Community Development and CSR report. There are receipt slips received from stakeholder, including local community and relevant government institutions, indicating that they have received this information letter.

Compliance status: Full Compliance.

**Principle 2: Compliance with applicable laws and regulations**

Criteria assessed: CR2.1, CR2.2, CR2.3
Criteria not assessed:

Findings:

There was no significant changes in company’s performance found during this surveillance audit. Regarding to compliance to relevant regulation, there was evidence that the company submitted annual manpower report to the Ministry of Manpower and Transmigration of Agam Regency on 7 January 2014.

Some of evidence that the company has compliance with laws and regulations, i.e:

- PT AMP Plantation, PT PMJ, and PT KAMU has plantation business permit (IUP/SPUP) as required by Ministry of Agriculture No.357/Kpts/HK.350/3/2002 article 4 jo No.26/Permentan/OT.140/2/2007 article 9.
- PT AMP Plantation has implemented all responsibility according Head of Agam District degree No.324 year 2009 regarding the utilization of liquid waste permit from mill on plantation areas such as total volume of liquid waste which transfer to land application areas, measurement of pH, analysis of water quality in control wells, water quality in control area (block 8B) and water quality in communities well, analysis of soil chemist in rorak, between rorak and control area with varies depth (0-20, 20-40, 60-80, 80-100, 100-120).
- Complying to the Ministry of Manpower and Transmigration no 100, 2004 regarding to work agreement of temporary worker there was evidence of appointment of two temporary workers as permanent worker due to the working time within three months. The appointment letter was no. 055/SK-PGA/II/2013 for employee no. 1237 as harvester, valid since 22 February 2013, and no. 017/SK-PGA/XI/2012 for harvester no 1192.
- There was evidence of Jamsostek payment for May 2014 period for 79 mill workers as Rp. 10,480,298 via Bank Mandiri Padang branch on 16 June 2014.
- There was also evidence of Jamsostek payment of PANP for 16 permanent employees and 198 daily worker employees in total as Rp 23,751,646 via Bank Mandiri Padang branch on 8 July 2014. The plantation annual manpower report to the government was submitted on 2 January 2014.

Regarding to effort to comply with changes in regulation there was evidence that the company comply to The Governor Sumatera Barat Province’s Decision Letter no. 562-846-2013 on 29 October 2013 in term of minimum salary in 2014 which is Rp. 1,490,000 per month, valid since 1 January 2014. Base on this Decision Letter, there was Wilmar Internal Memorandum no. 001/WIP-HRR/Int-Xii/2013 on 17 December 2013 from HRR Manager to AGM/GEM/MM/Pimpinan OU Sumbar which states minimum wage for daily worker is Rp. 1,490,000 per month or Rp. 59,600 per day. There was salary payment receipt of worker no ID 192 as Rp. 3,119,671 and 1237 as Rp. 3,297,173 for example of this compliance.

As informed on the previous audit report, PT PANP has plantation business permit, however the permit still not include Batang Biyu estate and there is evidence that company has submit letter no 005/PANP-AM/Ext/IV/2013 dated July 30, 2013 to Head of District Pasaman Barat regarding application to revise IUP PT PANP to include Unit II Batang Biyu area. There is evidence the letter was received by District officer on dated August 01, 2013, however there is no monitoring for progress revised of business permit until 2nd surveillance audit, there are not evidence of company’s efforts to comply with regulation due to no monitoring of the letter. This is raised as non-conformity (NCR P&C No.2014-01 of 07). The certifi-
cate of land use right (HGU) (certificate no.1) has been appropriate with regulation because it has revised about name of ownership from PT Kartika Putra Satria to the PT Perkebunan Anak Negeri Pasaman (PT PANP) as seen on the registration of transfer of right, others right and removal (change) section/page.

PT AMP Plantation, PT PMJ, PT KAMU and PT PANP have land use right and there are no change but PT PANP has exclusion 15.98 ha which landownership status from company’s area statement (Batang Biyu estate).

PT AMP Plantation, PT KAMU and PT PMJ, has boundary stone maintenance program year 2014 and has conducted inspection and maintenance boundary stone and results of inspection and maintenance are good condition and well maintenance except boundary stone No.9-11 (on land use right (HGU) No.1) located in PT PMJ until 2nd surveillance audit has not been installed too because internal problem in village cooperative (KUD) Dastra still ongoing (based on result of interview with head of village). At PT KAMU estate evidence of legal boundaries clearly stated as sampled are found 18 boundary stones identified and clearly marked BPN 1-8, BPN 10-11, BPN 13-17, BPN 20-22. Map shown location of boundary stone location also available. Whereas, in the PT PANP has installed boundary stone no.11, 16 and 17 as correction previous audit but the rest (except boundary pillar/stone no.3,4,5,41,42,44,45,11,16,17) is not installed yet according with measurement map. This is condition was raised non-conformities which escalation because previous audit has non-conformities (NCR P&C No.2014-02 of 07). PT AMP Plantation, PT PMJ and PT PANP has schedule of inspection and maintenance of boundary pillars/stones.

Based on interview community and with Police Officer of Kinali District there was no conflict between company and the community.

**Compliance status: Non Compliance**

**NCR P&C No 2014- 01 of 07 (Major)**

- There are not evidences that the company has carried out something to comply with the ministry of agriculture decree no. 357/Kpts/HK.350/3/2002 article 4 jo No.26/Permentan/OT.140/2/2007 article 9,
- There are not evidences that the company doing monitoring regarding process of the revision of plantation business permit (IUP)

**NCR P&C No 2014- 02 of 07 (Major because escalation)**

There are not evidences that PT PANP has been install the rest of boundary stone except for boundary stones no.11, 16 and 17 that were not found during previous audit as stated on the Maps

**Principle 3: Commitment to long-term economic and financial viability**

**Criteria assessed: CR3.1**

**Criteria not assessed: -**

**Findings:**

The company has a long term management plan for a 5 years period i.e, projection for 2014 to 2019 (PT AMP Plantation and PT Primatama Mulia Jaya) and projection for 2014 to 2018 (PT Karya Agung Megah Utama and PT Perkebunan Anak Negeri Pasaman). The management planning include information about company activities to achieve profit from total revenue and total operating cost, including information about gross operating cost, profit/loss before tax and profit and loss after tax. The company has a financial schedule for yearly budget. Information on document consist of general routine operational activities such as plantation maintenance, harvesting, fertilizer, investment plans such as enrichment planting (planting of various plant species to enhance biodiversity), mill activities such as FFB processed, projected Oil Extraction Rate (OER) and Kernel Extraction Rate (KER), projected Crude Palm Oil (CPO) and Palm Kernel (PK) production, CSR programmes and environmental monitoring, HCV management plan and other activities to fulfill RSPO requirements. The company has also developed a medium term plan for a 5-year period (2011-2015 and 2013-2018), containing information on the budget for each activity (including activities for environmental management programmes and all related expenses for CSR, legal compliance and RSPO P&C compliance) and revenue from company's production including all company's liabilities. The amount of profit estimated to be achieved each year was clearly calculated, and all information is clearly explained in PT AMP’s & PT PMJ’s projection plan for a period of 5 years from 2014 to
In a cash flow projection document (PT AMP, PT PMJ, PT KAMU & PT PANP), there is also a plan for 5-year company’s revenue FFB sales to another factory because of the surplus of FFB from company’s estates, CPO and palm kernel sales. The main points of company’s revenue is the overall production cost of the estate and the mill include the cost of estate maintenance (sustainability cost), as well as the combination of costs associated with environmental and social monitoring activities.

Appropriate table 6 above that PT KAMU and PT AMP Plantation (AMP 1 estate) has replanting programme for 5 years. PT KAMU has replanting programme i.e year 2013 for an area of 107.87 ha, year 2014 for total area 309.21 ha, year 2015 for total area of 114.09 ha, year 2016 for total area 271.78 ha but in 2nd surveillance audit that PT KAMU’s replanting programme has revised be year 2014: 190.29 ha, year 2015: 109.83 ha, year 2016: 164.85 ha, year 2017: 131.46 ha and year 2018: 152.08 ha.

PT AMP Plantation’s replanting programme are year 2014: 167.72 ha (block 2 & 3), year 2015: 607.61 ha (block 1, 4-10), year 2016: 174.26 ha (block 11 & 14), year 2017: 231.27 ha (block 12, 13 & 15), year 2018: 327.19 ha (block 16-18) and year 2019: 538.91 ha (block 19-21). Realization of replanting program in AMP 1 estate amount of 73 ha (immature: 8.87 ha and land clearing or chipping: 64.13 ha). Year planted 1992 (< 25 year) has replanted in AMP 1 estate because their yield is 18 MT/ha (based on email from top management). Whereas, realization of replanting program in PT KAMU amount of 241.43 ha.

Compliance status: Full Compliance

**Principle 4: Use of appropriate best practices by growers and millers**


**Criteria not assessed:** -

**Findings:**

The existing Standard Operating Procedures (SOPs) for estate activities and mill are still applicable. This is become company’s management framework and registered through ISO 9001:2008 certification. The company has Standard Operating Procedures (SOPs) for mills as follow:

1. SOP for material scaling no.doc. SOP-Mill-01, rev. 02, valid since 1 Oct 2013
2. SOP sortation no.doc. SOP-Mill-02, rev. 06 valid since 3 February 2014
3. SOP loading ramp no.doc. SOP-Mill-03, rev. 02, valid since 1 October 2013
4. SOP sterilizer, no.doc. SOP-Mill-04, rev.03 valid since 1 October 2013
5. SOP Capstand, no.doc. SOP-Mill-05, rev. 02, valid since 1 October 2013
6. SOP tresher, no.doc SOP-Mill-06, valid since 1 october 2013
7. SOP Pressing no.doc. SOP-Mill-07, rev.03, valid since 1 october 2013
8. SOP clarification, no.doc. SOP-Mill-008, rev. 04, valid since 15 April 2013
9. SOP Kernel, no.doc. SOP-Mill-09, rev. 02, valid since 1 october 2013
10. SOP boiler, no.doc. SOP-Mill-10, rev. 03, valid since 1 october 2013
11. SOP power house, no. doc. SOP-Mill-11, rev. 02 valid since 1 october 2013
12. SOP water treatment plant, no. doc. SOP-Mill-12, rev. 02, valid since 1 october 2013
13. SOP kernel crushing plant, no. doc. SOP-Mill-13, rev. 02, valid since 1 october 2013

To control and maintain soil fertility company consistently carried out detailed soil analysis that was conducted for all estates by Param Agricultural Soil Surveys Sdn. Bhd in June 2007. In addition, there is a detailed soil fertility analysis done for PT AMP Plantation (PT AMP 1, 2 and 3 estates) and PT KAMU done by Wilmar’s Sentana Adidaya Perkasa (SADP) Analytical Laboratory done in year 2008. At PT PANP estate, soil analysis was done by laboratory of Andalas University of Padang with report dated 17 May 2013. The company has SOP no. PRO-EST-008 on soil and leaf analysis dated 1 July 2013 which specifies that soil analysis is to be done once every 5 to 10 years depending on soil fertility, areas where plantation activities have resulted in degradation, and where soil analysis is required to determine the fertilizer application programme. Leaf analysis for PT AMP Plantation, PT PMJ and PT KAMU are conducted annually and last analyst was April to May 2013 and result of leaf analysis in form foliar analysis report (ref no.61/daun/VI/2013/PMJ for PT PMJ and AMP IV estate, ref no.60/daun/VI/2013/AMP for AMP I-III estate and issued date august 2, 2013) issued by EMU laboratory.

PT AMP Plantation, PT PMJ, and PT PANP have documented annual fertilizer application programs for
each estate based results of leaf analysis. Sighted from records of actual fertilizer application for January to June 2014, actual fertilizer applications were mostly done in accordance with the programs for year 2014 in PT AMP Plantation, PT PMJ and PT PANP but in PT AMP Plantation (AMP I-II estate) and PT PANP, there are fertilizer application unfinished because fertilizer stock not available in warehouse such as urea, kiesrite and dolomit.

All estates have a documented EFB application program. PT AMP Plantation’s EFB application program is for Estates 1 and 2 only for areas with mineral soil. EFB is not applied at other estates as these mainly consist of peat soils. From data of planned vs. actual EFB applications, it was seen that actual EFB application at PT AMP Plantation in year 2013 exceeded the planned EFB application. EFB applications are within company’s specified range for EFB application of 40 tonnes/ha. Sighted on-site at all estates that EFB application is one in one layer. Moreover, land application has implemented in AMP I estate only i.e block 6B, 6C, 7A-7C, 8A-8C, 11A-11D. AMP I estate has monitoring of liquid waste record with information of volume of liquid waste everyday, block application and volume of liquid waste has applied.

During 2nd surveillance audit, there is no change information in map of fragile soils. Identification of fragile soils is in the detailed soil analysis reports conducted for all estates by Param Agricultural Soil Surveys Sdn. Bhd. AMP 1 has no fragile or marginal soils except at Block 4 of PT AMP 1 estate which is a high erosion 90˚ sloped area adjacent to the river. At AMP 2 estate there are peat soils covering 833 ha of the estate, while at AMP 3 estate, peat soils cover 1,822.8 ha of the estate and at AMP 4/PT PMJ estate, peat soil cover covering 157.7 ha of the estate. PT PANP estate consists of level, undulating, rolling and hilly land up to 38% slope with deep highly decomposed sapric organic soil material covering 89ha or 9% of the estate required controlled drainage and flood mitigation. This highly decomposed area in not required to be managed as peat with monitoring of water table and subsidence, but the estate implements best practice at this area with proper drainage. Areas of the estate are also prone to flooding at low water tables and have low fertility, as sighted on-site there are swamped/flooded areas in the estate. PT KAMU estate consists of land with many high erosion areas with slope of 0-50%.

PT AMP Plantation has an SOP for site preparation on slopes using ‘horseshoe’ terracing method (terracing for individual palm trees), SPO-EST-012 dated 20 June 2011 which specifies that this method shall be applied at sloped areas between 12-24 percent slope. Block 4 of PT AMP 1 estate which is a high erosion 90˚ sloped area adjacent to the river was visited and sighted that palm oil plantings adjacent to this slope are no longer sprayed and ground cover is high. In addition, additional tree species are planted in this area as additional effort to reduce erosion. In block 002 – PT KAMU and block 004 – PT PANP has planted tree species as minimized and preventive erosion.

PT KAMU and PT PANP have SOP-EST-013 revised 10 May 2012 regarding Measurement of Soil Erosion Levels. In February 2013, PT KAMU created two erosion points at block 3 and 19, while PT PANP made two erosion points at Blocks 3F and 5E on 30 May 2012, which are highly sloped areas for monitoring erosion levels as required in their Environmental Management and Monitoring Document (DPPL). Each point is marked with four height soil level indicators and reduction in soil level is marked and recorded once every 3 months. During 2nd surveillance audit that PT PANP-Kinlami estate (block 3F and 5E) has conducted monitoring & measurement of erosion level, maintenance of contour/platform, planting vettygrass, application of EFB and setting midrib. Moreover, in block 6, 9 and 11 (PT PANP – Kinali estate) has planted vettygrass.

All estate has a documented annual road maintenance program for grading of collection roads and main roads, with documentation of implementation. Records shows that maintenance was done according to schedule. For PT AMP 2 - 3 estate, PT PMJ and PT KAMU, similar road maintenance program was sighted. At PT KAMU estate as shown in Road Maintenance Plan for Phase I and II for year 2013 and 2014. Phase I (Block 001, 002, 003, 004, 005, 006, 007, 008, 009, 010, 023) and Phase II (Block 011, 012, 013, 014, 015, 016, 017, 018, 019, 020, 021, 022). 2014 have similar schedule until may for Phase I and until April for Phase II.

PT AMP Plantation implements SOP-EST-008 for Management and monitoring of peat soil for Planting of Oil Palm dated 25 December 2010 which states procedures for peat development including proper drainage design are to be in accordance with Wilmar Agricultural Manual and SOP. The company has marked observation points in all estates which have peat soils to monitor the subsidence of peat soil within company’s area. At PT PMJ & AMP IV estate, water level is recorded at least once a week. Results of water level monitoring period of July 2013 to June 2014 in PT PMJ and AMP IV estate are below the permitted maximum water level where include in PT PMJ estate (block 18D (M5 pillar 6000), block 19E (M5 pillar 1800), block 20C (M5 pillar 2400), block 20E (M5 pillar 2800) and block 21B (M5 pillar 3200)) and AMP IV estate (block 24B (M5 pillar 1000), block 24C (M5 pillar 1200), and block 25D (M5 pillar 2400)) because
PT AMP Plantation and PT PMJ has a plan for protection of river riparian buffer zones for year 2014 including monitoring and maintenance of various tree species along the riparian river zones of PT AMP 1-4 and PT PMJ for year 2014. PT AMP Plantation also has SOP-GEN-018 for management of river riparian buffer zones, which states that spraying is no longer permitted at river riparian buffer zones and manuring is to be done by burying of fertilizer. PT KAMU currently prohibits chemical spraying at river riparian buffer zones, as confirmed from interviews with sprayers on-site. There is no plan for planting of other trees at river riparian buffer zones. PT PANP estate currently also prohibits spraying at river riparian buffer zones and river riparian buffer zones are marked. In block 5 and 7 has provide marking along the riparian and flooded area with red paint at palm oil trees and spraying has trained/socialization. Auditor do not have justification of consistency implementation from auditee because rain.

The water management plan of PT PANP includes documented estimation of water required for workers and staff domestic and office consumption and adequate water facilities (water tanks) are prepared based on the estimation. Sighted at all estate housing that clean water tanks are made available and water is pumped directly into worker’s housing. During 2nd surveillance audit, clean water tanks and water still available but in PT PANP – Batang Biu estate, employees and their family must go to Batang Sasek river to get water if water has limited supplies in housing. This is issue will explain in indicator 6.3.1. The mill have monitoring of water use record where year 2013 amount of 1.22 m³/tonnes of FFB (volume of water use are 457,664 m³ such as process : 44,215 m³, boiler : 342,500 m³ and domestic : 70,949 m³). Whereas, year 2014 (until June 2014) amount of 1.09 m³/tonne of FFB (volume of water use are 193,936 m³ such as process : 21,515 m³, boiler : 145,688 m³ and domestic : 26,733 m³). Water Management Plan in PT KAMU estate, shown document titled Water Usage for year 2013 and 2014. Source of water is from ground water. For year 2013 quantity used is 286,720 m³. While for year 2014 until June the usage is 135,200 m³. Water was also tested as evidence report from UPTD Balai Laboratarium Kesehatan Provinsi Sumatra Barat. Compared to standard limit (Baku Mutu), the results were acceptable where reported on 5/7/13.

The mill still conducts monitoring of mill effluent (BOD parameter) once every month as seen from analysis results from the Industrial Research and Standards Station of Padang. Analysis results samples are taken from inlet (before anaerobic pond) and outlet (at pond 5) and analysis results are well below the legal limit of 5000mg/l and pH : 6-9 (based on environmental agency degree no. 28 year 2003) as seen from sample analysis certificates (letter no. 301/BPKIMI/BRASIP/LAB/III/2014, no. 458/BPKIMI/BRASIP/LAB/IV/2014, no. 772/BPKIMI/BRASIP/LAB/VI/2014, no. 540/BPKIMI/BRASIP/LAB/V/2014, no. 1607/BPKIMI/BRASIP/LAB/XII/2013, no. 1313/BPKIMI/BRASIP/LAB/X/2013, no. 725/BPKIMI/BRASIP/LAB/VI/2013, no. 0725/BPKIMI/BRASIP/LAB/VI/2013) period of May 2013 to May 2014.

PT AMP Plantation, PT PMJ and PT PANP has updated and implements their SOP for Integrated Pest Management (IPM) which specifies that chemical treatment of pest is to be reduced as much as possible and implementation of biological methods such as beneficial plants, barn owl boxes, mechanical land sanitation, etc. The company (PT AMP, PT PMJ and PT PANP) has a documented program for conducting pest detection once every 3 months (february, may, august and november) for nettle caterpillars, bagworms, rhinoceros beetles, rats, ganoderma, and termites. Moreover, maintenance of benefical plant (tunera spp) (january, february, april, may, july, august, october and november), monitoring of barn own every day at block 18C and 20C, control of oryctes sp once every month, application of rat poison (depending attack) and monitoring of ganoderma sp.

Pest & disease detection/sensus results on May 2014 are documented in a summary report which includes graphical analysis of detection results to compare against the company’s standard of attack rates where treatment of pests is required. Sample report for PT AMP 4 estate was sighted and stated detection results for ganoderma : 0.12%, termite attack : 0.14%, rat attack : 0.08%, rhinoceros beetle attack : 0.47% and healthy : 99.19%. Whereas, pest & disease detection/sensus results on February 2014 are nettle caterpillar : 0.16%, ganoderma : 0.12%, termite attack : 0.05%, rat attack : 0.05%, rhinoceros beetle attack : 0.16% and healthy : 99.45%. In PT PMJ (May 2014) are nettle caterpillar : 1.43%, ganoderma : 1.19%, termite attack : 3.15%, rat attack : 0.51 and healthy : 98.79%. All attack was actually below rate
for treatment so no treatment was done. All estate (PT AMP Plantation, PT PMJ, and PT PANP) has implemented biological management as much as possible such through installing pheromone traps, hand picking and manual cutting of ganoderma infected parts. Other biological pest management techniques implemented include planting of beneficial plants *turnera subulata*, and installing barn owl boxes at each estate. Period of January to May 2014, based on pheromone trap data that there are 224 pcs at PT PANP-Kinal estate (block 8 & 20) and 16 pcs at PT PANP-Batang Biyu estate (block 5). There are records of training on IPM conducted at PT AMP Plantation estate, PT PMJ and PT PANP.

Trade name of pesticide using by PT AMP Plantation, PT PMJ and PT PANP are glisat 480 SL, winson, lindomin, and starlon 665 EC. PT AMP Plantation (AMP 4 estate) and PT PMJ has records of monitoring of pesticide toxicity unit year 2013 i.e at AMP 4 estate = glisat : 1,257.53 g/ha, winson : 2.01 g/ha, lindomin : 33.77 g/ha, starlon : 149.79 g/ha and at PT PMJ = glisat : 1,362.18 g/ha, winson : 2.23 g/ha, lindomin : 89.44 g/ha.

The company consistently use approved and registered agrochemicals permitted by the relevant authorities, as seen on the records of chemicals used during the year 2012, there is no more : Gramoxone (Paraquat dichloride 276 g / l) used according to policy from management Wilmar Internal agrochemical, it was verified at chemical store in each estate there is no more paraquat stored as stock and recorded on the material list record. Based on register of pesticides used (FRM-EHS-022) period of June 2014 in PT PANP (Batang Biu & Kinali estate) has sighted use approved agrochemicals i.e Herbicides only Type II used (Lindomin 865 SL Reg 23/6/16, Starlon 665 EC Reg 6/6/17, Tiara Reg 4/1/18, Glisat 480 SL Reg 6/7/17). Insecticides Used (Type II Decis 25ECmReg 4/1/18). Whereas at PT KAMU estate i.e Glysat 480 Type III SL (RI.01030120072940 -6/7/17), Starlon 665 EC Type II (RI.01030120072899- 6/7/17). Winson 20 WG Type III (RI.3657/1-2010/T- 8/2/14), Tiara Type III (RI. 01020120124525- 4/1/18), Agristik 400L have approval too (RI. 270/4-2003/T).

Records of pesticide use are well documented including the active ingredients used, the applied area and use per hectare and the number of times the application. It can be seen from the work program and record of pesticides application (FRM-EST-042) period of May 2014 example Glysat 480 SL (Glyosate) applied at Block 1 (37.30 Ha/4886 Palm and application per Ha 11.94), Block 2 (58.28Ha/7751 Palm and application per HA 18.86) Block 14 (2.35Ha/315 Palm and application per Ha 0.76 Ha) and Block 21 (39.88 Ha/5344 Palm and application per Ha 12.91 Ha) so total hectare is 44.47 Ha, total pesticides applied is 74 liter and dosage is 1.66 liter/ha. Also available for Glysat 480 SL (Glyosate) and Tiara (*Metil Metisulfuron*). Moreover, there are information related to target species of pesticides and dosage used too, example : Glysat 480 SL used for weed of narrow leaved, dosage is 1.66 liter/ha. Training (chemical training for P&D, storekeeper, spraying and manuring) was conducted on May 2, 2012 with 39 workers attended. In PT. KAMU Estate, also observed pesticides kept in the store Glyphosate and Tiara 20WG were having proper MSDS as required and sampled at Chemical Store.

PT PANP (Batang Biu Estates), sampled on used chemical and pesticides packaging including containers found used fertilizer bags have proper recording in receiving (Pencatatan Kemasan Bekas Agrikimia) as sampled for May 2014 (Glysat and Tiara), April 2014 (Glysat and Tiara), march 2014 (Glysat and Tiara). Sampled also Inventory for agrochemical waste and disposal (Lembaran Penyimpanan Sementara Limbah Bahan Berbahaya Beracun). Filter Oli recorded 55 pcs was disposed. Sample Hazardous Waste Manifest (No. 0001948) (Dokumen Limbah B3), Collection by PT. Shali Riau Lestari (No Ijin BM 9089T) also recorded 55 pcs. Used Oil (Oli kotor) 1.200 ltr disposed to PT Shali Riau Lestari. Sampled Manifest (No. 0001946) also recorded 1200 litres. PT. PMJ sampled store for keeping used agrochemical containers and foung properly kept and locked. All containers were cleaned and soak with water. Disposed then to PT Shali Riau Lestari. Used Oil (Oli Bekas No. 0001962) 900 litres, Used Filter (Filter bekas) quantity have differences: 158 kg suppose but in the inventory recorded 112.5 kgs, Contaminated containers (Kemasan terkontaminasi No. 0001935) is 194.4 kg and Used Battery (Aki Bekas No. 0002058) 4 pcs. Manifest available.

PT. PMJ, PT. PANP (Batang Biu and Kinali), PT. KAMU estates, there are no pesticides under type 1a and 1b being used. Auditor was checked at store, stock card, site and interview with storekeepers respectively also explaining that there is no stock kept and used.

In PT AMP Plantation, PT PMJ, PT KAMU estate, there was a record of health check-up or medical check up plan. There are supervisor (1 person) and manuring worker (1 person) in block 26A (PT PMJ) did not attended yet but later shown a plan to send them for medical check-up but a storekeeper and fertilizer bags cleaner were sent for medical check-up. In block 20 (PT KAMU), found one supervisor and 6 of hers manuring workers that they has medical check-up last year (based on interview). It is information appropriate with results of document verification at clinic. At block 2B (AMP 1 estate) found supervisor...
Based on explanation by company doctor that every 2 months, all pregnant and breastfeeding female workers will be checked and a removal letter will be issued through EHS Department to ensure that they will not work related to chemicals or pesticides. Auditor found 2 manuring worker pregnant and breastfeeding have removal letter from company doctor (FRM-KLK-023) in PT PMJ estate. It is appropriate with internal memo regarding mutations of work during pregnant and breastfeeding dated on January 28, 2014 and May 31, 2014. At PT KAMU & AMP 1 estate, there is no female sprayers and manurers involved with chemicals. It is information appropriate with the results of interview with supervisor and manuring workers in block 20 and 6 female sprayer in block 2B where they are has understood related requirement and explained that no female manurers allowed to work with fertilizer if they are pregnant or breastfeeding baby.

The company (PT AMP Plantation, PT PMJ, PT PANP and PT KAMU) has OSH or safety and health policy which was signed by top management. PT AMP Plantation has safety and health committee and has conducted meeting regularly example dated on June 24, 2014, March 25, 2014 and December 30, 2014. Organization chart for safety and health committee are chairman is estate manager in AMP 1, leader are estate manager in AMP 2 & 3, secretary : safety and health officer, members consist of representative from employees and employers where it is approved dated on June 24, 2014. It is organization chart change form previous audit because there is estate manager mutation to other company under wilmar international. At PMJ estate has safety and health committee too.

Worker in PT AMP Plantation, PT PMJ, PT PANP and PT KAMU has covered by Jamsostek (employer insurance) as evidence sampled “BPJS Ketenagakerjaan” premi period of May 2014. Total of 4,241 workers. Amount contributed Rp 534,573,886 from AMP I,II and III estate. At PT. PANP (Batang Biu) also sampled accident on harvester as a result of falling from motorcycle on 22/2/14 claim was made to JAMSOSTEK in February 2014. At PT. PMJ Estate also accident in May 2014 involving harvester who receive 5 days medical leave reported to JAMSOSTEK on 5/6/14 (accident report stage 1). In April 2014 on worker had 4 days medical leave, reported too on 20/4/14. At PT. KAMU Estate, sampled accident on loading worker occurred on 08/01/14 was reported and claim made to JAMSOSTEK too. Safety and health committee report has submitted to local government once every 3 month where include accident report.

At PT. AMP Estate, observed health monitoring report (Hasil Pemeriksaan Kesehatan Tenaga Kerja Wanita yang Berhubungan dengan Bahan Kimia) June 2014 involving 42 workers, April 2014 involving 43 workers, February 2014 involving 46 workers. Audiometric test was conducted dated on October 11, 2014 for workers expose to noise at work place. Spirometri test also conducted for those expose to dust from boiler activity and medical check-up periodic for those expose to chemical. At PT AMP Palm Oil Mill, evidence of audiometric test/Spirometri and Cholinesterase conducted on 11-12/10/13. (result of laboratory analys No. 564) involving 74 workers. At PT. KAMU Estate, medical check-up periodic for manurers and mandore and storekeeper as sampled at Block 20 was done on 11-12/10/13.

Risk Assessment not done properly in identifying potential hazard and implementing control measure such as sampled :

a. In AMP Palm Oil Mill, potential fall from height for security guard if they are climbing on top of the CPO tank or lorry was not identified.

b. In PT. PANP Estate, at workshop found a hole on the floor use for repairing under part of the vehicle found left without any railing, fencing and have potential to cause injury if fall inside it

c. In PT. KAMU Estate, at workshop the welding activity was not included as found could give health effect if inhaling the smoke as warned on the box of the welding rod.

While at PT AMP Plantation and Mill, PT PMJ, PT PANP and PT KAMU :

a. The current risk control should be identified first before the risk assessment conducted and not after as evidence sample in the Risk Assessment Form FRM-GEN-017.

b. The risk categorized as III, found score III but no additional action recommended as required by SOP-EHS-010 Petunjuk Pengisian Aspek Impact.

c. The risk control as observed mostly generic such as PPE and Engineering. Should be more specific such as what type of PPE or engineering control measures that should be used or applied.

d. As risk control measure required, Harvesters should wear proper PPE such as helmet, glove, safety boots and safety glass as in the PPE matrix. Observed 4 Harvesters at Block 14 (KAMU) not wear-
ing Helmet, Safety Glass and Gloves, 6 Sprayers at Block 2B (AMP I) not wearing Safety Glass as they said not comfortable and cannot see clearly. Fertilizer Bag cleaner (PMJ) wearing a cloth mask not suitable for cleaning activity.

That is condition above was raised as non-conformities (NCR P&C No. 2014-03 of 07).

At PT AMP Palm Oil Mill, training/socialization was conducted on 20/05/13 involving 23 workers on Socialization of OSH practices. At PT. PANP (Batang Biu Estate), not yet done Training on OSH (Pelatihan K3K dan Lingkungan) but have plan to conduct training and last conducted on 13/8/12. At PT. PMJ Estate, briefing on first aid on 28/6/14 attended by 22 workers during morning muster. There was also training plan for year 2014 (Program Panitia Pembina Keselamatan Kesihatan Kerja dan Lingkungan (P2K3L)), such as Training on OSH SOP (March), Training on emergency (Apr), Training on Ergonomic Aspect (Mei), training on P3K (Jun).

Emergency Procedure (PRO-GEN-014) Rev. 0 dated 27/04/10. found not having clear requirement for conducting drills for every type of emergencies and review will be done after actual emergency or drill conducted for considering correction or corrective action or to further improve the procedure, equipment, workers understanding and readiness or collaboration with external emergency services. This is condition as observation category.

At PT. AMP 3 Estate, there was a record for distribution of first aid boxes (Daftar Inventaris Kotak P3K) as sampled to 23 workers, area example to security, Warehouse, Workshop, Genset, Water pump, mandores) etc. Type C were issued. At PT. PANP (Batang Biu Estate), sampled at Block 1 mandore, found having first aid box and at Block 3, mandore having first aid box too. Sample issuance record (Daftar Inventoris Tas Pinggang P3K have both name as evidence of receipt. Need to improve the format as no evidence of date of receiving. Have format to record usage (Daftar Pemakaian/ Penggunaan Obat P3K). At PT. KAMU Estate, sampled at Block 20 and 14, both lady mandores have first aid box. Also observe at chemical store, workshop and office were having first aid box and nurse is monitoring the issuance and replenishment accordingly as evidence of inventory record shown. At PT. AMP I Estate, Block 2B, requested a first aid box from mandore to check on availability and she have in good condition.

At PT. AMP 1 estate, training report (Berita Acara Sosialisasi) that was conducted during Morning Muster on 14/06/14 by nurse and Safety and Health Officer, Pelatihan Petugas P3K AMP Plantation on 21/03/13. Participants from AMP I, II and III including Mill Conducted by company doctor. Observed by Kabupaten (Kusma Betty, SH, Rahmi, Afrina). At PANP (Batang Biu Estate), 2 Mandores for manuring and harvesting found attended First Aid Training as conducted on 6/7/12. At PT. PMJ Estate, sampled on mandore for manurer, supervisor for manurer, storekeeper, have training record on first aid.

At PT. AMP Estate, on 22/05/14 accident reported on harvester at his ankle hit by (pelepah). Received 2 days medical leave. 15/04/14 another harvester have 2 days Medical leave and 21/4/14 one more harvester received 3 days medical leaves.

At PT. PANP (Batang Biu Estate) sampled on March 2014, accident reported 4 cases. 6/3/14 involving loading worker that dropped FFB on his left leg. Received 1 day medical leave, 10/3/14 a harvester hit by Duri Pelepah and received 1 day medical leave, 20/3/14 another harvester had dust dropped in his eyes and received 1 day medical leave and on 25/3/14 maintenance worker, had motorcycle accident and received 3 days medical leave. At PT. PMJ Estate, the Accident Statistic (Laporan Kasus Karyawan Yang Berobat di Seluruh Klinik Perusahaan Karena Kecelakaan Jun 2014). 6 cases reported involving 4 harvesters and 2 loaders. Mei 2014 involving 5 harvesters.

The company (PT AMP Plantation, PT PMJ, PT PANP and PT KAMU) has developed training programme year 2014 for staff, employee and scheme smallholder in accordance with worker's position and competences. In mill, training need planning for year 2014 i.e HRD (position description, mutual working agreement, and Working Regulation) (April 2014), SOP training (May 2014), fire extinguisher training (April 2014), work health and safety training K3 (April 2014), Gender training (May 2014), RSPO training (May 2014), ISPO training (May 2014), high risk working training (March 2014) and waste management training (April 2014). There was official report for every training as evidence that the training already done. At PT PANP, there were record of training in year 2014 as follow:

1. Harvesting technic on February and May. There was official report that this training already done on 30 May 2014.
2. Manuring technic on February and May. Based on official report, this training has done on 26 February and 2 May 2014.

PT AMP 1 estate - sampled training on chemical, OSH, RSPO/SOP, GENDER and SOP was conducted
on 26/6/14 by (Mr. Insanul HSE Staff). Attended by Staff, mandore and workers with total of 27 workers attended. At Block 4 on 6/2/13, spraying training was conducted and attended by 6 sprayers. On 7/3/13 another group of 78 workers attended the training. Available in the SHE Program for 2014 (Program P anticita Keselamatan Kerja & Lingkungan-P2K3L) such as Training on SOP, Emergency, Using fire extinguisher, Ergonomik, PPE a, others.

Regarding to use of experience or trained contractor there was evidence that all contractors were experienced and trained and evaluated by the company. There was evaluation report to all contractors performance on 5 July 2014. For example CV. Jefri Group for road darinage development, CV Usaha Ayah for EFB loading and transportation. One of local contractor for implement of EFB do not have evidence as experience or trained contractor because the company (PT PANP) has not been conducted training to local contractor it. This is condition was raised as non-conformity (NCR P&C No. 2014-04 of 07).

Compliance status: Non Compliance

NCR P&C No 2014- 03 of 07 (Minor)

Risk Assessment not done properly in identifying potential hazard and implementing control measure such as sampled at :

Mill, PANP, KAMU
a. In Mill, potential fall from height for security guard if they are climbing on top of the CPO tank or lorry was not identified.
b. In PANP, at workshop found a hole on the floor use for repairing under part of the vehicle found left without any railing, fencing and have potential to cause injury if fall inside it
c. In KAMU, at workshop the welding activity was not included as found could give health effect if inhaling the smoke as warned on the box of the welding rod.

Mill, PANP, PMJ, KAMU, AMP
d. The current risk control should be identified first before the risk assessment conducted and not after as evidence sample in the Risk Assessment Form FRM-GEN-017.
e. The risk categorized as III, found score III but no additional action recommended as required by SOP-EHS-010 Petunjuk Pengisian Aspek Impact

NCR P&C No 2014- 04 of 7 (Major)

There are not evidences that the company (PT PANP) has been conducted training to local contractor for EFB application on the field

Principle 5: Environmental responsibility and conservation of natural resources and biodiversity

Criteria assessed : CR5.2, CR5.3, CR5.5, CR5.6
Criteria not assessed : CR5.1, CR5.4

Findings:

Environmental aspect and impact (FRM-GEN-017) should be conducted properly and comprehensive as example the aspect of usage of electricity in the office will have an impact of depletion of natural resources and not use electric with care as sampled in PT. AMP I and used of paper having impact of water and soil contamination. Suppose depletion of natural resources. While for AMP Palm Oil Mill under Office activity found only waste of paper will have an impact of soil and water contamination but no impact of depletion of natural resources for use of paper. At AMP Palm Oil Mill under Office observed emission from boiler were reported every 6 monthly and effluent from WTP were reported every month as evidence sample on report sent to local government.

The company (PT AMP Plantation, PT PMJ, PT KAMU and PT PANP) has conducted assessment and identification of protected, rare and endangered species and HCV habitats within their areas. Batang Bi-
yu estate has conducted assessment and identification HCV areas by internal team. Moreover, all company has been appointed dedicated officer to monitor HCV management. During 2nd surveillance audit, the company not change dedicated officer with previous audit.

PT AMP Plantation (AMP 1-3 estate) has conducted HCV monitoring activities such as monitoring and maintenance of tree planting conservation program in riparian masang kiri river, maintenance of sign board, control of water level in peat areas, maintenance of bund off, and maintenance boundary trench. Some activities also for HCV area in PT PMJ and AMP 4 estate. Moreover, PT PMJ and AMP 4 estate has conducted monitoring of HCV areas (mangrove forest) on January to June 2014 where existing condition are well condition and rapid survey for fauna with observation and interview method (dated on March 28, 2014), measurement of subsidency pillar. PT KAMU estate has conducted tree planting conservation in erosion areas, measurement or erosion level, not conducting spraying and fertilizing in riparian areas. Whereas, PT PANP estate has conducted maintenance and instalation sign board, measurement of erosion level, etc.

At PT. AMP I Estate, all sources of waste were identified clearly in Identification and handling of waste (FRM-GEN-046) which contained list of wastes such as used oil, used filter, used accu, used filter, pesticide container etc. At PT. AMP I Estate, found Identification and handling of waste (FRM-GEN-046) have proper planning in term of handling, frequency of handling and PIC. At AMP Palm Oil Mill, Identification and handling of waste (FRM-GEN-046) 1/10/13 for used oil, used filter, used accu, used filter, pesticide container etc. Waste wege catagorize under organic or inorganic and type solid, liquid or gas. Handling and frequency of handling were recorded clearly. At PT. PMJ Estate, Identification and handling of waste (FRM-GEN-055) covering Type of waste, category of waste (organic/inorganic/hazardous), form (liquid/solid/gas) Source, handling, frequency of handling and PIC. Example Clinical waste being disposed at nearest hospital. Observes at all sites during audit, recycling activity should be encourage and promoted as currently was categorize as organic and inorganic only and dispose at landfill. Some of the waste can be recycle like paper, plastics, metal/cans and etc. This will help reduce generation of waste.

At PT. PMJ Estate, available Policy on Open Burning. Under item no 3, mention commitment of zero burning implemented in all activities in plantation, waste except those related to guidelines. Approved by Group Plantation Head, Group CSR Head. In PT. KAMU Estate, Environmental Policy (Kebijakan tentang lingkungan) signed by top management. Mentioning a policy of zero burning in all plantation and waste handling activities. PT. PMJ Estate, SOP (SOP-GEN-015 Rev 0 dated 20/12/10) regarding fire land and forest. In the procedure not clear the requirement for conduction drill or simulation of emergency but this recorded in the Training Plan for 2014. Last training conducted in 11/3/2011, in 2014 supposed April but still not yet conducted. AMPI- Drill for emergency was conducted on3/7/14. Prosedur mentionList of equipments use for extinguising and fighting equipment in page 9 of 9. At PT. PMJ Estate, sampled Register of Fire Extinguisher (FRM-GEN-030) such as water tank, hose, pump, nozzle, helmet, fire jackets and etc. Inventory kept with location of kept. Sampled also a checklist for checking fire extinguishers (FRM-GEN-035) for May 2014, Jun. April. At PT. KAMU Estate, similar evidence also found containing investory of fire fighting equipments availability. PT. AMP I Estate, sample fire fighting equipments as in the list of equipment of fire brigade for january 2014, Feb 2014, March 2014, April 2014, May, 2014 such water pump, hose and nozzle, knapsack sprayer, scope, water tank, excavator, Grader, fire extinguisher,. Also available location map for fire extinguisher at housing area and Phase 1.

At AMP Palm Oil Mill, evidence of monitoring on pollution and emission such as from 2 Boilers and 2 genset conducted on 3/6/14. Result not yet received. Last year conducted on 6/11/13 for Boiler No. 2 & 3. All parameter of 8 pollutants were compliance with regulation (Permen LH No. 07 year 2007 attachment 1. While for gen set no 3, 4, on 6/11/13. The result of analyst of the pollutant parameter were compliance with regulation. While for WTP on effluent discharge done on 24/07/13. 8 parameters tested example pH, BOD, COD Pb, Cu, Cd. For 2014 1st Semester tested on 26/5/14, 22/4/14, 20/3/14, 24/2/14 and 23/01/14 .

Compliance status : Full Compliance

Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and mills

Criteria not assessed:
Findings:

There are no changes of Company’s environmental impact document (AMDAL) and social impact assessment (SIA). Local communities and stakeholders were involved in the participatory process of the social impact assessment. Both positive and negative social impacts caused by mill, estates and smallholders activities to company stakeholders were identified, such as clean water availability, community access to the land, partnership program with smallholder scheme (plasma), smallholders income level, employee and workers welfare and workers relationship.

The action plan for monitoring and management plan of social impacts for year 2010 -2013 has been established and has been expired during this 2nd surveillance audits. Management and monitoring plan year 2014 with community participation has not available. This is condition was raised as non-conformity (NCR P&C No. 2014-05 of 07). Records of regular monitoring and management of social impact, with the participation of local communities also not available during this surveillance audit. This is condition was raised as non-conformity (NCR P&C No. 2014-06 of 07).

There has been no revision made to company’s environmental management document (Dokumen Pengelolaan Lingkungan/DPL) both for mill and plantation activities. There have been no changes made company’s environmental management and monitoring document (RKL/RPL). In company’ social impact assessment document, has already identified the impacts of out grower schemes and is giving attention to the identified impacts.

The company still use documented SOP for communication and consultation with the communities, i.e. PRO-BNM-006, PRO-BNM 007, PRO-BNM 008, including flow chart for information services; organization structure of ‘Bina Mitra’ (Relationship building) and decree letter no. 009/ED-WGP/Int-II/2007 regarding Bina Mitra assignments. All documents have been communicated to local community representatives, including the Customary Leader, Head of Sub District, and Head of Village Unit Cooperation (Koperasi Unit Desa). This document also used for PT AMP, PT PMJ, PT KAMU and PT PANP.

Management of Plantations and Mill has updated their list of stakeholder. Checking on the detail information found that some of stakeholders have no information about their phone number. Some of phone number that written on the list found that it’s not available, not use by the stakeholder anymore. Auditors test the information by dialling one of stakeholder number, Mr Iron Maria Edi, Head of Nagari Salareh Aia, and found it unconnected. It indicates that some of detail information on the list is needs to be updated, and it rises as an observation.

Consultation and communication between company and its stakeholders running well using two way/channel, written and spoken. PT AMP still perfectly documented all written communication process as written in SOP. Checking on the logbook of incoming letter found that there are 54 incoming letters in 2013 and 7 letters in 2014. All letters has been responds correctly, and recorded in the logbook. PT AMP, PT PANP and PT KAMU, each of them has a dedicated person assigned for consulting and communicating with local communities. Checking to local community leaders surrounding the plantations confirmed they recognized, know, and regularly meet with the company’s PIC for just make a warm chats or have some serious discussion regarding company’s CD/CSR activities.

Documents on the list of complaints and company’s respective responses since 2012 until now are available in all PT AMP estates, PT PMJ estate, PT PANP and PT KAMU estates. List of relevant stakeholders has been updated in July 2013 by Binamitra department. Information on the list include all relevant stakeholder for PT AMP Plantation Mill, PT AMP Plantation estates, PT PMJ, PT KAMU and PT PANP. All incoming complain both from external stakeholder and internal are recorded on log book.

During this surveillance, checking on housing facilities at PT PANP Batang Biyu found that some of septic tank has been broken for long time and the wastewater has drone to the sewer. Crosscheck to the housing PIC found that the internal grievances/complaints regarding housing facilities maintenance has been directly submitted to the manager but not been written. Then, the follow up actions regarding the complaint is slowly responds by the managements. It was risen as a non-conformity (NCR P&C No. 2014-07 of 07).

The company still use procedures for the identification and calculation of fair compensation for the loss of legal or customary right of the land, with the involvement of local community representatives and relevant agencies and made publicly available, i.e.: REF-BM-003, dated on October 15, 2008 regarding land acquisition, however company should improve calculation method with involved community representatives.
Based on the claim documents in PT AMP III, there is land occupied by community located in HGU area No. 01 of 2004, HGU No. 09 of 1997, and HGU No. 11 of 2004 with total area of 456.02 hectares. Company had approached the meeting with land claimer to discuss the settlement. There is minute meeting showed the agreement between AMP III with community representative who occupy land in Block 24-D for area of 12 Ha. The update situation shows that there is no longer conflict between community and the company. The claimer, by their attorney, sues the BPN - who published the land title of HGU 11 - to local PTUN.

The company still has a record of documents related to the identification of the parties to receive compensation, as well as the various documents that describe the chronological process of land acquisition. Records of negotiations processes and/or the details of compensation settlements were maintained in Bina Mitra office and a copy also kept by customary leader who signed the document.

In this surveillance, the conflict case between PT KAMU and Nagari Manggopoh regarding land claim and obligation of paying land use compensation to Manggopoh villages has been closed. Both parties have finally found agreements. PT KAMU agree to contribute to Nagari Manggopoh regularly as CSR/CD fund. Interview result with Wali Nagari Manggopoh confirmed that PT KAMU has pay their contribution fairly and regularly. The contribution from PT KAMU has been use as the development of Kenagarian Manggopoh Office facilities.

The company has also meet agreements with Ninik Mamak Bando Rajo and Bujang Mansiang. PT PANP agrees to submit back the land to Ninik Mamak Bando Rajo, and Ninik Mamak Bando Rajo agrees to pay compensation to PT PANP as investment refund. PT AMP agrees to pay compensation to Ujang Mansiang such as the agreements made at march 26th 2014. Ujang Mansiang also agrees to split the land title (freehold title – SHM) no. 165 as owned by the PT AMP after the compensation payments

The company maintains documentation of employees’ pay and wages paid are in compliance with the minimum wages defined in both local and national government regulation. On the standard minimum wage, company complies with the regional minimum wage as per the decree from the Governor of West Sumatra which states that the regional minimum wage standard for estate workers in West Sumatra for year 2014 stated on decree letter no. 562-781-2012 regarding minimum wage standard starting July 7th 2014 shall be IDR. 1,490,000. It was checked during the audit payment slip for PT PMJ worker period July 1 to 30, 2014 is IDR 1,490,000,00 as the basic salary with total remuneration IDR 1,773,000,00. A temporary worker got IDR 54,000/day with total 25 day working they receive IDR 1,490,000 this is comply with defined regulation.

As the result of annual assessment before, the company provides adequate housing, medical, educational and other facilities free of charge to employees. Adequate electricity for 12 hours per day supplied by mill from 6 pm to 6 am. There is one well as water source for every two houses. Regarding the clean water supplies, in AMP III and PANP found that every single household fulfilling their need to clean water for consumptions by buying at nearest store. This condition rise as observation, the company should provide enough clean water for consumptions for the workers that live in housing facilities so they don’t have to buy to fulfill their need of drinking water.

During the surveillance, field check also conducted to inspect the housing environment health. In PT PANP (batang Biyu) and AMP III found that household wastewater has not well maintained. The condition of sew system is not properly maintain the household wastewater. This condition rise as an observation, the company should give attention to housing environment health.

The policy regarding freedom for association still not changed that is available in several locations signed by the plantation head on August 2008. There is a minute meeting between worker union and company’s management such as meeting on PT KAMU. The meeting conducted in June 24th 2014 at E&S Meeting Room PT AMP Plantation. The meeting was attended by delegations from PT AMP, PT PMJ, PT PANP and PT KAMU. The main agenda is “Bipartite Cooperation Institution of 4 Companies (PT AMP, PT PANP, PT KAMU, PT PMJ).

Audit Evidences indicate that the worker union is actively conducted shows as follow :
2. Minute of Meeting, The structural Changes of LKS Bipartite, Wednesday June 2nd 2014. Attendant list of meeting, there are 13 delegations on the list.

There is no underage worker found in company’s operation both in the mill and estates. The policy about
children worker still valid, company will not employ worker below 18 years. Checking on the latest worker
registered and on the field found that there is no worker is under 18 years old.

There is no indications found during this surveillance that company disobey their policies regarding wor-
kers equal opportunities, equal treatment in working relations and facilities. Checking on field, company
has not distinguished housing facilities among workers. All the plantation (estate) worker (with high varie-
ty of ethnicity background) live in the same estate’s housing facilities, the same neighborhood, relatively
the same type of house building and the same healthy facilities with equal treatment. Interview result with
some workers at the housing facilities shows that their supervisor never treats among workers unequally.
Every workers, man or women, worker or supervisor already aware their rights and obligations to the
company. Checking on internal communication records found that there is no grievance regarding une-
qual opportunities to job implementations.

There are evidences of anti-sexual harassment policies has implemented. The Gender committee that
has been formed still conducts their duties as the main actor of the policy. This organization still consist-
ently conducts their activities such as routine monthly meeting and socializations of gender equality
awareness to the worker. Checking to the workers found that they know what gender committee is, who
are on their organization structure list, and what their main duties are for workers. The gender committee
shows evidences of their activities such as:
1. Minute of Meeting, December 13th 2013 with the main subject on the discussion is explanation of
Gender. The record attached with attendance list of the meeting and the hand out material.
2. Records of Socialization the results of Gender Committee’s meeting to maintenance and harvesting
workers at June 27th 2014 and to Staffs and children at TPA at December 11th 2013.

Checking on the socialization material - the hand out – found that there is an incorrect definition to the
word gender. It rises as observation; gender committee should make correction to their socialization’s
material. Interview result with chief of gender committee found that all gender committee members need
to be trained regarding regulations and laws connected to gender protection.

Company has still using Standard Operation Procedure for FFB purchased from out-grower i.e.
SOP.001/TBS/VII/2009 rev 02 valid from August 24, 2009, the price refer to decision from Plantation Dis-
trict Office. Company purchase FFB from out-grower both smallholder scheme and independent grower
fairly as the interview result of a FFB Supplier. The prices for FFB are publicly available, and every FFB
supplier has been informed by texting using short Message service and/or Blackberry messenger. The
mechanism for FFB pricing is defined by plantation district office, submitted to the mills by lotus note, and
then spread out to out-grower and supplier by texting.

Company’s cooperation with several smallholders cooperative which is documented in some agreement
has sustainably conducted. Company’s contribution to local development also implemented by CD/CSR
activities that divide as social contributions, education, religion and art & sport activities. Detail values re-
garding company’s contribution in year 2013 (base on recapitulation records of CD/CSR activities) de-
scribe as follow:
1. AMP I, II, III, IV and Mill, IDR. 118.100.000,00.
2. PT KAMU, IDR. 2.500.000,00.
3. PT PANP, IDR. 5.100.000,00.
4. PT PMJ, IDR. 6.616.667,00.

Other evidences of Company's contributions to local development are their payment receives to local tax-
es as follow:

<table>
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<tr>
<th>Company</th>
<th>Land and Building taxes</th>
<th>FFB Retribution</th>
<th>Excavation Tax - C</th>
<th>Water Taxes</th>
<th>PPJ</th>
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<td>-</td>
<td>82.352.280</td>
<td>101.897.09</td>
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<td>8.274.000</td>
<td>2.313.176</td>
<td>-</td>
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<td>41.916.940</td>
<td>-</td>
<td>5.415.144</td>
<td>-</td>
</tr>
<tr>
<td>PANP</td>
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<td>61.286.260</td>
<td>12.277.200</td>
<td>2.576.574</td>
<td>-</td>
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<td>Total</td>
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<td>595.434.100</td>
<td>20.551.200</td>
<td>92.657.174</td>
<td>101.897.09</td>
</tr>
</tbody>
</table>

Compliance status : Non Compliance

NCR P&C No. 2014-05 of 07
The plan of management and monitoring of social impact year 2014 with the participation of communities
Records of regular monitoring and management of social impact, with the participation of local communities also not available until surveillance audit

NCR P&C No. 2014-07 of 07
There are complaints/grievances from employees regarding maintenance of housing facilities which was not followed up and responded by the PANP Kinai’s management because the manager has not been writing complaints/grievances at the time receiving the complaints/grievances

Principle 7: Responsible development of new plantings

Criteria not assessed:

Findings:
There is new plantation area that established after year 2005 in PT AMP: 25.39 ha, PT PMJ: 149.41 ha, PT KAMU: 29.92 ha and PT PANP 11.96 ha compliance to RSPO principle 7 for these new plantation area was explained completely on previous audit report.

Compliance status: Full compliance.

Principle 8: Commitment to continuous improvement in key areas of activity

Criteria assessed: CR8.1
Criteria not assessed: -

Findings:
All estate's plan for year 2013 includes prevention of contamination of rivers by stopping all spraying and manuring activities at the riparian river banks. For PT AMP Plantation, the plan for protection of river riparian buffer zones for year 2013 includes planting of various tree species along the riparian river zones of PT AMP 1, 2 and 3 for year 2013 which has been implemented with planting of over 8000 trees as explained under CR4.4.

The estates are also making efforts to reduce usage of chemicals, for example as seen from chemical application records for PT AMP Plantation, the company does not apply chemicals for treatment of rhinoceros beetles or ganoderma for medium attack rates. All estates have ceased usage of Gramoxone (with paraquat). PT AMP 1 and PT PANP estate also recently obtained a license for temporary storage of hazardous wastes, where previously they were transporting their hazardous wastes to the mill.

At PT. KAMU Estate, available Plan for Social environmental impact assessment (Matrik Rencana Pemantauan Lingkungan Perkebunan Kelapa Sawit PT. Karya Agung Megah Utama as stated under Table 6.1 in Dokumen Pengelolaan dan Pemantauan Lingkungan Year 2009. Consideration in the plan including Type of aspect, source, monitoring and PIC. Among aspect considered are: Reduction of surface water quality, Soil quality, Speed of soil erosion, Changes in flora and fauna, changes in water biodiversity, Social perception, social income, Accident and health. Sampled evidence of action taken through Laporan Semester II UKL & UPL Year 2013 to Desa Kajai Pisik, Kanagarian Manggopoh Utara, Kacamat- tan Lubuk Basung, Kabupaten Agam, Sumatra Barat

Compliance status: Full Compliance.
- **RSPO Scheme smallholder**

### Principle 1: Commitment to transparency

**Criteria 1.1:** Scheme manager provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation on decision making

**Findings:**

All information request was kept on logbook. For example was as follow:

1. Letter on 30 January 2014 subject to fee request for traditional leader (ninik mamak) of Tompek Tapian Kandis of Salareh Aia village. There was record of response such as official report of mutual meeting between company and the stakeholder on 30 March 2014 which approved this request. Based on interview to one of the traditional leader, the fee has been distributed since end of March as Rp. 50,000 per month via Bawan community bank.

2. Letter on 12 May, no. 522.3/380/BU-V/2014 from The Ministry of Forestry and Agriculture of Agam Regency, subjected to invitation of meeting. There was evidence of response such as attendance report of Secretary of Tompek Tapian Kandis Cooperative.

3. Letter on 12 June 2014, no. 079/AMP-PGA/Ext-VI/2014, from PT AMP Plantation, subjected to request for providing letter of appointment for one of harvester. There was evidence of response such as letter of appointment for the worker.

4. Letter on 22 November 2013 from community of Tapian Kandih village subjected to request of excavator usage for road maintenance. There was evidence of response such as official letter appreciation from the stakeholder for the excavator being used and the work was finished.

**Compliance status:** Full Compliances

**Criteria 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

**Findings:**

The company provide response to the stakeholder based on the kind of request. Recently, the request was focused on donation and already response by the company as well.

**Compliance status:** Full Compliances

### Principle 2: Compliance with applicable laws and regulations

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

**Findings:**

Some evidence of compliance with relevant laws and regulations requirement where one of them are:

2. Decree letter from Head of Agam District no.597/1994 dated on November 28, 1994 regarding list of cooperative member amount of 245 person. Whereas, current condition of total member are 256 person because there are the rest of areas amount of 22 ha.

3. Agreement between company with village cooperative of mangopoh I no. 217/AMP-DIR/PK-X/97 dated on October 24, 1997 regarding develop and management cultivation/plantation amount of 1,216 ha (608 member).

4. Agreement between village cooperative of Mangopoh I with village cooperative of tompek tapian kandis dated on January 8, 2001 regarding allocation some of credit fund to be used by village cooperative of tompek tapian kandis with areas of 490 ha.

5. Village cooperative has carry out yearly member meeting for year 2013 dated on March 30, 2014 in elementary school no.27 tapian kandis. It is compliance with law no.17 year 2012 article 36.


7. There was list of salary consist of worker ID, jamsostek number, position and join date. There was worker salary payment receipt for example: Daily manuring worker, as Rp. 1,033,200 for 17 working days, or Rp. 59,600 per day based on Governor decision Letter for 2014 minimum wage, Maintenance worker as Rp. 2,384,000, Manuring worker as 2,324,400 and mandore as Rp. 3,116,587.

8. There was evidence of jamsostek payment as Rp. 1,938,750R via Bank Mandiri Padang branch, on 16 June 2014. The program was JKK & JKM, and JHT.

Furthermore there has not been complied with laws and regulation such as agreement between company with cooperative not include of 22 ha (11 member). This condition was raised non-compliance (NCR Smallholder no. 2014 - 01 of 12).

Compliance status : Non-Compliance

NCR Smallholder no. 2014 – 01 of 12

Inside the agreement between company with cooperative was not included the smallholder areas of 22 ha (11 members)

Criteria 2.2 : The right to use land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights

Findings:

Legal ownership of the land from all members (256 members) in village cooperative of tompek tapian kandis is freehold title (Sertifikat Hak Milik). During audit that cooperative as samples are 20 samples (member number : 1, 10, 20, 30, 40, 50, 60, 70, 80, 90, 100, 110, 120, 130, 140, 150, 160, 170, 180, 190, 200) but it has shown freehold title amount of 10 freehold title only (member number : 1, 20, 30, 40, 70, 120, 140, 150, 170, 180). This condition was raised non-compliance (NCR Smallholder no. 2014 - 02 of 12). This letter describes that historically, the land they use was land of center government transmigration program. Regarding to the interview result with the smallholders managers, almost majority of cooperations members’s certificate of land are held by bank as loan requirements, and would be gift back to the farmers after their instalments/obligations to the bank has fully paid. The cooperative have a map where it was informed the distribution of the location of garden every member, number plot, name of groups, river, road, and land ownership in around the cooperative garden. In hectare statement that total areas is 568.37 ha whereas approximate total areas based on freehold title are 512 ha (256 member x 2 ha). This condition was raised non-compliance (NCR Smallholder no. 2014 - 02 of 12)

Based on interview to the community and to the member of the Cooperative there were no land dispute for this smallholder are. There were no complaint or grievance regarding to this smallholder area from stakeholder.

Compliance status : Non-Compliance

NCR Smallholder no. 2014 – 02 of 12

- The cooperative has shown freehold title amount of 10 freehold title only but other freehold title amount
Criteria: 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

Findings:
There was record of land release official report from the Head of tradition of Tapian Kandis, Salareh Aia village for this smallholder establishment on 7 April 1993. This letter states that the 2,000 Ha land was released to Head of Agam Regency by:
1. J. Dt. Bandaro
2. M. Dt. Kayo
3. S. Dt. Jeloanso

The letter was consisted of explanation of boundary of the land. Nowadays, there are map of the location in adequate scale 1:25,000

Compliance status: Full-Compliance

Principle 3: Commitment to long-term economic and financial viability

Criteria 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability

Findings:
The cooperative of tompek tapian kandis have operational projection period of 2014 to 2016. Information in document such as total planted, FFB production every year and distribution of FFB production every month, hectare statement, maintenance cost per hectare, plantation development expenditure, capital expenditure, workers housing requirement, human resources, sustainability implementation cost.

Compliance status: Full Compliance

Principle 4: Use of appropriate best practices by growers and millers

Criteria 4.1: Operating procedures are appropriately documented and consistently implemented and monitored

Findings:
The cooperative has procedure & SOP of good agriculture practices in key activities such as procedure of land clearing (PRO-EST-001), planting (PRO-EST-002), maintenance/weeding (PRO-EST-003), harvesting (PRO-EST-004), use of pesticides (PRO-EST-008), IPM (PRO-EST-009), analyst of leaf and soil (PRO-EST-010), SOP of fertilizing (SOP-EST-001), circle and path spraying (SOP-EST-002), selective weeding (SOP-EST-003), pruning (SOP-EST-004), pest and disease control (SOP-EST-005).

Compliance status: Full compliance
Findings:

Practices maintain soil fertility by the cooperative are anorganic fertilizer application with any type such as urea, NPK Super, Borate, and Dolomite. Recording of type and volume of fertilizer used to applied in smallholder areas can be found in recommendation & realization fertilizer record year 2014. Volume of fertilizer has application in field period of January to June 2014 amount of 48,412 kg (NPK Super) and 13,450 kg (urea). Whereas dolomite and borate has not been implemented in field because delay.

Fertilization activities with FFB production has close correlation where FFB production in last 3 years as follows year 2011 : 8,825.41 tonnes, year 2012 : 8,400 tonnes, year 2013 : 8,758.43 tonnes and year 2014 (until June 2014) : 3,844.88 tonnes.

Compliance status: Full-compliance

Criteria 4.3: Practices minimise and control erosion and degradation of soils

Findings:

Based on countur and slope map that smallholder areas are 0° - 6° (slope class) and flat to undulating (<25% and 25-50%) but there are not evidence of terracing or other conservation efforts for plantings on sloping terrains beside preparing midrib example in block 5 & 7 and not evidence of ground cover crops establishment cause all plantations are mature. This is condition was raised as non-conformities (NCR Smallholder No.2014-03 of 12). The cooperative has not soil map or result of soil analys so the peat area available or not in smallholder areas. This is condition was raised as non-conformities (NCR Smallholder No.2014-04 of 12). In the field, the drainage system available because low land.

Compliance status: Non-compliance

NCR Smallholder no. 2014 – 03 of 12

There are not evidence of terracing or other conservation efforts for plantings on sloping terrains beside preparing midrib example in block 5 & 7.

NCR Smallholder no. 2014 – 04 of 12

The cooperative has not soil map or result of soil analys so the peat area available or not in smallholder areas

Criteria 4.4: Practices maintain the quality and availability of surface and ground water

Findings:

Village cooperative of Tompek Tapian Kandis has conducted socialization of RSPO, procedure, OSH, gender and HCV to worker. Socialization has carry out dated on October 2, 2013 in block 23. Moreover, period of 13-15 November and 18-20 November 2014 has carry out training to smallholder with topic of RSPO standard, legal compliance, man power, first aid procedure, IPM, soil and water conservation, OSH, environmental, HCV, operational procedure and document control. One of topic in socialization are soil and water conservation where in form such as prohibited of spraying in riparian, spraying and fertilizing use doses appropriate with standard, disposal domestic waste in right place, preparing midrib parallel to the countur etc. Evidence of efforts to prevent erosion and maintain natural water resources are preparing midrib parallel to the countur, terracing with bad condition, not allow carry out spraying and fertilizing in riparian, installation of sign board as marking of chemical activity with yellow colour.

The list of agrochemical was used available i.e glisat 480 SL (isopropolamina givosat), alert 20 CW (Methil metsulfuron), voltaris (Isopropil amina givosat), tiara (Methil metsulfuron 20%) and Kill-up (Isopropil amina givosat) and volume of agrochemical was implemented in areas has available i.e period of February 2014 amount of 265.2 litter (glisat) and 9,270 kg (tiara). Whereas, volume of fertilizer was implemented in the cooperative has explained criteria above (criteria 4.2). All agrochemicals use have number registration from Ministry of Agriculture as evidence of registered and permitted agrochemicals was used and no use of agrochemicals categorized as WHO type 1A or 1B or are listed by Stockholm or Rotterdam.
### Criteria 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques

**Findings:**
Records of monitoring and control of pest and disease (EWS sensus report period of March and June 2014) has been documented where it result still below the threshold so do not need to control. In summary EWS period of March and June 2014 has informed that it attack are ganoderm and rhinoceros beetle. The smallholders can be able to demonstrate adequate knowledge on IPM and are able to implement it. This can be seen during field visits. IPM socialization to smallholder and worker has been done dated on October 24, 2013 by company.

**Compliance status:** Full-compliance

### Criteria 4.6: Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use, and if agrochemicals, which were categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, were used, growers are actively seeking to identify alternatives, and this is documented

**Findings:**
Type of agrochemical used by smallholder has inform in criteria above (criteria 4.4) and all agrochemicals use have number registration from Ministry of Agriculture as evidence of registered and permitted agrochemicals was used and no use of agrochemicals categorized as WHO type 1A or 1B or are listed by Stockholm or Rotterdam Conventions. Glysat and tiara was used circle spraying, harvesting path spraying and road side spraying.

Based on interview with one of sprayer that he is using pesticide accordance with targeted species, appropriate dosage, method and time of application. Man power and material for spraying activity was handling by PT AMP Plantation so agrochemical container has stored in chemical warehouse AMP 1 estate and handling of disposal by AMP 1 estate too. Condition of pesticides storage and disposal of their containers has accordance with existing regulation.

Sprayer using a long sleeved shirt, mask, boots and gloves while working as safety equipment. Hand over of PPE to sprayer done dated on December 9, 2013. Based on interview with sprayer and accident report that there are not toxicity cases. Training on the use of limited pesticides for sprayer has carried out dated on February 19, 2014 and October 2, 2013. Record of it training available such as attendent list, and photograph. The smallholder has list of the type of pesticide and volume of pesticides has implemented.

**Compliance status:** Full-compliance

### Criteria 4.7: An occupational health and safety plan is documented, effectively communicated and implemented

**Findings:**
Nucleus estate (PT AMP Plantation) has developed health and safety guideline for smallholder in working areas such as procedure of handling of accident and disease cause working (SOP-GEN-008 Rev.0 dated June 01, 2014), procedure of medication (PRO-KLK-001) and procedure of first aid (PRO-KLK-004). The content of the health and safety guideline are use of PPE on working, wash hand with soap and water after mixing the pesticide, spraying is not opposite to the direction of the wind, egrek given gloves, etc. Harvester, fertilizer and sprayer has shown safe working practices so until audit there are accident in May & April 2014 i.e exposed of palm thorn, midrib thorns and falling palm midrib. Harvester, fertilizer and sprayer have PPE such helm, boots, gloves, masker, a long sleeved shirt. Reponsibilities of OSH committee in nucleus estate (PT AMP Plantation – AMP 1 estate) include smallholder so meetings regarding OSH issues available (June 24, 2014) but not covering OSH issues in smallholder. This is
condition was raised as non-conformity (NCR Smallholder No.05 of 12). If there are emergency situation or accident so farmers/harvester/sprayer has understood of implementation or handling it.

**Compliance status** : **Non-compliance**

**NCR Smallholder no. 2014 – 05 of 12**

Record of OSH meeting with topic of OSH performance in smallholder not available

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**Criteria 4.8 : All staff, workers, smallholders and contractors are appropriately trained**

**Findings** :

Smallholder has programme training year 2014 such as awareness RSPO, socialization of safety and health, protecting flora and fauna, safe working practices, spraying, fertilizing, soil and water conservation etc. Social Impact Assessment (SIA) and High Conservation Value (HCV) training, awareness RSPO, socialization of safety and health has conducted and records it available.

**Compliance status** : **Full-compliance**

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**Principle 5: Environmental responsibility and conservation of natural resources and biodiversity**

**Criteria 5.1 : Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement**

**Findings** :

There was draft report of Social and environment impact assessment 2014 in title of Dokumen Pengelolaan Lingkungan Hidup (DPLH). This report was delivered to Badan Lingkungan Hidup Agam Regency on 7 July 2014 and has reviewed on July 16, 2014 consist of surface water quality, river sedimentation measurement, soil chemical fertilizer quality, aquaculture habitat, flora fauna diversity, working opportunity, community health impact, community income and so on. However there was no evidence that the report being socialized to the stakeholder. And there was no evidence that this impact assessment involved smallholder participation. There was no record of program implementation for this assessment report since there was no participation from smallholder member. This is condition was raised as non-conformities (NCR Smallholder No. 2014-06 of 12).

**Compliance status** : **No-compliance**

**NCR Smallholder no. 2014 – 06 of 12**

There was no evidence that the report being socialized to the stakeholder, there was no evidence that this impact assessment involved smallholder participation and there was no record of program implementation for this assessment report since there was no participation from smallholder member.

**Criteria 5.2 : 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**

**Findings** :

Based on interview to workers in cooperative areas (block 7) that workers are able to list protected flora and fauna and was found such as cobra and monkey long tail but socialization of HCV not effective because workers still understand that cow and dog are protected fauna status. This condition was raised as non-conformities (NCR Smallholder No. 2014-07 of 12). Futhermore, there are protected species in local areas (based on results of interview above) but there is not a dedicated person in smallholder organization structure with function to train smallholder on conservation including how to mitigate conflict.
with relevant protected species. This condition was raised non-compliance (NCR Smallholder no. 2014 - 08 of 12).

**Compliance status:** Non-compliance

### NCR Smallholder no. 2014 - 07 of 12

Socialization of HCV not efectif because workers still understand that cow and dog are protected fauna status

### NCR Smallholder no. 2014 - 08 of 12

There are protected species in local areas (based on results of interview above) but there is not a dedicated person in smallholder organization structure with function to train smallholder on conservation.

### Criteria 5.3 : Waste is reduced, recycled, re-used and disposed off in an environmentally and socially responsible manner

**Findings:**

Agrochemical was used from company (nucleas estate) so agrochemical waste management plan available and handling of dispose hazardous chemical and their containers has regulation. The company has sighted manifest document. During audit, there are not complaint related to disposal of hazardous chemicals and their container.

**Compliance status:** Full-compliance

### Criteria 5.4 : Efficiency of energy use and use of renewable energy is maximized

**Findings:**

Scheme manager has prepared efficiency of energy in form of agreement with head of smallholder relate with road maintenance around the location of harvest that the FFB transport route will be sought the shortest so that the consumption of fossil fuel can be controlled.

**Compliance status:** Full-compliance

### Criteria 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

**Findings:**

During audit, the smallholders has not conducted replanting because oil palm trees still productive and age of 16-22 years. The smallholders understand emergency responses procedure against land fires. There are not land fires since planting till now but if there are land fires so that the first : farmer’s land near location of fire to extinguish the fire with a simple tool, the second : one of the farmer, sharing information to other farmer for help put out the fire by bringing simple tools such as hoes, shovels, matchetes, sand, bucket, etc, the third : one of the farmer inform to company/scheme smallholder and extinguish fire agency, the fourth : smallholders crate firebreaks. The smallholder has fire traditional equipment such as hoes, shovels, buckets, machetes, etc so to monitoring/control for condition of equipment carried by each farmer owners of such equipment.

**Compliance status:** Full-compliance

### Criteria 5.6 : Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored
Findings:
Pollution and emission sources in smallholders was identified as defined in form of pollution sources (FRM-GEN-00 dated on June 1, 2014) such as vehicle operational only and emission reduction plan in form of use of vehicle which their production year near with this year. Condition in field, pollution sources not only vehicle operation such as air, water and soil, etc so their emission reduction plan are not available. This condition was raised as non-conformities (NCR Smallholder No. 2014-09 of 12).

Compliance status: Non-compliance

NCR Smallholder no. 2014 - 09 of 12
Inside the pollution sources form (FRM-GEN-00 dated on June 01, 2014) has not been informed of the types of other sources of pollution/contamination/emission such as air, soil, water, etc so that the plan of pollution/contamination/emission are not available.

Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and mills

Criteria 6.1: Aspects of plantation and mill management 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 continuous improvement

Findings:
There was report of Social Impact Assessment of Tompek Tapian Kandis smallholder 2014. However there was no evidence that the report being socialized to the member. This condition was raised as non-conformities (NCR Smallholder No. 2014-10-12).

Smallholders have scheduled program for management and monitoring of environment impacts (RKL/UPL) which are available at smallholder organisation. However the program was not implemented yet since there was no socialization conducted to the stakeholder and schedule of impact management not appropriate with environmental document because environmental document (DPLH) yet discussed by environmental agency. This condition was raised as non-conformities (NCR Smallholder No.2014-11 of 12 and No. 2014-12 of 12).

Compliance status: Non Compliance

NCR Smallholder no. 2014 - 10 of 12
There was no evidence that SIA report already being socialized to stakeholder.

NCR Smallholder no. 2014 - 11 of 12
Record of the implementation of management and monitoring of social impact in smallholder not available

NCR Smallholder no. 2014 - 12 of 12
schedule of impact management not appropriate with environmental document because environmental document (DPLH) yet discussed by environmental agency.

Criteria 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

Findings:
There was record of communication with one community member regarding to question whether their payment already made and when will teh next payment. Based on interview to the community member, the communication between community and the board of cooperative usually pertaining to the transfer of FFB purchasing.
Periodic meeting in this cooperative was Annual Member Meeting (RAT) which hold once in a year. There was record of RAT meeting on 30 March 2014. Based on record, this last meeting was consist of several activities such as board accountability statement, and working plan 2014.

Smallholders organisation has records on communities’ aspiration and their responses or follow-up actions as mentioned on CR 1.1 above:

1. Letter on 30 January 2014 subject to fee request for traditional leader (ninik mamak) of Tompek Tapian Kandis of Salareh Aia village.
2. Letter on 12 May, no. 522.3/380/BU-V/2014 from The Ministry of Forestry and Agriculture of Agam Regency, subjected to invitation of meeting.
4. Letter on 22 November 2013 from community of Tapian Kandih village subjected to request of excavator usage for road maintenance.

A dedicated person appointed in smallholders organisation responsible for communication and consultation with stakeholders, which is R. Dt. Jeloanso as secretary of teh cooperative.

Compliance status : Full Compliance

Criteria 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties

Findings:
There was procedure of complaint and grievance SOP no.doc. PRO-BNM-003 valid since 1 June 2014: complaint or grievance must accompany with clear identity of sender and approved by traditional local leader.

Until today, there was no complaint or grievance from stakeholder regarding to smallholder board activity. And there was no dispute between the board and another party.

Compliance status : Full Compliance

Criteria 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

Findings:
There was record of land release for the smallholder area as explained on CR 6.2 above. There was no compensation for the land as well.

Compliance status : Full Compliance

Criteria 6.5: Wage and conditions for employees and for employees of contractors always meet at least legal or minimum industry standards and are sufficient to meet basic needs of personnel and to provide some discretionary income

Findings:
There was payment receipt of worker salary for June 2014 based on Decision of Governor for Sumatera Barat minimum wage which is Rp. 1,490,000 per month or Rp. 59,600 per day. There was Letter of permanent worker appointment. For example was SK no. 30/SK-KPS-TTK/VI/2014 regarding to permanent appointment for employee ID no. KPS.TTK/0002030 as daily maintenace worker, valid since 1 June 2014.

Compliance status : Full Compliance

Criteria 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

**Findings:**
The cooperative implement policy of freedom for association for workers, adopted from PT AMP 2008 policy. However there was no association established by the worker, altough they well informed regarding to thsi policy.

**Compliance status:** Full Compliance

**Criteria 6.7:** Child labour is not used. Children are not exposed to hazardous working conditions. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes

**Findings:**
Based on observation in the field and document check, there were no child labour engage in this small-holder cooperative

**Compliance status:** Full Compliance

**Criteria 6.8:** The employer shall not engage in or support discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age

**Findings:**
From the list of worker and based on interview to them there was no discrimination case in this small-holder. The workers come from many place and different culture and religion, such as Nias, Java, Minang, Batak. Islam, Protestant, Catholic, and so on. They experienced same condition and same treatment in working area

**Compliance status:** Full Compliance

**Criteria 6.9:** A policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied

**Findings:**
The TTK cooperative followed written policy of PT AMP regarding prevention of sexual harassment and all other forms of violence against women, as well protection of their reproductive rights. The written policy was sent to all managers and includes point 4 pertaining to prevention of sexual harrassment and violence against women. There is an internal memorandum issued by the General Estate Manager PT AMP i.e. letter No. 54/Mem-GEM/Int/VII/2010 dated 27 June 2010 prohibiting pregnant and breastfeeding woman to conduct chemical spraying. This memorandum also distributed to board of cooperative and well understood.

**Compliance status:** Full Compliance

**Criteria 6.10:** Scheme managers deal fairly and transparently with smallholders and other local businesses.

**Findings:**
As evidence of contract with partners,

1. There was SPK no: 53 SPK/AMP I/V/2013 on 16 May 2013 for concrete road construction from plantation to school of SMPN 6 Tapian Kandis. There was evidence that the payment already made in June 2014.

2. There was SPK no. 06/SPK/AMP1/Pls I/1/2014 on 2 January 2014 for FFB transportation. There was
evidence that payment already made in March 2014 based on agreement. No complaint from partners regarding to the payment.

Report of credit payment was consisted in monthly financial report. For example was financial report in December 2013. This financial report also consist of payment to partner for road maintenance.

Replanting plant was not established yet, but the smallholder already has saving for this purpose

Compliance status: Full Compliance

Criteria 6.11: Scheme manager contribute to local sustainable development wherever appropriate

Findings:
There was record of contribution to local development. For example was excavator use by stakdholer for road construction to school of SMPN 6 Tapian Kandis, though request only send verbally

Compliance status: Full Compliance

Principle 7: Responsible development of new plantings

Criteria 7.1: A comprehensive and participatory independent social and environmental impact assessment is conducted prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations

Findings:
During audit, new planting activity not available in smallholder. The smallholder has SEIA document and it has made with participation of the cooperative.

Compliance status: Full Compliance

Criteria 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

Findings:
During audit, new planting activity not available in smallholder. The smallholder has topography / slope map in existing smallholder areas. Based on draft environmental document that peat soil not available in smallholder areas.

Compliance status: Full Compliance

Criteria 7.3: New plantings since November 2005 (which was the date of adoption of these criteria by the RSPO membership), have not replaced primary forest or any area containing one or more High Conservation Values

Findings:
During audit, new planting activity not available in smallholder. The smallholder can show that the existing land have not derived from primary forest or area with HCV.

Compliance status: Full Compliance

Criteria 7.4: Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided
Findings:
During audit, new planting activity not available in smallholder. Existing land in smallholder, based on slope map is flat to undulating so that terrain available.

Compliance status : Full Compliance

Criteria 7.5: 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

Findings:
During audit, new planting activity not available in smallholder. Existing land in smallholder, based on indicator 2.2 and 6.4 that smallholder areas are come from government land so that there are not rejection from indigenous people and local communities.

Compliance status : Full Compliance

Criteria 7.6: Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements

Findings:
During audit, new planting activity not available in smallholder. Existing land in smallholder, there are indigenous people and local communities land so that records of compensation or agreement letter not available.

Compliance status : Full Compliance

Criteria 7.7: 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

Findings:
During audit, new planting activity not available in smallholder so that land preparation activity with burning not available too.

Compliance status : Full Compliance

Principle 8: Commitment to continuous improvement in key areas of activity

Criteria 8.1: Scheme managers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations

Findings:
Scheme manager and representative of smallholder have conducted meetings regulary related with FFB payment, allocation of maintenance road cost, production FFB estimation (next month), correction and corrective action plan for results of internal audit (ISPO and RSPO systems), handling of pest and disease, management plan for prepare of ISPO & RSPO certification system, etc.

There was no implementation yet, but the smallholder already established plan for this purpose

Compliance status : Full Compliance
• **RSPO SCCS**

PT AMP Palm Oil Mill is producing crude palm oil (CPO) and palm kernel (PK), the audit time has not register their transaction in the RSPO E-trace, because company currently sell their product without claiming it as certified sustainable palm oil (CSPO) or certified sustainable palm kernel (CSPK), all CPO produced from PT AMP Mill are sold as International Sustainability Carbon Certification (ISCC) certified claimed product, as company already certified according to ISCC requirement in Year 2012. According to explanation from mill manager, the company will follow all requirements from RSPO to support implementation of sustainability requirements.

The following is a description of the company’s supply chain management system according to the RSPO SCCS requirements, including status of compliance of the company and their outsourced third parties to RSPO SCCS requirements:

### 1. Documented procedures

**Findings:**

The company has list of procedures for implementation of SCCS as seen on Master list document (FRM-GEN-002). The company has policy regarding SCCS model will used for CSPO production process, according to decree letter regarding company decision for Supply chain model i.e. Mass Balance signed by Unit Head PT AMP Mill. Auditee has implemented SOP and formats because auditee has SCCS certificate.

A number of SOP such as: Incoming FFB SOP-Mill-026; Mass Balance procedure SOP-Mill-024; FFB Grading SOP-Mill-02, SOP Weigh Bridge SOP-Mill-001; Control of record procedure Pro-Gen-002, Traceability procedure Pro-Mill-007 etc.

There is new policy in auditee that “titip olah” mechanism. “Titip olah” mechanism is auditee getting wage for FFB processing service so FFB receipt no ownership from auditee. FFB receipt from PT PANP, PT PMJ, and PT KAMU sometime “titip olah” status or sometime own PT AMP where in auditee’s procedure has not been settled the handling of material (FFB, CPO & PK) with “titip olah” status (receipt, dispatch and calculate on mass balance report). This is condition was raised as non-conformities (NCR SCCS No. 2014-01 of 03).

During surveillance audit, management of representative SCCS not change i.e. mill manager that having overall responsibility for and authority over the implementation of SCCS requirements and compliance with all applicable requirements. The mill manager is expected to be able to demonstrate awareness of the facilities procedures for the implementation of SCCS standard.

**Compliance status: Non Compliance**

**NCR SCCS No.2014-01 of 03**

The company’s procedure has not established mechanism/procedure for handling of tolling process material.

### 2. Purchasing and goods in

**Findings:**

PT AMP Palm Oil Mill has Incoming FFB procedure (SOP - Mill-026) description about definition for certified FFB (RSPO) and non certified FFB (RSPO) because the company implement many sustainability standard such as RFS, ISCC, RSPO. The SOP also state verification process for incoming FFB without clear information about responsibility and verification mechanism for certified material. There is information about selected supply chain model on SOP production FFB. When receiving RSPO certified palm oil, personnel in the loading ramp are to verify physically the claimed category of the material as determined on SOP Mill-002.

According to SOP-Mill-001, material weighing, the mill has mechanism to receive FFB both from certified sources and non certified sources. Incoming certified FFB will have documents such as: Weighbridge slip,
grading records, delivery Notes including information from the origin estate and non certified code such as from AMP 1 to 4, PT PMJ, PT KAMU and PT PANP estate. FFB from outgrowers are accompanied by Weighbridge slip, grading records, delivery Notes without certified stamp.

The company has clearly indicated the selected supply chain model and trade name used on specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The company has mechanism to inform the certification body (CB) immediately if there is a projected overproduction.

Based on table 3 above that FFB supplier are AMP I-IV estate (company owned estate), other company in group (PT PMJ, PT PHP I & II and PT GMP), independent outgrower (PT PANP, PT KAMU, PT SPS and KTA Tenera) and smallholder. During surveillance audit that scope audit are PT AMP, PT PMJ, PT PANP and PT PANP so that their FFB is certified status.

Compliance status: Full Compliance

3. Records Keeping

Findings:

The organization has established a mechanism for control and maintenance of the data and document used in production process, as stated on SOP PRO-GEN-002 dated April 02, 2013 all records related to CSPO & CSPK Product Company will be maintained for 7 years. Implementation of control and maintenance of the data & document not consistent because there are different between mass balance report with FFB receive report year 2014 and August 2013 about volume of FFB receive and fill in volume of FFB from PT PANP which freehold title status. This is condition was raised as non-conformity (NCR SCCS No.2014-02 of 03)

The mill has records balance for all receipts of RSPO certified FFB and delivery CPO on daily basis. The material balance includes information about incoming FFB from company’s estate and outgrower, FFB produced, CPO result including OER, PK result including KER, product dispatch and balance product in the storage tank including the mass balance percentage, included information about PK production from certified FFB. In mass balance report that “titip olah” material has claimed as ownership from PT AMP so fill in at column of FFB receipt and product dispatch. This is condition was raised as non-conformity (NCR SCCS No.2014-03 of 03)

All volumes of palm oil that are delivered are deducted from the material accounting system according to actual daily conversion rate. The material balance can show deliver product sales from a positive stock.

There is no outsourced process in PT AMP Mill. The mill’s product CPO and palm kernel are internally processed in company’s location.

Compliance status: Non Compliance.

NCR SCCS No.2014-02 of 03

There are different between mass balance report with FFB receive report year 2014 and August 2013 about volume of FFB receive and fill in volume of FFB from PT PANP which freehold title status

NCR SCCS No.2014-03 of 03

The material & product of tolling status has claimed by company as ownership so that all transaction (the material receipt and the product dispatch) has filled in the mass balance report.
4. Sales and Good Out

Findings:
The sales and goods out mechanism of the company are described in their procedure of sales of palm oil. Records of all sold RSPO certified materials are recorded in material balance sheet.

All documents related product dispatch sales invoice documents to PT Wilmar Pelintung and other customer are:
- Weight bridge ticket
- Delivery Order
- Vehicle Control Form
- Statement note
- Surat Pernyatan Truck/ Tanki Bersih (Cleaning Tank statement)

The name and address of buyer has been informed on Weigh Bridge Slip and Delivery Order. The sales document has been include information about the date on which the invoice was issued, model supply chain and description of product.

Compliance status : Full Compliance

5. Training

Findings:
In training program year 2014 that SCCS update/training was planned in September 2014 but there is training evidence for SCCS awareness for Mill staff manager level such as attendance list FRM-HRD-020, training was conducted on July 18, 2013. Evidence of training: Minutes meeting SCCS workshop for employees working with Critical control Point.

Compliance status: Full Compliance

6. Claims

Findings:
The company has specific SOP for making claims regarding the use of or support of RSPO certified oil palm products product according RSPO communication and claims. The implementation of SOP is after company get SCCS certification.

Compliance status: Full Compliance

3.2 Status of Previously Identified Non-conformities

- RSPO P&C
A total of 17 nonconformances were identified during the 1st surveillance audit. These consisted of 9 major non-conformity and 8 minor non-conformities. During this surveillance assessment there was lack of evidence to close 1 of the minor nonconformities and 1 of the major nonconformities, so these have been raised to Major Non-conformities and potensial suspension under Section 3.3.. The following is a description of the evidence of action taken to close the non-conformities raised during the previous assessment, as well as auditor’s conclusions on the status of the non-conformities.
Criterion 2.1.1 (Major): Evidence of compliance with relevant legal requirements.

Non-conformance 2013-1 of 17

1) PT PANP can not show evidence of land used right registered for 130.25 ha (HGU certificate No. 1 or National Land Agency/Badan Pertanahan National for HGU no. 27 in Batang Biu) as required by 2nd decision National Land Agency decree letter No.31-V.B-2004 dated October 20, 2004.

2) Plantation Business Permit (IUP) scope for PT PANP is not including Unit II batang Biu area as required by 2nd decision of IUP.

3) There were found company not comply with lindonesia traffic law No. 22 year 1990 article 49 & 50 i.e. 1. Regular monitoring for FFB transporter exceed from required schedule i.e. truck with police No. BA 8376 SN schedule dated October 25, 2012; 2) FFB transporter with police number BA 9212 PE (October 2012) in PKS (owner truck is PMJ).

4) Current OSH team secretary who has responsibility for OSH implementation in PT KAMU has not trained yet

Evidence of Correction and Corrective action:

The company (PT PANP) has been complied with National Land Agency decree letter No.31-V.B-2004 because in land use right (HGU) certificate No.1, there is revision of name from PT Kartika Putra Satria to PT Perkebunan Anak Negeri Pasaman (PT PANP) on the registration of transfer of right, others right and removal (change) section/page.

During 2nd surveillance audit, there are not new evidence from auditee regarding progress revision permit. The company (PT PANP) has submitted evidence in form Copy of letter no 005/PANP-AM/Ext/IV/2013 dated July 30, 2013 to Head of District Pasaman Barat and received notes from District officer dated August 01, 2013 as correction of NCR in previous audit. This is condition was raised as nonconformities again.

New license for FFB transporter no. BA 8376 SN and BA 9212 PE, including log book for vehcicle testing for both vehcicle. During 2nd surveillance audit, auditor not found transporter not comply with lindonesia traffic law No. 22 year 1990 article 49 & 50.

OSH team secretary in PT KAMU has follow OSH training internal but tutor from external consultant. The company has submitted attendant list, training schedule and photograph.

Conclusions: Open, raised again as new NCR No. 2014-01 of 07

Criterion 2.2.1 (Major): Document showing ownership or lease of the land in accordance with relevant laws.

Non-conformance No. 2013-02 of 17:

There is 15.975 areas belong to PT PANP with private landownership status, this is not comply with Indonesia law no 5 year 1960 article 21 and Government regulation no 38 year 1963 regarding land ownership regulation.

Evidence of Correction and Corrective action:

Company provide evidence i.e. management meeting result dated July 20, 2013 regarding exclusion 15.975 ha area Batang Biu which has landownership status from company’s area statement to comply with relevant government regulation. Total planted area become 985.83 ha reduced 12.95 ha from 998.81 ha. Total unplanted area now become 1034.42 reduced 3 ha from 1037.42 ha. Total company’s area statement now 2020.25 according to company’s HGU, total reduced 15.98 ha from 2036.23 ha. Hectare statement per May 2014 has separated between land use right areas with private landownership areas.

Conclusions: Closed
Criterion 2.2.2 (major): Evidence that legal boundaries are clearly demarcated and visibly maintained.

**Non-conformance No. 2013-03 of 17:**
Boundary stone no. 11, 16 and 17 in PT PANP (unit I-kinali) did not visibly demarcated on the field.

**Evidence of Correction and Corrective action:**
Boundary stone no. 11, 16 and 17 in PT PANP (unit I-kinali) has visibly demarcated on the field, it was sight company repaired the boundary stones to become more visible. Company provide document of boundary stone maintenance schedule. Monitoring and realization report including photograph.

**Conclusions:** Closed

Criterion 4.3.4 (Minor): Subsidence of peat soils should be minimised under an effective and documented water management programme.

**Non-conformance No. 2013-04 of 17:**
Sighted from data of water level monitoring of peat area at PT AMP 4 estate and PT PMJ, water level has gone down below the permitted maximum water level of 75cm from surface at several observation points for several months, e.g. for PT PMJ, data from January to June 2013 showed average water levels at points no. 1600, 1800, 2000, 2400, 2600, 2800, 3000, 3200, and 3400 (M5) were observed to be regularly under 75cm below surface, the lowest being 156.50cm at point no. 3200 in May 2013. Whereas for PT AMP 4 in June 2013, average water levels at point no. 1000, 1200 and 2400 were below 75cm below surface, lowest being 102.25 cm at point 1000 in May 2013

**Evidence of Correction and Corrective action:**
The company has maintained bund off in AMP 4 estate and PT PMJ such as September 24, 2013 (AMP 4 estate), September 23-24, 2013 (PT PMJ), January 30, 2014 (PT PMJ : block 18D (M5 patok 600), block 19E (M5 pillar no.1800) and block 20C (M5 pillar no.2400)), January 28, 2014 (PT PMJ : block 20E (M5 pillar no.2800)) and January 27, 2014 (PT PMJ : block 21 B (M5 pillar no.3200)).

Results of water level monitoring period of July 2013 to June 2014 in pillar no. 1600 s/d 3400 in M5 or block 19D s/d 21C (PT PMJ) not upper 80 cm. Whereas, in pillar no.1000 (block 24B), 1200 (block 24C) and 2400 (block 25D) (AMP 4 estate) not upper 80 cm

**Conclusions:** Closed

Criterion 4.4.1 (Major): Protection of watercourses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before replanting

**Non-conformance No. 2013-05 of 17:**
It was observed on-site at blocks 5 and 7 of PT PANP that there are plantings adjacent to swamp/flooded areas with high water level which flow to the nearby river and these have not been identified or marked as areas where spraying shall be avoided to avoid contamination to the river

**Evidence of Correction and Corrective action:**
It was sight company provide marking along the riparian and flooded area, the palm oil tree surrounding that area has been marking with red paint for visible demarcation. Company provide document riparian management and monitoring plan including training evidence for all relevant staff regarding HCV, riparian and boundary management and monitoring program. The training was conducted on July 27, 2013, it was attended by 34 participant from all estate such as PT AMP 1 to 4, PT PMJ, PT PANP and PT KAMU

**Conclusions:** Closed
<table>
<thead>
<tr>
<th><strong>Criterion 4.3.2 (Minor): A management strategy should exist for plantings on slopes above a certain limit (needs to be soil and climate specific)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-conformance No. 2013-06 of 17:</strong></td>
</tr>
<tr>
<td>PT KAMU and PT PANP has not take appropriate actions to minimized and prevent erosion as it was found at PT KAMU - Block 002 (coordinate 0015'16&quot; S, 100000'00&quot; E), and PT PANP – Block 004 (coordinate 0015'43&quot; S, 100000'00&quot; E dan 0015'41&quot; S, 100000'09&quot; E).</td>
</tr>
<tr>
<td><strong>Evidence of Correction and Corrective action:</strong></td>
</tr>
<tr>
<td>In block 002 – PT KAMU and block 004 – PT PANP has planted tree species as minimized and preventative erosion. Moreover, socialization of control erosion procedure</td>
</tr>
<tr>
<td><strong>Conclusions : Closed.</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Criterion 4.7. (Minor indicator 8) Records of the occurrence of any work accidents are maintained and regularly reviewed.</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-conformance 2013-07 of 17 (Major because escalation)</strong></td>
</tr>
<tr>
<td>There is no clear investigation of root cause accident that happen to one operator in AMP Palm Oil mill as required by SOP-GEN-003</td>
</tr>
<tr>
<td><strong>Evidence of Correction and Corrective action :</strong></td>
</tr>
<tr>
<td>Company provide document revised investigation result FRN-GEN-010 for accident that happen on April 04, 2013. There are refresh training for SOP-GEN-003 for all relevant persons, that was conducted on July 29, 2013 attended by 14 participant and minutes training and photograph was provided.</td>
</tr>
<tr>
<td><strong>Conclusions : Closed.</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Criterion 4.7. (Major indicator 2) Responsible person for health and safety programmes are to be identified and records of regular meetings to discuss health, safety and welfare issues must be kept.</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-conformance 2013 – 08 of 17</strong></td>
</tr>
<tr>
<td>Worker welfare has not included in every OSH regular meeting such as minutes meeting on Juni 2013 (FRM-GEN-016)</td>
</tr>
<tr>
<td><strong>Evidence of Correction and Corrective action :</strong></td>
</tr>
<tr>
<td>Company provide evidence that worker welfare has been included on OSH regular meeting such as on minutes meeting OSH dated July 27, 2013 for 2nd quarter year 2013, including list of participant attended by 16 OSH committee members. Welfare issues such as housing facilities was included on meeting agenda.</td>
</tr>
<tr>
<td><strong>Conclusions : Closed.</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Criterion 4.7. (Minor indicator 8) Records of the occurrence of any work accidents are maintained and regularly reviewed.</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-conformance 2013-09 of 17</strong></td>
</tr>
<tr>
<td>There is no evidence that risk assessment has been conducted for activity after accident and no review from Environmental Health safety Departement.</td>
</tr>
</tbody>
</table>
Evidence of Correction and Corrective action:
The company has conducted training/socialization about procedure for accident investigation for all person incharge who conduct investigation.

Conclusions: Closed

**Criterion 4.7. (Minor indicator 8) Records of the occurrence of any work accidents are maintained and regularly reviewed.**

Non-conformance 2013-10 of 17
There is no evidence that accident investigation result has been review periodically

Evidence of Correction and Corrective action:
The company has conducted review of investigation result in meeting safety and health committeee example meeting dated on June 24, 2014 for accident dated on May 22, 2014.

Conclusions: Closed

**Criterion 5.1. (Major indicator 1) Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.**

Non-conformance 2013-11 of 17
Reports on implementation of Environmental Management and Monitoring Plan (DPPL) of PT PMJ and PT PANP are not prepared in a timely manner. Evidence sighted was that environmental analysis results stated in reports were conducted after the actual reporting period, e.g. for PT PMJ, in report for Semester II Year 2012, lab analysis reports dated 25 February 2013 for air, noise and water analysis were used, while for PT PANP Semester II Year 2012 report, soil analysis report dated 25 April 2013 and water analysis results dated February 2013 were used.

Evidence of Correction and Corrective action:
Company provide document activities plan calendar covering environment analysys schedule for semester II/2013. Starting on October 2013 company will start to contact environmental laboratory, budget proposal for environmental parameter analysys. Sampling testing will be starting on November 2013. It was planned by the end of January the RKL and RPL report will be submitted to relevant institution

Conclusions: Closed

**Criterion 5.2. (Major indicator 1) Records of results of identification of any protected, rare, threatened or endangered species, and HCV habitat.**

Non-conformance 2013-12 of 17
There no record of HCV identification for PT PANP-Unit II (Batang Biu).

Evidence of Correction and Corrective action:
The company has provided HCV document assessment for PT PANP-Unit II Batang Biu, according to assessment result there is identified HCV in Batang Biu area.
### Criterion 5.2. (Major indicator 2) If, rare, threatened or endangered species, or high conservation value habitats are present, appropriate measures to preserve them are to be taken.

#### Non-conformance 2013-13 of 17

There is no evidence of implementation HCV program in Blok 002 PT KAMU i.e. area with high erosion.

**Evidence of Correction and Corrective action:**

Company provides document HCV management and monitoring plan and record of implementation for Block 002. Implementation in the field that there is action in form planting conservation trees.

**Conclusions : Closed**

### Criterion 5.3. (Major indicator 1) All waste and pollution sources are identified and documented.

#### Non-conformance 2013-14 of 17

Records of delivery notes of amounts sent from each estate to the mill does not match with the amounts of waste collected as stated on manifest from the contractor at the respective estates. For example:

- Delivery note dated 12 July 2013 from PT AMP estate 1 to mill states amount sent as 380 litres of oil containers, 884 filter containers, 47 chemical containers, 170 Gramoxone containers and 5.5kg of used contaminated rags. However, amount in manifest was 800 litres of oil drums (manifest no. 1330) and 37 used filters (manifest no. 1325) collected on 12 July 2013 and 155 kg of used chemical containers (manifest no. 1357) and 85 oil filters (manifest no. 1356) collected on 14 July 2013.

- Delivery note date 7 July 2013 from PANP to mill stated amount sent as 737 litres used oil, 41 pieces of oil filters, 95 petrol filters, 40 air filters and total 107 different types of chemical containers. However, amount in manifest was 155 kg of used chemical containers (manifest no. 1357) and 85 oil filters (manifest no. 1356) collected on 14 July 2013.

**Evidence of Correction and Corrective action:**

Company provide revised SOP of hazardous waste handling to cover instruction to records collected waste from estate to waste collector. Company made training regarding revised SOP as seen on training evidence dated August 02, 2013, including minutes of training.

**Conclusions : Closed**

### Criterion 5.3. (Minor indicator 1) Management plan of hazardous waste and instruction of disposal of agrochemicals and their containers waste in accordance with the product label and existing regulations.

#### Non-conformance 2013-15 of 17

1. Records of inventories of hazardous wastes produced are incomplete, with evidence as follows:

   - At PT AMP mill, inventories of used oil, contaminated cloth and rags and contaminated containers collected at the mill was sighted using form FRM-MIL-073, but inventories of other types of hazardous wastes such as oil filters, used batteries are not maintained on the same form.

   - Inventories of hazardous wastes at PT KAMU are maintained for used oil, and oil filters, however inventories for other types of wastes not maintained such as used batteries, contaminated rags, paint cans, air filters, air cleaners, although these are included in types of wastes sent to the mill.

   - At both PT KAMU and PT PANP, inventories of chemical containers are not recorded in the standard format for recording hazardous wastes, only in chemical store bin card.
2. It was sighted at PT AMP mill there are used oil drums, paint cans and contaminated gloves disposed in a scrap metal pile instead of at the hazardous waste store.

Evidence of Correction and Corrective action:

Record of inventories of hazardous wastes produced are complete example at PT AMP Mill that used oil filters, and used batteries has involve on form of inventory and at PT KAMU that used batteries, contaminated rags, paint cans, air filters, air cleaners has involve on form of inventory. PT KAMU and PT PANP has used standard format. Condition of scrap metal pile instead of at the hazardous waste store has not sight used oil drums, paint cans and contaminated gloves.

Conclusions: Closed

Criterion 6.1. (Minor indicator 1) Regular monitoring and management of social impact, with the participation of local communities.

Non-conformance 2013-16 of 17
- There is no evaluation evidence for social management program implementation.
- There is no evidence of participatory from stakeholder regarding for social management program.

Evidence of Correction and Corrective action:

Social management program year 2013 has evaluated but until 2nd surveillance audit that create of social management program has not been involved communities as participant too. So it condition was raised as non-conformities with status of NCR is Major because escalation from previous audit.

Conclusions : Open, raised again as new NCR No. 2014-06 of 07

Criterion 6.1 (Minor indicator 3) A regular and scheduled environmental management and monitoring Report.

Non-conformance 2013-17 of 17 (Minor non-conformity)

Environmental parameter sample to make UKL/UPL report did not conducted on defined schedule as required by RKL/RPL document, such as for semester II 2012 the sample was taken on April 2013 while water sample was taken on 15 to 25 February 2013.

Evidence of Correction and Corrective action:

The company has made activity plan calendar for all environmental analysis schedule. During 2nd surveillance audit, the sample was taken according schedule.

Conclusions: Closed

- RSPO SCCS

A total of 4 nonconformances were identified during the 1st surveillance audit. The following is a description of the evidence of action taken to close the non-conformities raised during the previous assessment, as well as auditor’s conclusions on the status of the non-conformities.

SCCS Non-conformance 2013-SCCS-01 of 04:

1. PT AMP Palm Oil Mill has Incoming FFB procedure (SOP - Mill-026) however there is no clear definition for certified FFB and non certified FFB since company implement many sustainability standard such as RFS, ISCC, RSPO.
2. The SOP also state verification process for incoming FFB however no clear information about responsibility and verification mechanism for certified material.

3. There is no information about selected supply chain model on SOP production FFB.

**Evidence of Correction and Corrective action:**

During surveillance audit that procedure has revised by auditee such as procedure no SOP - Mill-026 and PRO-MILL-007 (traceability CPO production process) the procedure has include definition for certified FFB and non certified FFB; clear information about responsibility and verification mechanism for certified material and information about selected supply chain model on SOP production FFB.

Training evidence has been provided, training was conducted on July 31, 2013 regarding PRO Mill 07; SOP Mill 20, 24 and 26.

**Conclusions : Closed**

<table>
<thead>
<tr>
<th>SCCS Non-conformance 2013-SCCS-02 of 04:</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is no mechanism how facility will inform the CB immediately if there is a projected overproduction</td>
</tr>
</tbody>
</table>

**Evidence of Correction and Corrective action :**

Company provide procedure SOP-024-Mill, there is stated how to inform CB if there is a projected overproduction. Training to relevant person in charge was done on July 31, 2013, it was sight training evidence such as, training material, list of participant, photograph.

**Auditor Conclusions: Closed**

<table>
<thead>
<tr>
<th>SCCS Non-conformance 2013-SCCS-03 of 04:</th>
</tr>
</thead>
<tbody>
<tr>
<td>The company has not clearly indicated the selected supply chain model and trade name used on specified in relevant documents, e.g. purchase and sales contracts, e.g. “product name”/MB or Mass Balance.</td>
</tr>
</tbody>
</table>

**Evidence of Correction and Corrective action :**

Company Provide revised SOP-020-MILL (SOP for Product Delivery) the SOP has informed about related specific code for certified CPO or PK product contract. Training evidence on July 31, 2013 was sight such as list of participant, training material and photographs.

**Auditor Conclusions: Closed**

<table>
<thead>
<tr>
<th>SCCS Non-conformance 2013-SCCS-04 of 04:</th>
</tr>
</thead>
<tbody>
<tr>
<td>The company has not determine a description of the product, including the applicable supply chain model (Segregated or Mass Balance) in all good out document</td>
</tr>
</tbody>
</table>

**Evidence of Correction and Corrective action :**

Company provided revised SOP-020-MILL to include information about description of the product, including the applicable supply chain model (Segregated or Mass Balance) in all good out document. And provide sample of sample format for delivery product such as weight bridge ticket, delivery ticket etc with MB (mass balance stamp).

**Auditor Conclusions: Closed.**
3.3 Identified Non-conformances, Corrective Actions Taken and Auditors Conclusions

- **RSPO P&C**

During this surveillance assessment, a total of 7 nonconformances were identified. These consisted of 4 major non-conformities and 3 minor non-conformities where 2 major non-conformities are escalation from previous audit findings. For the major non-conformances, the company has taken the necessary corrective action to NCR close these non-conformances within 60 days of completion of the assessment, and this was verified by the audit team through checks of documents submitted by the company. For the minor non-conformances, the company has taken corrective action against these as well, and for those which could not be verified as closed through document checks, the closure of these minor non-conformities will be assessed during the next surveillance audit. A summary of all identified non-conformances, corrective actions taken and auditor conclusions is as below:

<table>
<thead>
<tr>
<th>Criterion 2.1. (Major indicator 2) Evidence of efforts made to comply with changes in the regulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>NCR P&amp;C No 2014- 01 of 07 (Major)</td>
</tr>
<tr>
<td>There are no efforts evidence how the company made to comply with Ministry of Agriculture No.357/Kpts/HK.350/3/2002 article 4 jo No.26/Permentan/OT.140/2/2007 article 9 and there is no evidence of monitoring by auditee regarding revision of plantation business permit (IUP).</td>
</tr>
<tr>
<td>Correction :</td>
</tr>
<tr>
<td>The company has given response letter from plantation agency/instancy regarding revision of plantation business permit process on behalf PT PANP</td>
</tr>
<tr>
<td>Corrective Action :</td>
</tr>
<tr>
<td>To following up continuously regarding revision of plantation business permit process to ensure that the revise letter is ongoing.</td>
</tr>
<tr>
<td>Verification result :</td>
</tr>
<tr>
<td>The company received letter no. 525/1585/DINBUN/VII/2014 dated on 15 July 2014 from plantation agency/instancy District Pasaman Barat regarding one of requirement must be completed i.e location permit. The company will fulfill lack of completeness from local government with correspondence to old company because this is company has taken by auction mechanism in Indonesian bank restructuring agency (Badan Penyehatan Perbankan Nasional (BPPN)).</td>
</tr>
<tr>
<td>Date of closure : July 15 2014</td>
</tr>
<tr>
<td>Auditor Conclusions: Closed.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Criterion 2.2. (Minor indicator 2) Evidence that legal boundaries are clearly demarcated and visibly maintained.</th>
</tr>
</thead>
<tbody>
<tr>
<td>NCR P&amp;C No 2014- 02 of 07 (Major because escalation)</td>
</tr>
<tr>
<td>There is no evidence that PT PANP has been install the rest of boundary stone except for boundary stones no.11, 16 and 17 that were not found during previous audit as stated on the Maps,</td>
</tr>
<tr>
<td>Correction:</td>
</tr>
<tr>
<td>• Carry out installation of the rest of boundary pillar/stone</td>
</tr>
<tr>
<td>• Socialization to communities as cultivators/claimer/other ownership land in PT PANP – Kinali estate and PT PANP-Batang Biyu estate</td>
</tr>
<tr>
<td>Corrective Action:</td>
</tr>
<tr>
<td>To ensure all boundaries stone/pillar has demarcation in claimer areas (PT PANP-Kinai estate) and along the point coordinate from land use right PT PANP-Batang Biyu estate.</td>
</tr>
</tbody>
</table>
Verification result:
The company provide minute of meeting regarding installation of boundary pillar in PT PANP-Kinali estate, it was informed that the company conducted socialization twice, however the communities/land claimer not allow and refuse to do the installation of boundary pillar/stone, and refuse to sign the attendance list and minute of meeting.

Based on boundary stone/pillar map in PT PANP-Kinali estate that boundary pillars/stones has demarcation in field amount of 9 pcs (no.3, 5, 11, 16, 41, 42, 44, and 45) and there are information of coordinate each boundary stones/pillars and photograph of each boundary stones/pillars. Whereas, the rest of boundary pillars/stones stay in cultivator/claimer/communities areas amount of 37 pcs. The company have plan to conduct meeting with communities/cultivator/claimer again on October 2014 and to ensure claimer/cultivator location with GIS and each ownership.

Based on boundary stones/pillars map in PT PANP-Batang Biyu that boundary pillars/stones has demarcation in field amount of 34 pcs of 38 pcs and there are information of coordinate each boundary stones/pillars and photograph of each boundary stones/pillars. There are boundary stones/pillars not demarcation in field because it stay in communities/claimer/cultivators areas i.e no.30, 31, 32 and 33.

Date of closure: July 21, 2014
Auditor Conclusions: Closed

Criterion 4.7. (Minor indicator 3) A documented risk assessment for Occupational Health and Safety (OHS)

NCR P&C No 2014- 03 of 7 (Minor)
Risk Assessment was not done properly in term of identifying potential hazard and implementing control measure such as:

1. Mill, PANP, KAMU
   a. In Mill, potential fall from height for security guard if they are climbing on top of the CPO tank or lorry was not identified.
   b. In PANP, at workshop found a hole on the floor use for repairing under part of the vehicle found left without any railing, fencing and have potential to cause injury if fall inside it
   c. In KAMU, at workshop the welding activity was not included as found could give health effect if inhaling the smoke as warned on the box of the welding rod.

2. Mill, PANP, PMJ, KAMU, AMP
   d. The current risk control should be identified first before the risk assessment conducted and not after as evidence sample in the Risk Assessment Form FRM-GEN-017.
   e. The risk categorized as III, found score III but no additional action recommended as required by SOP-EHS-010 Petunjuk Pengisian Aspek Impact

Correction:
- Risk assessment form has been revised by adding activities of climbing on top of CPO tank by security guard
- Hole on the floor is closed with cover to avoid accident
- A risk assessment has been reviewed and added handling/control to the effects of smoke from welding activities
- A risk assessment has been reviewed and revised and all of risk control was identified before the risk assessment conducted
- A risk assessment has been reviewed and revised by completing all categories III with the action recommendation referring to the SOP-EHS-010
- A risk assessment has been reviewed and revised by completing with the information of the specific type of PPE and control engineering are used
- Provide training to all harvester the importance of using PPE and risk that may accrue
• Replace all mask that used by fertilizer bag cleaner with the suitable mask (chemical mask)

Corrective Action:
• Provide insight to PIC related to the risk assessment identification and make sure all activities who applicable in the mill has been identified.
• Provide insight and awareness to all employees to be aware of the condition that can lead to hazard and accidents
• Ensure all activities was identified in risk assessment and control of risk was determined.
• Conduct socialize of procedure to PIC and ensure all risk control has been identified based on all applicable activities and identified before the risk assessment conducted.
• Socialize of procedure (SOP-EHS-010) to all relate PIC and ensure the risk assessment was determined in accordance with procedure
• Conduct training to all relate PIC about identification of risk assessment completing with specific type of PPE and engineering control for appropriate assessment.
• Ensure all harvester adhere to the use of PPE and aware of the hazard of risk if not complied and make PPE as equipment needs to be used
• Ensure that all workers use suitable mask to work.

Auditor Conclusions: Evidence of immediate action taken was accepted. Effectiveness of implementation to verified at next audit.

Criterion 4.8. (Major indicator 3) Evidence that the company uses experienced or trained contractors.

NCR P&C No 2014-04 of 7 (Major)
There is not evidence that the company (PT PANP) has been conducted training to local contractor for EFB application on the field.

Correction:
The company will conduct training to local contractor for implement of EFB

Corrective Action:
To ensure all contractors which working in company has trained appropriate with their job.

Date of closure: July 15, 2014

Auditor Conclusions: Closed.

Verification Result:
There is official report as evidence of training for contractor. This report shows that the training already done on 15 July 2014, attended by 6 contractor’s workers

Criterion 6.1. (Minor indicator 1) Documented environmental and social impact assessment, including details of positive and negative social effects that may be caused by plantations and mills, and documented participation of affected parties and local communities

NCR P&C No 2014-05 of 07 (Minor)
The plan of management and monitoring of social impact year 2014 with the participation of communities not available

Correction:

Corrective Action:
Ensuring that Social Impact Management Plan has developed with participation of community’s members, and conducted as the term that has been planned

Auditor Conclusions: Evidence of immediate action taken was accepted. Effectiveness of implementation to verified at next audit.

**Criterion 6.1. (Minor indicator 1) Documented environmental and social impact assessment, including details of positive and negative social effects that may be caused by plantations and mills, and documented participation of affected parties and local communities**

**NCR P&C No 2014-06 of 07 (Major cause escalation)**

Records of regular monitoring and management of social impact, with the participation of local communities also not available until surveillance audit

**Correction:**
Conducting participative evaluations to Social Impact Management Program Year 2013

**Corrective Action:**
Ensuring that Social Impact Management program has evaluated with participation of community’s members. Ensuring that the PIC would be more efficiently and effectively in time management regarding his duties

**Date of closure:** June 12, 2013

**Auditor Conclusions:** Closed.

**Verification Result:**
The company has provide minute meeting, attendant list and photograph about socialization of implementation SIA period of year 2011 to 2013, evaluation of implemented it and SIA management plan period of 2014-2016 in PT AMP Plantation, PT PMJ, PT KAMU, PT PANP where include participant from communities.

**Criterion 6.3. (Minor indicator 1) An open system, which is accepted by affected parties, to receive complaints and to resolve dispute in an effective, timely and appropriate manner.**

**NCR P&C No 2014-07 of 07 (Minor)**

There are complaints/grievances from employees regarding maintenance of housing facilities which was not followed up and responded by the PANP Kinali’s management because the manager has not been writing complaints/grievances at the time receiving the complaints/grievances it

**Correction:**
Revitalised/reactivate the recording procedure of worker internal grievances and complaints mechanism by re-briefing the PICs on field

**Corrective Action:**
There are records of complaints from Jamal Hendri and Susanto (worker)

**Auditor Conclusions:** Evidence of immediate action taken was accepted. Effectiveness of implementation to verified at next audit.

- **RSPO Smallholder**
  During this main assessment, for scheme smallholder a total of 12 nonconformances were identified. These consisted of 6 major non-conformities and 6 minor non-conformities. For the major non-conformances, the company
has taken the necessary corrective action to close these non-conformances within 60 days of completion of the assessment, and this was verified by the audit team through checks of documents submitted by the company. For the minor non-conformances, the company has taken corrective action against these as well, and for those which could not be verified as closed through document checks, the closure of these minor non-conformities will be assessed during the next surveillance audit. A summary of all identified non-conformances, corrective actions taken and auditor conclusions is as below:

<table>
<thead>
<tr>
<th>Indicator 2.1. (Major indicator 1) Evidence of compliance with essential regulations relevant and related to oil palm cultivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>NCR Smallholder no. 2014 – 01 of 12</td>
</tr>
<tr>
<td>Inside the agreement between company with cooperative was not included the smallholder areas of 22 ha (11 members)</td>
</tr>
<tr>
<td>Correction:</td>
</tr>
<tr>
<td>To find out the record of agreement between company with smallholder relate the rest of areas (22 ha)</td>
</tr>
<tr>
<td>Corrective Action:</td>
</tr>
<tr>
<td>To ensure record and document keeping system better so easy to find it</td>
</tr>
<tr>
<td>Date of closure: July 26, 2014</td>
</tr>
<tr>
<td>Auditor Conclusions: Closed.</td>
</tr>
<tr>
<td>Verification Result:</td>
</tr>
<tr>
<td>Auditee has provided MoU no. 001/AMP-PK/VI/2011 dated on June 14, 2011 between company (nucleas estate) with smallholder regarding management of plantation with total areas are 21.78 ha (mature and freehold title).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indicator 2.2. (Major indicator 1) Smallholders are able to show legal ownership of the land or land-use rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>NCR Smallholder no. 2014 – 02 of 12</td>
</tr>
<tr>
<td>• The cooperative has shown freehold title amount of 10 freehold title only but other freehold title amount of 10 member can not be shown by cooperative.</td>
</tr>
<tr>
<td>• Total areas based on hectare statement different with based on total of freehold title</td>
</tr>
<tr>
<td>Correction:</td>
</tr>
<tr>
<td>• Find out the rest of freehold tittle amount of 10 members to owner it.</td>
</tr>
<tr>
<td>• Revision of hectare statement so same as total areas in freehold tittle</td>
</tr>
<tr>
<td>Corrective Action:</td>
</tr>
<tr>
<td>• To ensure all copy of freehold tittle must available in smallholder office and keeping with well</td>
</tr>
<tr>
<td>• To ensure information/data relate total of hectare statement same as total of member’s certificate and issue of statement letter about revision of hectare statement</td>
</tr>
<tr>
<td>Date of closure: July 26, 2014</td>
</tr>
<tr>
<td>Auditor Conclusions: Closed.</td>
</tr>
<tr>
<td>Verification Result:</td>
</tr>
<tr>
<td>The copy of freehold tittle for member number 20, 30, 40, 70, 120, 130, 140, 150, 170, 180 has available and has appropriate with list of member (name and total areas). Auditee has revision of hectare state-</td>
</tr>
</tbody>
</table>

### Indicator 4.3. (Major indicator 1) Evidence of terracing or other conservation efforts for plantings on sloping terrains at or before replanting

**NCR Smallholder no. 2014 – 03 of 12**

There are no evidence of terracing or other conservation efforts for plantings on sloping terrains beside preparing midrib example in block 5 & 7.

**Correction:**
- To develop minimize of erosion program or maintenance terrace program on high slope areas
- To monitor implementation of minimize of erosion program on high slope areas

**Corrective Action:**
Socialization of maintenance of high slope areas to Personal in Charges (PiC) again

**Verification Result:**
Auditee has provided maintenance terrace program year 2014 and progress report for maintenance period of July 2014. The report has inform about maintenance of terrace for block 2-7 amount of 30 ha period of Feb to July 2014.

**Date of closure:** July 22, 2014

**Auditor Conclusions:** Closed.

### Indicator 4.3. (Minor indicator 2) Proof of drainage system construction on peat and low lands

**NCR Smallholder no. 2014 – 04 of 12**

The cooperative has not soil map or result of soil analyst so the peat area available or not in smallholder areas

**Correction:**
Carry out survey of soil or mapping of soil type in smallholder areas

**Corrective Action:**
To ensure that all required soil map and other map are available in smallholder

**Auditor Conclusions:** Evidence of immediate action taken was accepted. Effectiveness of implementation to verified at next audit.

### Indicator 4.7. (Minor indicator 3) Record of meetings regarding occupational health and safety

**NCR Smallholder no. 2014 – 05 of 12**

Record of OSH meeting with topic of OSH performance in smallholder not available

**Correction:**
Auditee will create of new minute of meeting of OSH meeting with topic of performance of OSH in smallholder.

**Corrective Action:**
To ensure that all OSH meeting must be documented and recording moreover.
Auditor Conclusions: Evidence of immediate action taken was accepted. Effectiveness of implementation to verified at next audit.

**Indicator 5.1. (Major indicator 2) Environmental impact assessment involves smallholder participation**

NCR Smallholder no. 2014 – 06 of 12
There are not evidences that the environmental document has made with involving representative from the cooperative management

**Correction:**
Conduct socialization to smallholder member and get input regarding to available report

**Corrective Action:**
Provide schedule of socialization for all member and revised the report based on stakeholder input if any

**Date of closure:** July 30, 2014

**Auditor Conclusions:** Closed.

**Verification Result:**
There was report of socialization to smallholder member, for example was official report of socialization of social and environment impact monitoring and management plan, on 24 July 2014. There was attendant list of 24 persons comply with photo documentation. There was no significant input from the stakeholder regarding to the available report

**Indicator 5.2. (Major indicator 1) Smallholders are able to list protected flora and fauna in their local areas**

NCR Smallholder no. 2014 - 07 of 12
Socialization of HCV not effective because workers still understand that cow and dog are protected fauna status

**Correction:**
Socialization of HCV and protected fauna to worker again

**Corrective Action:**
To ensure all worker has understood regarding protected fauna and flora

**Date of closure:** July 18, 2014

**Auditor Conclusions:** Closed.

**Verification Result:**
The auditee has provided records of the minute of meeting for socialization, attendance list and photograph regarding carry out socialization of HCV. The socialization has carried out dated on July 18-19, 2014 with topic are the company policy regarding HCV, definition of HCV, procedure relate of HCV and type of protected flora and fauna. In the attendance list have shown all employees participate.

**Indicator 5.2. (Minor indicator 1) Where protected species exist within the plantation, a dedicated person in smallholders organisation structure shall be appointed to train smallholders on conservation including how to mitigate conflict with relevant protected species**
NCR Smallholder no. 2014 - 08 of 12

There are protected species in local areas (based on results of interview above) but there is not a dedicated person in smallholder organization structure with function to train smallholder on conservation.

**Correction:**
Dedicated person with responsibilities of monitoring of HCV and carry out training to other worker.
Develop of conflict mitigation mechanism

**Corrective Action:**
To ensure has dedicated person for HCV officer and he/she understand about HCV and their responsibilities.

**Auditor Conclusions:** Evidence of immediate action taken was accepted. Effectiveness of implementation to verified at next audit.

**Indicator 5.6. (Minor indicator 1) Identification of pollution sources in smallholders’ plantation is available and 5.6. (Minor indicator 2) An emission reduction plan is available**

NCR Smallholder no. 2014 - 09 of 12

Inside the pollution sources form (FRM-GEN-00 dated on June 01, 2014) has not been informed of the types of other sources of pollution/contamination/emission such as air, soil, water, etc so that the plan of pollution/contamination/emission are not available

**Correction:**
Revision of FRM-GEN-00 so all source of pollution has covering such as air, soil, water, etc.

**Corrective Action:**
Officer must understand for all source of pollution in working areas and has identified

**Auditor Conclusions:** Evidence of immediate action taken was accepted. Effectiveness of implementation to verified at next audit.

**Indicator 6.1. (Major indicator 1) Documented environmental and social impact assessment, including details of positive and negative social effects that may be caused by plantations and mills, and documented participation of affected parties and local communities**

NCR Smallholder no. 2014 - 10 of 12

There was no evidence that SIA report already being socialized to stakeholder

**Correction:**
Conduct socialization of SIA report to stakeholder and get feedback for SIA management and monitoring plan

**Corrective Action:**
Prepare socialization schedule and ensuring that related stakeholder will involve and participate in this activity by phone or direct communication.

**Date of closure:** July 23, 2014

**Auditor Conclusions:** Closed

**Verification Result:**
Company provide evidence of company i.e. schedule for this socialization and official report that the socialization was done on 24 July 2014
**Indicator 6.1. (Minor indicator 1) Smallholders own records of management and monitoring of social impacts (RKL/UPL) which are available at smallholders organisation**

NCR Smallholder no. 2014 - 11 of 12  
Record of the implementation of management and monitoring of social impact in smallholder not available

**Correction:**  
To develop management and monitoring of social impact in smallholder appropriate with program has approved

**Corrective Action:**  
The company will ensure monitoring and management program of social impact which has approved and will implement

**Auditor Conclusions:** Evidence of immediate action taken was accepted. Effectiveness of implementation to verified at next audit.

**Criterion 6.1. (Minor indicator 2) An implementation timetable for management of impacts is available, which is in accordance with AMDAL**

NCR Smallholder no. 2014 - 12 of 12  
Schedule of impact management not appropriate with environmental document because environmental document (DPLH) yet discussed by environmental agency.

**Correction:**  
Carry out environmental document (DPLH) meeting in environmental agency – Agam District and get approval for environmental document from local government

**Corrective Action:**  
Ensure program of develop environmental document better and schedule of impact management according with environmental document

**Auditor Conclusions:** Evidence of immediate action taken was accepted. Effectiveness of implementation to verified at next audit.

**• RSPO SCCS**

During this surveillance assessment, a total of 3 nonconformances were identified. For the major non-conformances, the company has taken the necessary corrective action to close these non-conformances within 60 days of completion of the assessment, and this was verified by the audit team through checks of documents submitted by the company. A summary of all identified non-conformances, corrective actions taken and auditor conclusions is as below:

**NCR SCCS No.2014-01 of 03**  
The company’s procedure has not established mechanism/procedure for handling of tolling process material.

**Correction :**

Some of revision as below :

1. Revision of FFB receipt procedure, relate of :
   - Mill must receive of information from trading/logistic department about “tolling process” status or not for FFB receive
   - FFB receipt with “tolling process” status as FFB non certified categorized

2. Revision of product dispatch procedure, relate of :
• Product dispatch with DO “tolling” as product non certified
• Prevent of mechanism about change of policy suddenly

3. Agreement between supplier with mill for processing only as tolling

Corrective action:
Auditee will implemented of all procedure has revised.

Date of closure: July 30, 2014

Verification result:
Auditee provide revised procedure of FFB receive (SOP - Mill-026 Rev.03) and procedure of product dispatch (SOP-MILL-020 Rev.04). The procedure has include information about Mill must receive of information from Trading/logistic department about “tolling process” status or not for FFB receive, FFB receipt with “tolling” status as FFB non-certified, Product dispatch with DO “tolling” as product non-certified and there are mechanism about change of policy suddenly.

Auditor Conclusions: Closed.

NCR SCCS No.2014-02 of 03
There are diferent between mass balance report with FFB receive report year 2014 and August 2013 about volume of FFB receive and fill in volume of FFB from PT PANP which freehold title (sertifikat hak milik) areas

Correction:
• Revision of mass balance report year 2014 and augmented 2013, especially in FFB receipt column
• Revision of FFB transportation procedure PT PANP, especially regarding handling of FFB come from freehold title (sertifikat hak milik) areas
• All FFB from freehold title (sertifikat hak milik) areas in PT PANP as FFB non certified on mass balance report

Corrective action:
New procedure must be guided and all employees relate of SCCS must understand all SCCS procedure

Date of closure: July 30, 2014

Verification result:
Auditee provide revised mass balance report for CPO & PK product where volume of FFB receive same as FFB receive report year 2014 (until June 2014) i.e 176,688.68 tonnes and August 2013 too.

Futhermore, auditee has provided revision of mass balance report where volume of FFB from freehold title has deleted. Auditee has revised of FFB transportation procedure (PRO-WSH-002 Rev.2) and mass balance procedure (SOP-MILL-24 Rev.04) where there are add stamp “SHM” in FFB delivery note for FFB from freehold title status and using truck and FFB delivery note separate with FFB from land use right status. Moreover, auditee has revised traceability of FFB procedure (PRO-GEN-012 Rev.01) on behalf PT PANP.

Auditor Conclusions: Closed.
NCR SCCS No.2014-03 of 03
The material & product of tolling status has claimed by company as ownership so that all transaction (the material receipt and the product dispatch) has filled in the mass balance report.

Correction:
Some of revision as below:
1. Revision of FFB receipt procedure, relate of:
   • Mill must receive of information from Trading/logistic department about tolling status or not for FFB receive
   • FFB receipt with tolling status as FFB non certified
2. Revision of product dispatch procedure, relate of:
   • Product dispatch with DO “tolling” as product non certified
   • Prevent of mechanism about change of policy suddenly
3. Mechanisme of fill in mass balance table appropriate with procedure

Corrective action:
New procedure must be guided and all employees relate of SCCS must understand all SCCS procedure

Date of closure: July 30, 2014

Verification result:
Auditee provide revised procedure of FFB receive (SOP - Mill-026 Rev.03) and procedure of product dispatch (SOP-MILL-020 Rev.04). The procedure has include information about Mill must receive of information from Trading/logistic department about “titipolah” status or not for FFB receive, FFB receipt with “titipolah” status as FFB non certified, Product dispatch with DO “tolling” as product non certified and there are mechanism about change of policy suddenly.

Auditee has provided revision of mass balance table where it has covering separate of ownership material and product (tolling and non tolling) so in new mass balance table there are information of FFB receive with tolling status, FFB PT AMP (non tolling status), the FFB process tolling and non tolling, the CPO & PK tolling and non tolling, and the stock tolling and non tolling.

Auditor Conclusions: Closed.

3.4 Noteworthy Positive Components

<table>
<thead>
<tr>
<th>No.</th>
<th>Clause</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>Good team work worker in audit process</td>
</tr>
</tbody>
</table>

3.5 Conclusion and Recommendation for RSPO P & C, RSPO SCCS and RSPO Scheme Smallholder Certification

The audit team has confirmed through the audit process that PT AMP Palm Oil Mill has established and maintains an effective system to ensure compliance with the RSPO P & C, Supply Chain Certification System and RSPO Scheme Smallholder requirements. It is also confirmed that the company’s annual volume of CPO and PK sold for
the period of year 2012 has not exceeded the certified annual tonnages as claimed in the organization's RSPO certificate no18501482 001 because no CSPO and CSPK claimed product sold as until 2nd surveillance audit. TÜV Rheinland recommends that PT AMP Mill estate be continuing approved for certification of compliance to the RSPO P & C and Supply Chain Certification System and RSPO Scheme Smallholder requirements.

3.6 Issues Raised by Stakeholders and Findings Pertaining to Issues

All was explained incorporated with section 3.1 above.
4.0 CERTIFIED ORGANISATION’S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Date of Next Surveillance Visit

The next surveillance visit is planned for May 2015.

4.2 Acknowledgements of Internal Responsibility and Formal Sign-Off by Client

It is acknowledged that the assessment visit was carried out as described in this report and we accept the assessment findings and report content.

Signed on behalf of PT AMP Plantation Palm Oil Mill

Simon Siburat
Group Sustainability Coordinator
Date: September 17, 2014

Signed on behalf of PT TUV Rheinland Indonesia

Hendra Fachrurozy
Lead Auditor
Date: September 17, 2014
APPENDICES

Appendix 1: Details of Revised Certificate (if applicable)

[Details of certificates to be included upon approval of ASA report and issuance of certificate]
Appendix 2: List of Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMDAL</td>
<td>Analisis Dampak Lingkungan &amp; Sosial (Social &amp; Environmental Impacts Assessment)</td>
</tr>
<tr>
<td>CPO</td>
<td>Crude Palm Oil</td>
</tr>
<tr>
<td>EIA</td>
<td>Environmental Impact Assessment</td>
</tr>
<tr>
<td>ERTs</td>
<td>Endangered, Rare &amp; Threatened species</td>
</tr>
<tr>
<td>ESH</td>
<td>Environmental Safety &amp; Health</td>
</tr>
<tr>
<td>FFB</td>
<td>Fresh Fruit Bunches</td>
</tr>
<tr>
<td>EFB</td>
<td>Empty Fruit Bunches</td>
</tr>
<tr>
<td>HCV</td>
<td>High Conservation Value</td>
</tr>
<tr>
<td>IPM</td>
<td>Integrated Pest Management</td>
</tr>
<tr>
<td>KAMU</td>
<td>Karya Agung Megah Utama</td>
</tr>
<tr>
<td>LTA</td>
<td>Lost Time Accident</td>
</tr>
<tr>
<td>MSDS</td>
<td>Material Safety Data Sheets</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Government Organization</td>
</tr>
<tr>
<td>OSH</td>
<td>Occupational Safety &amp; Health</td>
</tr>
<tr>
<td>PANP</td>
<td>Perkebunan Anak Negeri Pasaman</td>
</tr>
<tr>
<td>PKO</td>
<td>Palm Kernel Oil</td>
</tr>
<tr>
<td>POME</td>
<td>Palm Oil Mill Effluent</td>
</tr>
<tr>
<td>PPE</td>
<td>Personal Protective Equipment</td>
</tr>
<tr>
<td>RKL</td>
<td>Rencana Pengelolaan Lingkungan (Environmental Management Plan)</td>
</tr>
<tr>
<td>RPL</td>
<td>Rencana Pemantauan Lingkungan (Environmental Monitoring Plan)</td>
</tr>
<tr>
<td>SIA</td>
<td>Social Impact Assessment</td>
</tr>
<tr>
<td>SOP</td>
<td>Standard Operating Procedure</td>
</tr>
<tr>
<td>UKL</td>
<td>Upaya Pengelolaan Lingkungan (Environmental Management Efforts)</td>
</tr>
<tr>
<td>UPL</td>
<td>Upaya Pengelolaan Lingkungan (Environmental Management Efforts)</td>
</tr>
</tbody>
</table>

Appendix 3: List of Stakeholders Interviewed and Contacted

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of Stakeholder</th>
<th>Institution - Address</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Lo Koon Wai</td>
<td>GM Sumatera</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Khairul Anwar</td>
<td>Sustainability Coordinator</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Lihardo Sipayung</td>
<td>Bina Mitra Sumatera</td>
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</tr>
<tr>
<td>4.</td>
<td>Donald Darwin</td>
<td>EHS Manager</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Ridwan</td>
<td>DM Plasma</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Jaidin Sinaga</td>
<td>DM AMP</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Bambang W</td>
<td>HRR</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Wora</td>
<td>DM PMJ</td>
<td></td>
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<tr>
<td>9.</td>
<td>Syafrial Tj</td>
<td>MH AMP POM</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Mucandes</td>
<td>Doctor</td>
<td></td>
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<tr>
<td>11.</td>
<td>Susanto</td>
<td>Document Control</td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>Hari Purnomo</td>
<td>DM</td>
<td></td>
</tr>
<tr>
<td>13.</td>
<td>Dian Anggraini</td>
<td>Personnel and General Affair</td>
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</tr>
<tr>
<td>14.</td>
<td>Irsanul Z</td>
<td>EHS</td>
<td></td>
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<td>15.</td>
<td>Ahmad Rijali</td>
<td>Finance</td>
<td></td>
</tr>
<tr>
<td>16.</td>
<td>Edita nainggolan</td>
<td>Document Control</td>
<td></td>
</tr>
<tr>
<td>17.</td>
<td>Nanda Eva Riani</td>
<td>Document Control</td>
<td></td>
</tr>
<tr>
<td>18.</td>
<td>Desrileni</td>
<td>Administration</td>
<td></td>
</tr>
<tr>
<td>19.</td>
<td>Indra</td>
<td>RSPO Manager</td>
<td></td>
</tr>
<tr>
<td>20.</td>
<td>Desni Yanti</td>
<td>Document Control</td>
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</tr>
<tr>
<td>21.</td>
<td>Jules Soni</td>
<td>Sustainability</td>
<td></td>
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<tr>
<td>22.</td>
<td>Marihot Sp</td>
<td>PANP</td>
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</tr>
<tr>
<td>No.</td>
<td>Name of Stakeholder</td>
<td>Institution - Address</td>
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<td>23</td>
<td>Hasan Basri</td>
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<td>Revi Muhadi</td>
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<td>Mulyono</td>
<td>Bina Mitra</td>
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<td>28</td>
<td>Officer Koperasi Tompek Tepian Kandis</td>
<td>Kec. Kandis</td>
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Appendix 4: Observations and Opportunities for Improvement

<table>
<thead>
<tr>
<th>No.</th>
<th>Observations / Opportunities for Improvement</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Emergency Procedure (PRO-GEN-014) Rev. 0 dated 27/04/10. found not having clear requirement for conducting drills for every type of emergencies and review will be done after actual emergency or drill conducted for considering correction or corrective action or to further improve the procedure, equipment, workers understanding and readiness or collaboration with external emergency services.</td>
<td>4.7.5</td>
</tr>
<tr>
<td>2</td>
<td>Environmental aspect and impact (FRM-GEN-017) should be conducted properly and comprehensive as example the aspect of usage of electricity in the office will have an impact of depletion of natural resources and not use electric with care as sampled in AMP I and used of paper having impact of water and soil contamination. Suppose depletion of natural resources. While for Mill under Office activity found only waste of paper will have an impact of soil and water contamination but no impact of depletion of natural resources for use of paper.</td>
<td>5.1</td>
</tr>
<tr>
<td>3</td>
<td>Recycling activity should be encourage and promoted as currently was categorize as organic and inorganic only and dispose at landfill. Some of the waste can be recycle like paper, plastics, metal/cans and etc. This will help reduce generation of waste.</td>
<td>5.3.2</td>
</tr>
</tbody>
</table>