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Roundtable on Sustainable Palm Oil

Annual Surveillance Audit Report

Report no.: ASA4 -15017

Surveillance assessment against the RSPO Principles & Criteria Generic year 2013, RSPO SCCS Nov 2014 and RSPO Scheme Smallholder Generic 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, Koperasi Bukit Sandiang Tigo, Koperasi Agro Wira Masang and Koperasi Mutiara Sawit Jaya

Date of assessment : 11-15 April 2016

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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 Generic year 2013 of the RSPO Principle & Criteria, RSPO SCCS November 2014 and RSPO Scheme Smallholder Generic 2009.

1.2 Scope of Assessment

The annual surveillance assessment was carried out on 1 (one) mill and 4 (four) estates under PT AMP Plantation, 1 (one) estate under PT Primatama Mulia Jaya owned by Wilmar International limited, 1 (one) estate under PT Karya Agung Megah Utama, 1 (one) estate under PT Perkebunan Anak Negeri Pasaman, 4 (four) scheme smallholder under Cooperative (Koperasi Perkebunan Kelapa Sawit) of Tompek Tapian Kandis, Cooperative (Koperasi) of Bukit Sandiang Tigo, Cooperative (Koperasi) of Agro Wira Masang and Cooperative (Koperasi) of Mutiara Sawit Jaya.

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

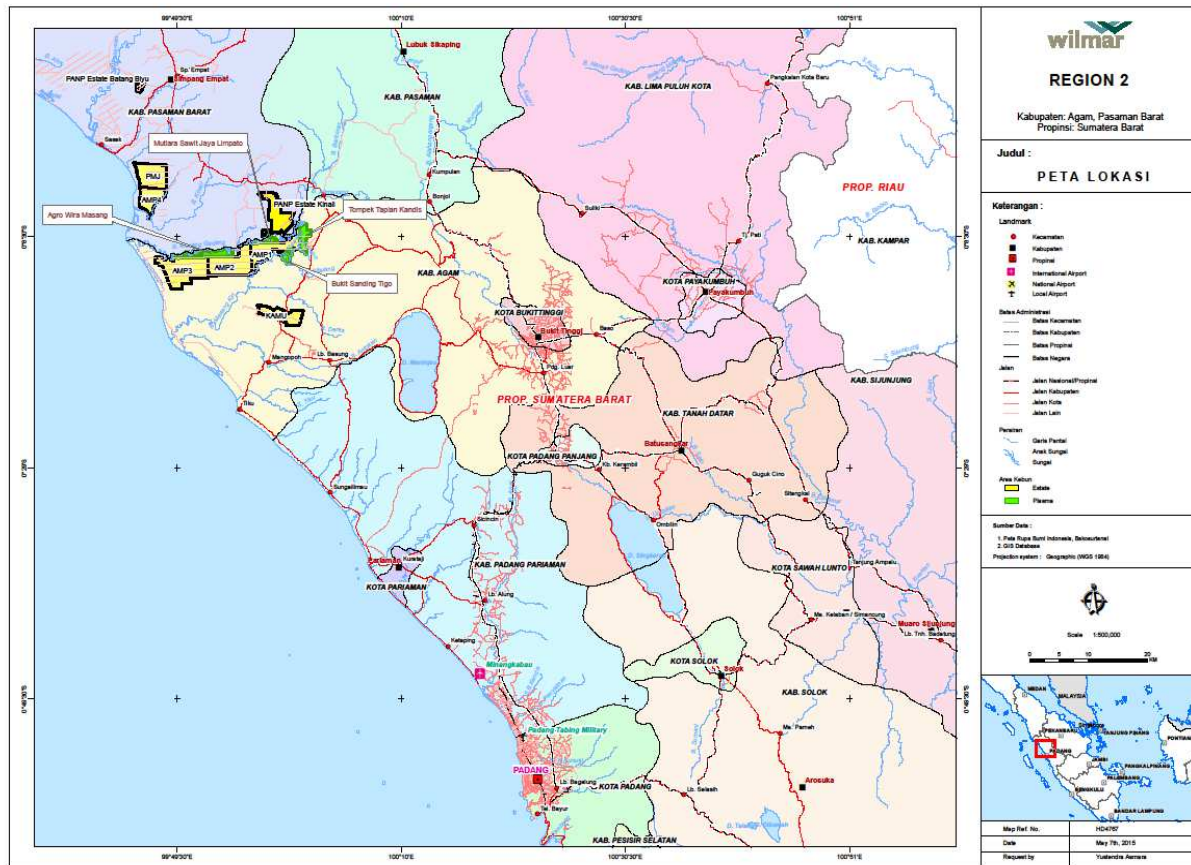
RSPO Membership no.:	2-0017-05-000-00 on behalf Wilmar International Limited since on 15 August 2005
RSPO Certificate no.:	18501482 001
Date of first RSPO certificate & validity:	June 07, 2012 & valid until June 06, 2017
Date of certification audit:	July 04 to 09, 2011
Date of previous surveillance audit:	May 04-08, 2015
Date of revised RSPO certificate & validity (if applicable):	February 07, 2014 & valid until June 06, 2017
CPO tonnages claimed :	50,759.00 mt
PK tonnages claimed :	13,666.00 mt

RSPO Annual Surveillance Audit Report

- PT AMP Plantation Palm Oil Mill – West Sumatera

1.4 Location and Maps

Figure 1 : Location of PT AMP Plantation, PT PMJ, PT KAMU, PT PANP, the cooperative of Tompek Tapian Kandis, the cooperative of Bukit Sandiang Tigo, the cooperative of Agro Wira Masang and the cooperative of Mutiara Sawit Jaya in West Sumatera



RSPO Annual Surveillance Audit Report
- PT AMP Plantation Palm Oil Mill – West Sumatera

Figure 2 : Location of PT AMP Plantation, PT PMJ, PT KAMU, PT PANP, the cooperative of Tompek Tapian Kandis, the cooperative of Bukit Sandiang Tigo, the cooperative of Agro Wira Masang and the cooperative of Mutiara Sawit Jaya

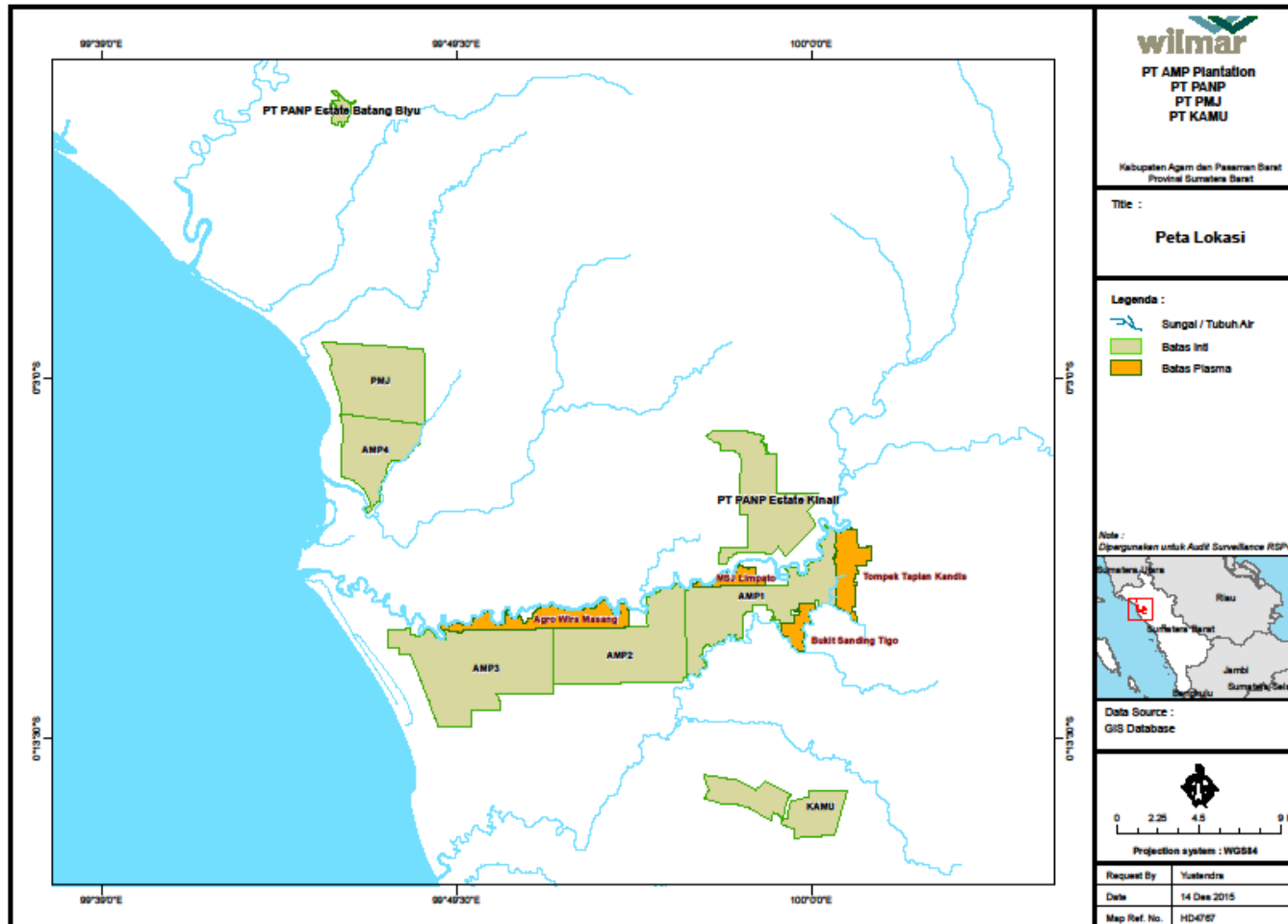


Table 2: GPS locations for all estates and mills included in annual surveillance assessment

Name of mill / estate	Location	GPS locations	
		Latitude	Longitude
PT AMP Plantation Palm Oil Mill	Tepian Kandır village, Palembayan Sub District Agam District , West Sumatera Province	00° 09' 17.6"	100° 01' 44.8"
PT AMP Plantation Estate 1	Tepian Kandır village, Palembayan Sub District Agam District , West Sumatera Province	00° 08' 22.6"	100° 00' 28.5"
PT AMP Plantation Estate 2	Tepian Kandır village, Palembayan Sub District Agam District , West Sumatera Province	00° 09' 30.2"	99° 55' 13.4"
PT AMP Plantation Estate 3	Tepian Kandır village, Palembayan Sub District Agam District , West Sumatera Province	00° 10' 47.7"	99° 49' 06.5"
PT AMP Plantation Estate 4	Tepian Kandır village, Palembayan Sub District Agam District , West Sumatera Province	00° 04' 22.7"	99° 48' 09.8"
PT Primatama Mulia Jaya	Ampat Koto village, Kinali Sub District, Pasaman Barat District, West Sumatera Province	00° 04' 22.7"	99° 48' 09.8"
PT Karya Agung Megah Utama	Kajai Fisik Village, Lubuk Basung Sub District, Agam District, West Sumatra Province	00° 15' 53.3"	99° 59' 05.9"
PT Perkebunan Anak Negeri Pasaman	VI Koto Selatan Village Kinali Sub District, Pasaman Barat District, West Sumatera Province	00° 04' 55.6"	99° 58' 08.8"
Cooperative of Tompek Tapian Kandis	Tepian Kandır village, Palembayan Sub District Agam District, West Sumatera Province	00° 08' 20.0"	100° 01' 00.0"
Cooperative of Mutiara Sawit Jaya	Taratak Nan Tigo Tiku village, Tanjung Mutiara Sub District, Agam District, West Sumatera Province	00° 08' 21.0"	99° 49' 20.0"
Cooperative of Bukit Sandiang Tigo	Bawan village, Ampek Nagari Sub District, Agam District, West Sumatera Province	00° 08' 30.0"	100° 00' 00.0"
Cooperative of Agro Wira Masang	Kinali village, Kinali Sub District, Pasaman Barat District, West Sumatera Province	00° 09' 00.0"	99° 55' 00.0"

1.5 Organisational Information / Contact Person

Contacts details of the company are as follows:

Company Name:	PT AMP Plantation
Address:	Head office : Multivision Tower 15 th floor, Jl.Kuningan Mulia Kav.9B, Jakarta Selatan, Indonesia
	Estate : Tapian Kandis village, Palembang Sub District, Agam District, West Sumatera Province
Contact Person:	Mr. Low Kim Seng
Telephone:	+ 62 0812 6626 505 / + 62 0812 6605 686 / + 62 0852 7403 3078
Email:	lks@wilmar.co.id

1.6 Description of Supply Base

Table 3.a : FFB Supply Information for PT AMP Plantation Palm Oil Mill (POM)

FFB Contributors	FFB supplied (AG) Jan-Des 2015		FFB supplied (AG) Jan-March 2016	
	Tonnes	%	Tonnes	%
I. Company owned estates :				
PT AMP I	34,465.32	11.79	6,023.31	7.49
PT AMP II	63,747.59	21.81	12,859.19	15.98
PT AMP III	25,117.72	8.60	5,969.17	7.42
PT AMP IV	20,879.73	7.15	4,466.07	5.55
Sub total I	144,210.36	49.35	29,317.74	36.44
II. Other company in group :				
PT Primatama Muliajaya**	32,516.00	11.13	7,286.78	9.06
PT Permata Hijau Pasaman I**	387.59	0.13	0.00	0.00
Sub total II	32,903.59	11.26	7,286.78	9.06
III. Outgrower :				
PT Perkebunan Anak Negeri Pasaman**	24,249.56	8.30	4,670.25	5.81
PT Karya Agung Megah Utama	11,109.92	3.80	2,393.20	2.97
Sub total III	35,359.48	12.10	7,063.45	8.78
IV. Smallholder :				
A. AMP I				
Koperasi Tompek Tapian Kandis (Plasma 1)	6,880.73	2.35	1,538.99	1.91
KUD Damai Sejahtera (ke-II) (Plasma 2)	1,340.12	0.46	0.00	0.00
KUD Mutiara Sawit Jaya (Plasma 3)	5,299.42	1.81	1,197.40	1.49
KUD Bukit Sandiang Tigo (Plasma 4)	3,454.46	1.18	840.46	1.04

FFB Contributors	FFB supplied (AG) Jan-Des 2015		FFB supplied (AG) Jan-March 2016	
	Tonnes	%	Tonnes	%
B. AMP II				
Koperasi Perkebunan Sawit Agro Wira Masang (Plasma Kinali)	17,802.82	6.09	3,484.95	4.33
YTM Mangopoh	28,627.49	9.80	3,851.30	4.79
KUD Mangopoh I	3,995.07	1.37	656.24	0.82
C. AMP III				
Kelompok Tani Labuhan Subang-Subang (Plasma Tiku)	1,311.75	0.45	402.09	0.50
KUD Damai Sejahtera (Kedua)	2,081.10	0.71	456.10	0.57
D. PMJ				
KUD Damai Sejahtera (Pertama)	8,947.46	3.06	1,869.43	2.32
Sub total IV	79,740.41	27.29	14,296.97	17.77
V. Trader*) :	0.00	0.00	22,485.82	27.95
TOTAL	292,213.84	100.00	80,450.76	100.00

Note :

AG = After Grading in metric tonne

*) FFB receipt has excluded from PT Siak Prima Sakti (on behalf PT WINA) amount of 103,049.98 mt (year 2015) because tooling system.

**) Since July 2014 till 31 Dec 2015 that the FFB came from PT PMJ, PT PANP & PT PHP is tolling system.

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

FFB Contributors	FFB supplied Jan-Des 2015		FFB supplied Jan-March 2016	
	Tonnes	%	Tonnes	%
I. Certified				
PT AMP Plantation	144,210.36	49.36	29,317.74	36.44
PT Karya Agung Megah Utama	11,109.92	3.80	2,393.20	2.97
Cooperative of TTK (plasma 1)	6,880.73	2.35	1,538.99	1.91
PT Primatama Muliajaya	0.00	0.00	7,286.78	9.06
PT Perkebunan Anak Negeri Pasaman	0.00	0.00	4,670.25	5.81
KUD Mutiara Sawit Jaya (Plasma 3)	5,299.42	1.81	1,197.40	1.49
KUD Bukit Sandiang Tigo (Plasma 4)	3,454.46	1.19	840.46	1.04
Koperasi Perkebunan Sawit Agro Wira Masang (Plasma Kinali)	17,802.82	6.09	3,484.95	4.33
Sub total I	188,757.71	64.60	50,729.77	63.05
II. Non-Certified				

FFB Contributors	FFB supplied Jan-Des 2015		FFB supplied Jan-March 2016	
	Tonnes	%	Tonnes	%
PT Perkebunan Anak Negeri Pasaman ^{*)}	24,249.56	8.30	0.00	0.00
PT Primatama Muliajaya ^{**)}	32,516.00	11.12	0.00	0.00
PT Permata Hijau Pasaman I ^{**)}	387.59	0.13	0.00	0.00
Other Smallholders & trader ^{*)}	46,302.98	15.85	29,720.99	36.95
Sub total II	103,456.13	35.40	29,720.99	36.95
TOTAL	292,213.84	100.00	80,450.76	100.00

Note :

*) FFB receipt has excluded from PT SPS (on behalf PT WINA) amount of 103,049.98 mt (year 2015) because tooling system.

**) Since July 2014 till 31 Dec 2015 that the FFB came from PT PMJ, PT PANP & PT PHP is tolling system.

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

	Amount (MT)	
	CPO	PK
Past certificate (year 2015)		
Certified volume	50,759.00	13,666.00
Certified tonnages sold	0.00	7,919.73
Certified tonnages purchased	0.00	0.00
Actual Production*	55,023.87	15,370.45
Conversion Factor*	OER : 18.83	KER : 5.26
Certified production	35,543.08	9,928.66
Current certificate (year 2016)		
Certified volume**	50,759.00	13,666.00
Projection of production***	66,056.25	17,784.38
Certified production****	9,471.25	2,627.80
Actual production*****	14,971.84	4,150.83

Note :

*) period of January to December 2015 with FFB process is 292,213.84 tonnes because exclude processing FFB from PT SPS.

**) Certified FFB amount of 260,300 mt and extraction rate are OER : 19.50% and KER : 5.25%. Detail information can see on sub section 1.13.

***) FFB process is **338,750 tonnes** (Certified FFB amount of 260,300 mt and Non-certified FFB amount of 78,450 mt) and extraction rate are OER : 19.50% and KER : 5.25%.

****) Realization of certified production period of January to March 2016 with certified FFB amount of 50,729.77 mt and extraction rate are OER : 18.67% and KER : 5.18%

*****) Realization of the total of production (certified and non-certified product) period of January to March 2016 and it has included FFB from PT SPS

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.a: Age and year of plantings of company estate supplying to PT AMP Plantation Palm Oil Mill (POM) for plantation company

Age & Year of Plantings	Oil palm planted area at each estate(ha)			
	AMP	PMJ	KAMU	PANP
0 year (2016)* **	106.59	0.00	14.40	0.00
1 year (2015)**	649.57	0.00	115.43	0.00
2 year (2014)**	163.16	0.00	152.42	0.00
3 year (2013)**	0.00	0.00	125.39	0.00
4 year (2012)	1.14	0.00	0.00	0.00
5 year (2011)	24.25	0.00	0.00	0.00
6 year (2010)	0.00	9.2	0.00	0.00
7 year (2009)	0.00	36.77	0.00	0.00
8 year (2008)	0.00	0.00	0.00	0.00
9 year (2007)	0.00	0.00	0.00	2.35
10 year (2006)	0.00	0.00	29.92	9.61
11 year (2005)	0.00	20.60	0.00	0.00
12 year (2004)	0.00	82.84	0.00	0.00
13 year (2003)	0.00	128.09	0.00	0.00
14 year (2002)	112.36	234.86	0.00	58.05
15 year (2001)	680.37	341.55	0.00	0.00
16 year (2000)	1,495.96	0.00	0.00	357.33
17 year (1999)	527.75	13.98	0.00	21.20
18 year (1998)	579.92	60.37	0.00	314.09
19 year (1997)	965.89	359.25	0.00	175.29
20 year (1996)	584.84	0.00	0.00	47.92
21 year (1995)	1,095.24	0.00	0.00	0.00
22 year (1994)	103.75	0.00	0.00	0.00
23 year (1993)	230.07	0.00	0.00	0.00
24 year (1992)	23.84	0.00	0.00	0.00
25 year (1991)	0.00	0.00	250.94	0.00
26 year (1990)	0.00	0.00	115.10	0.00
TOTAL	7,344.70	1,287.51	803.60	985.84

Note :

*) till March 2016

**) Replanting activity

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

Age & Year of Plantings	Oil palm planted area at each smallholder (ha)			
	TTK	MSJ	BST	AWM
0 year (2016)	0.00	0.00	0.00	0.00

Age & Year of Plantings	Oil palm planted area at each smallholder (ha)			
	TTK	MSJ	BST	AWM
1 year (2015)	0.00	0.00	0.00	0.00
2 year (2014)	0.00	0.00	0.00	0.00
3 year (2013)	0.00	0.00	0.00	0.00
4 year (2012)	0.00	0.00	0.00	0.00
5 year (2011)	0.00	0.00	0.00	102.60
6 year (2010)	0.00	0.00	0.00	0.00
7 year (2009)	0.00	0.00	0.00	0.00
8 year (2008)	0.00	0.00	0.00	0.00
9 year (2007)	0.00	0.00	0.00	0.00
10 year (2006)	0.00	0.00	0.00	0.00
11 year (2005)	0.00	0.00	0.00	0.00
12 year (2004)	0.00	0.00	0.00	0.00
13 year (2003)	0.00	0.00	0.00	0.00
14 year (2002)	0.00	0.00	0.00	0.00
15 year (2001)	0.00	0.00	0.00	0.00
16 year (2000)	0.00	0.00	0.00	0.00
17 year (1999)	0.00	0.00	0.00	0.00
18 year (1998)	42.67	0.00	0.00	0.00
19 year (1997)	80.29	0.00	0.00	110.70
20 year (1996)	149.10	0.00	22.87	646.38
21 year (1995)	49.33	0.00	25.96	0.00
22 year (1994)	53.27	119.85	96.07	0.00
23 year (1993)	85.18	98.40	73.63	0.00
24 year (1992)	41.70	0.00	0.00	0.00
TOTAL	501.54	218.25	218.53	859.68

Note :

-

Table 6: Planned and actual oil palm replanting activities for PT AMP Plantation, PT PMJ Plantation, PT KAMU and PT PANP

Year	Total planned replanting area (ha)	Total planned replanting area for each estate (ha)					Actual total area replanted (ha)
		KAMU	PANP	AMP*	PMJ	Smallholders*****	
2013	107.87	107.87	0.00	0.00	0.00	0.00	125.39
2014	358.01	182.87	0.00	163.16	0.00	0.00	315.58**
2015	717.44	109.83	0.00	575.70	0.00	0.00	765.00***
2016	616.77	164.85	0.00	451.92	0.00	0.00	120.99****
2017	519.95	131.46	0.00	318.73	0.00	69.76	0.00
2018	642.00	152.08	0.00	439.92	0.00	50.00	0.00
2019	500.27	0.00	0.00	303.92	0.00	196.35	0.00

Year	Total planned replanting area (ha)	Total planned replanting area for each estate (ha)					Actual total area replanted (ha)
		KAMU	PANP	AMP*	PMJ	Smallholders*****	
2020	288.73	0.00	0.00	0.00	0.00	288.73	0.00
2021	178.51	0.00	0.00	0.00	0.00	178.51	0.00

Note : *). There is revision of replanting program

**) Such as PT AMP: 163.16 ha (year 2014) and PT KAMU : 152.42 ha (year 2014)

***). Such as PT AMP : 649.57 ha (year 2015) and PT KAMU : 115.43 ha (year 2015)

****). Such as PT AMP : 106.59 ha (per March 2016) and PT KAMU : 14.40 ha (per March 2016)

*****). The Cooperative of Tompek Tapian Kandis for year 2017 to 2021. Whereas, year 2019 consist of TTK : 55.96 ha, BST Bawan : 50.00 ha and AWM : 90.39 ha; year 2020 consist of TTK : 59.08 ha, BST : 72.03 ha and AWM : 157.62 ha; year 2021 consist of TTK : 80.00 ha, MSJ : 75.64 ha, BST : 22.87 ha and AWM : 193.16 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 year 2015

Estate Name	Total area (ha)	Oil Palm Planted area (ha)	Mature (Production) area (ha)	Immature (Non-production) area (ha)	FFB Production (tonnes)	Average yield (tonnes/ha)
PT AMP	9,226.42	7,435.16	6,622.43	812.73	144,210.36	21.77
PT PMJ	1,940.00	1,287.51	1,287.51	0.00	32,516.00	25.25
PT PANP	2,020.25	985.83	985.83	0.00	24,249.56	24.60
PT KAMU	1,250.00	871.55	478.31	393.24	11,109.92	23.23
TTK	511.78	501.54	501.54	0.00	6,880.73	13.72
MSJ	223.53	218.25	218.25	0.00	5,299.42	24.28
BST	226.00	218.53	218.53	0.00	3,454.46	15.81
AWM	864.68*	859.68	859.68	0.00	17,802.82	20.71
TOTAL	16,262.66	12,378.05	11,172.08	1,205.97	245,523.27	21.98

Note : *) Total of AWM areas include of MSJ-Kinali areas.

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

Estate Name	Total area (ha)	Oil Palm Planted Area (ha)	HCV/Potential HCV areas (ha)	Land used for other purposes (ha)			
				RHD	Nursery	Claim area	Other Land*
PT AMP	9,226.42	7,435.16	230.48	204.93	14.63	1,318.61	22.61
PT PMJ	1,940.00	1,287.51	0.00	41.67	0.00	610.82	0.00
PT KAMU	1,250.00	871.55	64.91	6.00	0.00	115.14	192.40
PT PANP	2,020.25	985.83	15.10**	66.23	0.00	953.09	0.00
TTK	511.78	501.54	0.00	10.24	0.00	0.00	0.00
MSJ	223.53	218.25	0.00	5.28	0.00	0.00	0.00
BST	226.00	218.53	0.00	7.47	0.00	0.00	0.00
AWM	864.68	859.68	0.00	5.00	0.00	0.00	0.00
TOTAL	16,262.66	12,378.05	310.49	346.82	14.63	2,997.66	215.01

Note : *). The other land is not plantable and land clearing areas,

**). There are claim areas with communities in HCV areas amount 7.86 ha in form of riparian areas.

1.10 Progress Against Time Bound Plan

The time frame laid out below is considered to be both challenging and realistic. The company will be using the experience of this recertification assessment to ensure that the other management units conform to the RSPO Principles & Criteria.

The audit team is satisfied that the company conforms to the RSPO requirements for partial certification as laid out in Cluase 4.2.4 of the RSPO Certification System document.

Table 9: Time Bound Plan of the Other Management Units

Name of Holding	Location	Time bound plan for certification	Status
Indonesia			
PT Milano (Pinang Awan)	North Sumatra	2009	Certified
PT Mustika Sembuluh I	Central Kalimantan	2009	Certified
PT Kencana Sawit Indonesia	West Sumatra.	2010	Certified
PT Kerry Sawit Indonesia I	Central Kalimantan	2010	Certified
PT Tania Selatan	South Sumatra	2010	Certified
PT AMP Plantation	West Sumatra	2011	Certified
PT Agro Nusa Investama (Sambas)	West Kalimantan	2012	Certified
PT Buluh Cawang Plantations 1	South Sumatra	2012	Certified
PT Bumi Sawit Kencana	Central Kalimantan	2012	Certified
PT Gersindo Minang Plantations	West Sumatra	2012	Certified
PT Sarana Titian Permata	Central Kalimantan	2012	Certified
PT Daya Labuhan Indah-2	North Sumatra	2013	Certified
PT Mustika Sembuluh 2	Central Kalimantan	2014	Certified
PT Mentaya Sawit Mas	Central Kalimantan	2014	Certified
PT Kerry Sawit Indonesia 2	Central Kalimantan	2014	Certified
PT Agro Palindo Sakti 1	South Sumatra	2014	Full Assessment on 14/11/2014
PT Musi Banyuasin Indah	South Sumatra	2014	Certification failed
PT Murini Sam Sam	Riau	2014	Certified
PT Sinarsiak Dianpermai	Riau	2014	Gap Assesment on 19/09/2014
PT Karunia Kencana Permaisejati	Central Kalimantan	2016	Full Assessment on 09/04/2015
PT Rimba Harapan Sakti	Central Kalimantan	2016	Certified
PT. Bumi Pratama Khatulistiwa	West Kalimantan	2016	Full Assessment 26/09/2016
PT Agro Nusa Investama (Landak)	West Kalimantan	2016	Planned
PT Agro Palindo Sakti 2	West Kalimantan	2016	Planned
PT Buluh Cawang Plantation	West Kalimantan	2015	Certified
PT Agrindo Indah Persada 2	Bangko - Jambi	2016	Planned
PT. Putra Indotropical	West Kalimantan	2016	Planned
PT. Pratama Prosentindo	West Kalimantan	2016	Planned
PT. Indoresin Putra Mandiri	West Kalimantan	2016	Planned
PT Asiatic Persada	Jambi	2013	Not classified, company sold
PT Citra Riau Sarana 1	Riau	2014	Not classified, shares are being divested
PT Citra Riau Sarana (ML) 3	Riau	2014	Not classified, shares are being divested

Name of Holding	Location	Time bound plan for certification	Status
PT Citra Riau Sarana 2	Riau	2014	Not classified, shares are being divested
Malaysia			
Sapi Palm Oil Mill	Labuk, Sandakan Sabah	Certified	
Reka Halus Palm Oil Mill	Labuk, Sandakan Sabah	Certified	
Sabahmas Palm Oil Mill	Lahad Datu, Sabah	Certified	
Saremas 1 Palm Oil Mill	Miri, Sarawak	Certified	
Saremas 2 Palm Oil Mill	Miri, Sarawak	Certified	
Terusan Palm Oil Mill	Labuk, Sandakan Sabah	Certified	
Ribubonus Palm Oil Mill	Telupid, Sandakan, Sabah	Certified	
Sri Kamusan Palm Oil Mill	Sugut, Sandakan Sabah	Certified	

Table 10 : New Development Area under Wilmar International Plantation

Name of Holding	Location	Total area	NPP Status according to RSPO NPP procedure
PT Agro Indah Persada	Merangin. Jambi	1,200 ha	Approved
PT Agro Nusa Investama Sambas	Sambas, West Kalimantan	1,024 ha	Approved
Biase Plantations (Ibiae Estate)	Calabar, Nigeria	5,594 ha	Approved
Biase Plantations (Calaro Extension)	Calabar, Nigeria	3,066 ha	Approved
Eiyup Industry (Oban Estate)	Calabar, Nigeria	2,986 ha	Not submitted (Pending HCV/HCS study)
Biase Plantations (Biase estate)	Calabar, Nigeria	8,029 ha	Overlapping boundaries

The audit team is satisfied that the company conforms to the RSPO requirements for partial certification as laid out in Clause 4.2.4 of the RSPO Certification System document.

1.11 Compliance to Rules for Partial Certification

Compliance of the uncertified management units and/or holding of Wilmar Plantation 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.

Partial Certification Requirements	Audit Findings
(a) The parent organization or one of its majority owned and / or managed subsidiaries is a member of RSPO.	PT AMP Plantation is subsidiary of Wilmar International Indonesia is RSPO member with membership number 2-0017-05-000-00.
(b-d) A challenging time-bound plan for certi-	See table above, some change on company's time bound plan

Partial Certification Requirements	Audit Findings
<p>fying 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.</p> <p>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</p>	<p>due to several reason explained above.</p>
<p>(e) 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</p>	<p>There are some newly developed plantation areas under Wilmar International such as in Jambi province, West Kalimantan province Indonesia and Nigeria as explained on the table 10 above. Some areas have undergone the New Planting Procedure (NPP) and been approved while some areas are still undergoing the NPP, as shown in Table 10 above.</p>
<p>(f) 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.</p>	<p>PT Asiatic Persada, which was previously a subsidiary of Wilmar had a significant land conflict issue but has been sold to other plantation company and is now no longer a subsidiary of Wilmar Plantation.</p> <p>Wilmar International carried out the New Planting Procedure for BIASE Plantation Limited (Ibiae estate) in Nigeria with an announcement made on the RSPO website on 9 November 2012. During this NPP process, a complaint was submitted by the Rainforest Resource & Development Centre (RRDC) on behalf of the Ibiae Land Lord Community. The complaint covered infringements to several aspects of Principle 1 and Principle 2 of the RSPO P&C. The case was taken up and investigated by the RSPO Complaints Panel, with decision made for RSPO to a lawyer well acquainted with Nigerian laws to review and give an authoritative opinion on whether the company had complied with the legal requirements of Nigeria. The legal opinion was received by the RSPO on 27 August 2014, and based on this opinion, the RSPO confirmed that BIASE Plantations was in compliance with legal requirements and closed the case. However, the result was not accepted by RRDC as well as the NGO, Friends of the Earth and the issue remains ongoing with no resolution. As the company has complied with requirements to attempt to resolve the dispute through the RSPO grievance procedure, this is noted by the TUV Rheinland audit team as an observation and progress of the case will be monitored.</p> <p>Further details on this case is available here: http://www.rspo.org/members/complaints/status-of-complaints/view/26</p> <p>There is also on ongoing land dispute at PT Gersindo Minang Plantation (GMP), West Sumatra under Wilmar, which has been ongoing since year 1997 with the village of Jaorang Rantau. This company has been RSPO certified by another certification body who is monitoring the status of the dispute with the RSPO.</p>
<p>(g) Labour disputes, if any, are being resolved through a mutually agreed process, in</p>	<p>A previously ongoing labour conflict in Tania Selatan regarding employee bonus was temporary resolved, however based on</p>

Partial Certification Requirements	Audit Findings
accordance with RSPO criterion 6.3.	new information received from the Manpower and Transmigration Department, the dispute is still ongoing. The dispute is still being managed according to the company's conflict resolution mechanism with status being monitored during annual surveillance audit by TUV Rheinland
(h) Legal non-compliance, if any, are being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Some of Wilmar's other management units have not complied with certain legal requirements, for example in PT Sarana Titian Permai, PT Kerry Sawit Indonesia, PT Mustika Sembuluh estate under another Wilmar International management unit, there is an issue with the land area stated in the land use right (HGU) certificate. 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.</p> <p>In addition, there were non-compliances raised in complaint regarding wastewater discharged from the mill was found to have exceeded the legal limits for BOD & COD. It is alleged that PT Bumi Pratama Khatulistiwa has polluted the Malaya river by disposing EFB that caused flood every rainy season. The company also does not provide any CSR program to the community of Malaya Village. The process has been discussed into complaint panel.</p> <p>At time of this audit, the company was still making efforts to close these legal non-compliances.</p>

1.12 Progress of associated smallholders or outgrowers towards RSPO compliance

Cooperative of Tompek Tapian Kandis (TTK) has included on the scope of audit since year 2014 and the village cooperative of MSJ, BST cooperative and AWM cooperative has included on the scope of audit too since year 2015 (3rd surveillance audit). Whereas, other smallholder will be include of the scope of audit futher time because some issues has not been finished/agreed between smallholders with company.

1.13 Approximate Tonnages Certified

Based on projection of the volume of FFB production year 2016 from some estates including scope of audit amount of **260,300 mt** such as AMP Plantation estate is 158,500 mt, PT Karya Agung Megah Utama is 10,600.00 mt, PT Primatama Muliajaya is 33,300.00 mt, PT Perkebunan Anak Negeri Pasaman is 23,500.00 mt, cooperative of Tompek Tapian Kandis (TTK) is 7,000.00 mt, cooperative of Bukit Sandiang Tigo (BST) is 3,900.00 mt, cooperative of Agro Wira Masang (AWM) is 17,800.00 mt and village cooperative of Mutiara Sawit Jaya (MSJ) is 5,700.00 mt with extraction rate are 19.50% (OER) and 5.25% (KER). Approximate tonnages certified are as follows :

Crude Palm Oil (CPO) : **50,759.00 tonnes**
Palm Kernel (PK) : **13,666.00 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 TÜV Rheinland Group was established in 1872 with offices located in over 500 locations in 65 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, RSPO (RSPO-ACC-013) and ISPO (LS-P&K-005-ISPO). PT TUV Rheinland Indonesia office is located in Jakarta, Indonesia

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

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

Name	Position	Qualifications / Experience
Aswan Hasibuan	Auditor	<p>Education: Bachelor of Industrial Engineering, University of North Sumatera.</p> <p>Trainings attended: ISO 9000:2000 Series Auditor / Lead Auditor Training - PE International (Jakarta), IEMA Advanced EMS Auditor (IEMA / EARA ISO 14001) Auditor / Lead Auditor Training Course - PE International (Jakarta), OHSAS 18001 Lead Auditor Training Course - PE International (Jakarta).</p> <p>Working experience: Experienced in Quality Control from 1994-2004. Auditor for Quality Management System since 2004 – present. Auditor for Environmental Management System since 2005 – present. Auditor for OHSAS 18001 since 2007 - present. Conducted over 100 Quality Management System audits since 2004, over 50 Environmental Management System audits since 2006 , and over 25 OHSAS audits since 2007</p>
Naik Monang Par-lindungan Lingga	Lead Auditor (under monitoring)	<p>Education : Bachelor of Forestry, Gadjah Mada University.</p> <p>Training attended : ISPO Auditor, Quality Management System (QMS) Auditor/Lead Auditor (ISO 9001:2008) by IRCA, Environmental Management Systems Auditor/Lead Auditor Conversion Training by IRCA (ISO 14001-2004), Lead Auditor RSPO Training, and HCVA Training</p> <p>Working experience : Field Assistant PT Sapta Karya Damai (2008-2013), Auditor in PT Sucofindo (2013-2015), and Auditor in PT TUV Rheinland Indonesia (2015-present)</p>
Panggading Na-inggolan	Auditor	<p>Education: Bachelor of Social, Social Science and Political Institute, Jakarta.</p> <p>Trainings attended: RSPO in house training by Mutu Agung Lestari, ISPO training by ISPO Commission and QHSE Awareness QHSE (management system review dan integrated management system concept ISO 9001, 14001, OHSAS.</p> <p>Working experience: National Commission for Children Protection (Komisi Nasional Perlindungan Anak) – Public Relation and Staff Education program – Common Ground Indonesia, Reporter on “Global Informasi Bermutu”, Producer on Netwave Multimedia, Producer on “Satu Visi Perkasa Produksi”, Project Supervisor on Surya Solusi Informasi and Auditor for ISPO & RSPO.</p>

2.3 Assessment Methodology & Agenda

The surveillance assessment was conducted between **April 11-15, 2016** 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 estates (12 estate) 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.

Surveillance assessment agenda.

Date	Location/ Main sites	Main audit activities
April 11, 2016	PT AMP Plantation meeting room Village cooperative of TTK	Opening meeting Verification of NCR previous audit Onsite and document verification for all previous audit findings Onsite and document verification and following aspects : <ul style="list-style-type: none"> • 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
April 12, 2016	AWM Cooperative & village cooperative of MSJ	Onsite and document verification for all previous audit findings Onsite and document verification and following aspects : <ul style="list-style-type: none"> • 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
April 13, 2016	PT AMP (AMP IV estate), PT	Onsite and document verification for all previous audit findings Onsite and document verification and following aspects :

Date	Location/ Main sites	Main audit activities
	PMJ & PT PANP	<ul style="list-style-type: none"> • 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
April 14, 2016	PT KAMU (Kinali & Bt Biyu estate) & BST cooperative	Onsite and document verification for all previous audit findings Onsite and document verification and following aspects : <ul style="list-style-type: none"> • 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
April 15, 2016	PT AMP Plantation (AMP I-III estate) & AMP mill	Onsite and document verification for all previous audit findings Onsite and document verification and following aspects : <ul style="list-style-type: none"> • 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 • SCCS 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 Generic year 2013, RSPO SCCS November 2014 and RSPO Scheme Smallholder (INA-NI) year 2009 was explained in below :

- **RSPO P&C (nucleas)**

Principle 1: Commitment to transparency

Criteria assessed : CR 1.1; CR 1.2; CR1.3

Criteria not assessed:

Findings:

Companies (AMP, KAMU, PMJ. PANP) still maintain list of stakeholder internal and external. Internal stakeholders consist of workers, management, board of director and shareholders. External stakeholder consist of supplier, distributor, consumer, competitor, community, government, press/media, investor licensing partner etc. All stakeholders has been analyzed and categorized into primary, secondary and marginal based on their urgency and relevancy to company's daily operations. The stakeholder list showed during audit is documented list that published in April 2015 because there is not change during surveillance audit.

During surveillance audit, PANP, AMP and KAMU estates showed that they already provide information to their strategic stakeholder, especially government such as 1st and 2nd environmental report year 2015 to environmental agency at Pasaman District, workers social insurance report year 2015 to labour and transmigrastion agency at Pasaman District, hazardous and toxic waste report year 2015 to environmental agency at Pasaman District, report of P2K3L year 2015 to labour and transmigration agency at Pasaman District, etc.

Companies still maintain their commitment of open communication and transparency. They communicated their commitment to stakeholders by a letter and clearly stated that some of company's documents are publicly available documents. A copy of letter No. 005/KM-EXT/IV/2015, April 25th 2015 showed during surveillance, showed that the commitment has been communicated to stakeholders (list stakeholder that has been accepted the letter attached). Publicly available documents stated in the letter are :

- a. EIA document
- b. Company's Policies
- c. Company's legal aspects
- d. Operations width area
- e. Estates and Mill Procedure
- f. HCV assessment Report
- g. SIA report
- h. CD/CSR Report
- i. General Summary of Certification audit
- j. Identification result of Environment Impact and OSHA Risk Assessment
- k. OSHA and Environment Program
- l. Grievances records and handling
- m. Conflict Resolution Procedure
- n. Records of Stakeholder communication and consultation
- o. Continues Improvement Program
- p. Human right policy

Stakeholders that has been met and interviewed (government, smallholders, head of local community) confirmed that they already accepted this letter, and aware of company's good will regarding transparency.

Budget of management year 2016 on behalf four cooperatives was available by each board of cooperative. Their information are general and administration, mature maintenance, crop & harvesting. Budget of information year 2016 has created by scheme manager and based on interview that board of cooperative or representative of cooperative has understood about budget of management and they has agreed it.

PT AMP, PT PANP, PT KAMU and PT PMJ have code of ethical policy which has signed by top manage-

ment or director. The socialization of employees, management and contractor in AMP estate, PANP estate, and KAMU estate dated on 11 January 2016 (AMP II estate), 15 January 2016 (AMP I estate), 12 January 2016 (AMP III), 14 January 2016 (AMP mill), 23 March 2016 (AMP I estate and contractor), 28 January 2016 (PANP estate) and 16 February 2016 (KAMU estate) but socialization to contractor in AMP POM has not carried out. It condition was raised as non-conformity (**NCR No. RSPO00225**).

Compliance status : Non Compliance

NCR No.RSPO00225 (Indicator 1.3 – Minor)

AMP POM has not carried out socialization of code of ethical to contractor

Principle 2: Compliance with applicable laws and regulations

Criteria assessed : CR 2.1; CR 2.2; CR 2.3

Criteria not assessed: -

Findings :

There was no significant changes in company's performance found during this surveillance audit where new regulation shall be distribute to all related department such as Bina Mitra, HRD, EHS, Estate department, and Mill. PT KAMU has revised list of laws and regulations (law register) of OSH (FRM-EHS-009 rev.04) regarding Ministry of Man Power and Transmigration decree no.PER.08/MEN/III/2010 article 2 paragraph 2 because company has provided PPE using other standard but equivalent with SNI.

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

- PT AMP Plantation, PT PMJ, PT KAMU and PT PANP (Batang Biyu and Kinali) 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). Whereas, land application permit has been processed because interference permit (Hinderordonnantie) has not been issued during surveillance audit. There is difference reference between local government and company where local government refer to Minister of Environmental Agency regulation No.01 year 2010 so that interference permit (Hinderordonnantie) is one of administration requirement. Whereas, company refer to Minister of Environmental Agency decree No.29 year 2003 so that Minister of Environmental Agency regulation No.01 year 2010 not relevant for renewal of land application permit process and interference permit (Hinderordonnantie) not as one of the administration requirements for new or renewal permit. Current condition, Based on head of environmental agency in Agam District letter (No.660.1/636/BPLH/2015 dated on 29 October 2015) has informed that technical requirement has complied but administration requirement still not complied so that land application permit has not been issued.
- Complying to the Ministry of Manpower and Transmigration no 100, 2004 regarding to work agreement of temporary workers
- Employee/man power regulations such as evidence of Jamsostek payment, submitted annual manpower report to the Ministry of Manpower and Transmigration of Agam Regency, minimum wage payment, worker status, minimum age for worker.
- PT PANP & PT AMP Plantation has complying to the Ministry of Manpower and Transmigration decree No.Kep-48/MEN/IV/2004 jo PER-08/MEN/III/2006 in form of registration of contractual bargaining agreement (Perjanjian Kerja Bersama (PKB)) between PT PANP with worker union (PUK SPSI) (Head of Social, Manpower and Transmigration instantiation decree in Pasaman Barat District no. KEP.04/PP-PKB/DSTK-TRAN/2013 dated on 16 July 2013 and have noted by local government with letter no.560/01/SP-SB/DSTK-TRANS/II/2013) and between PT AMP Plantation with worker union (PUK SPSI) (Head of Social, Manpower and Transmigration instantiation decree in Agam District no. 04 Year 2014 dated on 24 December 2014).
- PT KAMU has complied with national regulation according to Ministry of Workforce and Transmigration Decree No. 102/2004 regarding overtime. The company has consistent to implement of incentive for

harvester who work in holiday example based on one of harvester (employee number : KAMU/1002/092) pay slip period of March 2016 has informed nominal for FFBon holiday.

- PT PANP have temporary storage warehouse for hazardous and toxic waste permit from local government (Head of Pasaman Barat District decree no. 188.45/265/BUP-PASBAR/2013 dated on 18 March 2013 and valid until 17 March 2018) so that it has complied with State Minister for the Environment no.18 Tahun 2009. Whereas, renewal of temporary storage location of hazardous and toxic waste permit on behalf PT AMP Plantation has issued on head of Agam district decree no.344 year 2015 and valid for 5 years (position of temporary storage warehouse for hazardous and toxic waste location is 00° 03' 21.8" S; 100° 01' 33.3" E).
- PT AMP has complied with Law No.18 Year 2013 because AMP POM has warrantied that all FFB receipt is legal and not come from forest areas in form of trace back or verification to FFB source or land and warranty letter from supplier.
- etc

Existing condition, some of evidence that the company has not compliance with laws and regulations i.e based on interview and clarified with harvester and field conductor at block 24D and 18D - AMP IV estate and PMJ, has found that harvester only provided once during his employment, after they have to buy in market, it is against Regulation of Labor Minister Number 08/2010.

Those conditions above were raised as non-compliance (**NCR No.RSPO00226**).

In PT AMP Plantation, there is a documented Law Register of Workforce October 1st 2011, has been last reviewed (04) year 2015. Whereas in PT PANP, there are documented law register of workforce (FRM-HRD-055) was issued on October 1st 2011 and has been last reviewed (06) dated on December 26th 2014, law register of OSH (FRM-EHS-027) was issued on October 1st 2011 and has been last reviewed (07) dated on April 13th 2016 and law register of plantation company (FRM-BNM-001) was issued on October 1st 2011 and has been last reviewed (06) dated on December 26th 2014. The documents prepared by human resources staff (law register of workforce), OSH staff (law register of OSH) and legal staff (law register of plantation company); checked by legal officer (law register of plantation company), human resources and affair officer (law register of workforce) and OSH officer (law register of OSH); and has been approved and signed by General Manager (all law registers). This is document consist of Law, Government Regulation, President Decree, Ministry Regulations, Ministry Decree, and Governor Decree.

The company has information on legal requirement, covering Agriculture Industry, Labor, Environment, and Occupational Health and Safety, which are maintained regularly, ratification from international laws which last updated on January 16th, 2016. However Decree of West Sumatera Governor, regarding Minimum wage was not registered in law register, but it is mention in intern Memorandum.

According to SOP identification PRO-BNM-005, Title IDENTIFIKASI and EVALUASI ASPEK HUKUM DAN PERATURAN PERUNDANG-UNDANGAN YANG BERLAKU, as guidance for ensuring compliance, and each department has to evaluate whether they has fulfil compliance.

The SOP states that the identification and evaluation is to be carried out 2 (two) times a year and conducted by the each section, and estate and will be compiled by Legal officer and supported by the Head of Operations / field and other departments within the company organization.

One of the results of law and regulation evaluation in PT AMP Plantation that renewal of interference permit (hinderordonnantie) has been not issued until 4th surveillance audit because non technical problem between company with local government.

Regarding to effort to comply with changes in regulations there was evidence that the company comply to The Governor Sumatera Barat Province's Decision Letter in term of minimum salary in 2016, land application permit, temporary storage warehouse for hazardous and toxic waste permit, etc

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).

The companies showed evidences that they still conducting land monitoring program appropriately. Evidences showed were records of legal boundary (stones) monitoring program.

Boundary stone no.30 to 33 at PT PANP (Batang Biyu) not demarcacy in field because it is on landowned by the community. Inside the Statement Note dated on 6 May 2015 that landowner not agree about installment of boundary stone in his land, he not agree that his land be compensated by company, both parties respect the existence of each of them and if any plan relate of it where base on mutual agreement.

There is no new land dispute case rise since surveillance audit year 2014. There is a case regarding land rise during surveillances but not related to local community customary rights. The case rise was known as “agreement violations” by smallholders regarding the lack of smallholder plantation wide as deal in the agreement. This case has met the resolution; detail of these cases would be presented in P&C 6.4.

Company still conducted monitoring on their land disputes, and maintain all records. Here and example of TTK documents listed in the agreement, consist of :

- a. Statement Letter, April 7th 1993 regarding Tompek and Tapian Kandis customary (right) land hand over to Head of Agam District government.
- b. Decree letter of Ninik Mamak Tompek Tapian Kandis and Monitoring Body, April 05th 2011.
- c. Letter of Tompek Tapian Kandis Cooperative, No. 03/KPS-TTK/V/2011 regarding information of scheme wide area.
- d. Measurement result of AGAM BPN (National Land Body), No. 139-149/2011.
- e. Land and Building Tax Payment records, September 17th 2014.

The Company recognized customary rights and legal rights of land and stated in their procedure, PRO-BNM-009 effective from October 1st, 2011. List of identified occupancies with the owner identities and detail condition about the areas is available, such as a documented Monitoring of Land Occupancies in HCV areas of PMJ and AMP IV Kinali 2015. The same result as last surveillance, land disputes cases regarding PT KAMU found that FPIC procedure has been conducted during the process. According to interview result with affected party, company has gift them freedom to determine the compensation values, and company communicate their affordable value to them.

Compliance status: Non-Compliance.

NCR No. RSPO00226 (indicator 2.1.1 – major)

Some of evidence that the company has not compliance with laws and regulations i.e based on interview and clarified with harvester and field conductor at block 24D and 18D - AMP IV estate and PMJ, has found that harvester only provided once during his employment, after they have to buy in market, it is against Regulation of Labor Minister Number 08/2010.

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 2019 (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 fulfil RSPO requirements.

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 (year 2015 to 2019) and smallholders has 5 years replanting programme period of 2017 to 2021 too.

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 : 182.87 ha, year 2015 : 109.83 ha, year 2016 : 164.85 ha, year 2017 : 131.46 ha and year 2018 : 152.08 ha. The realization of replanting programme year 2014 is 152.42 ha, year 2015 is 115.43 ha and year 2016 (per March) is 14.40 ha.

PT AMP Plantation's replanting programme are year 2014 : 163.16 ha, year 2015 : 575.70 ha, year 2016 : 171.00 ha, year 2017 : 231.27 ha (block 12, 13 & 15), year 2018 : 327.19 ha (block 16-18) and year 2019 : 303.92 ha but in 4th surveillance audit that PT AMP's replanting programme has revised be year 2016 : 451.92 ha, year 2017 : 318.73 ha, year 2018 : 439.92 ha and year 2019 : 303.92 ha. Realization of replanting program in AMP 1 estate per March 2016 amount of 106.59 ha (immature). Year planted 1992 (< 25 year) has replanted in AMP 1 estate because their yield is 18 MT/ha (based on email from top management).

Compliance status: Full Compliance

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

Criteria assessed : CR4.1, CR4.2, CR4.3, CR4.4, CR4.5, CR4.6, CR4.7, CR4.8

Criteria not assessed : -

Findings:

The company has procedures for plantation and mill. The procedures have been covering all main activity such as harvesting, transportation, Manuring, IPM, best practice and supply chain. Based on visits to plantation and mill, the location has provided each the procedures.

The company has a master list of all the existing procedures. The procedures contained in the list of the revision history of each procedure. The company has conducted internal audit year 2015. The company has records of corrective action of non-conformity. From the result of internal audit, there are 31 non-conformities and all of no-conformity has been following up.

The cooperative have a master list of document with the document number FRM-GEN-002 revision 00 on June 1, 2014. In the master list of the documents listed procedure such as :

- Procedure of land clearing (Pro-Est-001)
- Procedure of planting (Pro-Est-002)
- Procedure of maintenance/weeding (Pro-est-003)
- Procedure of harvesting (Pro-Est-004)
- Procedure of pesticide used (Pro-Est-005)
- Procedure of IPM (Pro-Est-006)
- Procedure of soil and leave analysis (Pro-Est-007)
- Procedure of material scaling (SOP-Mill-01, rev. 02, valid since 1 Oct 2013)
- Procedure of sortation (SOP-Mill-02, rev. 06 valid since 3 February 2014)
- Procedure of loading ramp (SOP-Mill-03 rev. 02, valid since 1 October 2013)
- Procedure of sterilizer, (SOP-Mill-04 rev.03 valid since 1 October 2013)
- Procedure of capstand, (SOP-Mill-05 rev. 02, valid since 1 October 2013)
- Procedure of tresher, (SOP-Mill-06, valid since 1 october 2013)
- Procedure of pressing (SOP-Mill-07 rev.03, valid since 1 october 2013)
- Procedure of clarification, (SOP-Mill-008 rev. 04, valid since 15 April 2013)
- Procedure of kernel, (SOP-Mill-09 rev. 02, valid since 1 october 2013)
- Procedure of boiler, (SOP-Mill-10 rev. 03, valid since 1 october 2013)
- Procedure of power house, (SOP-Mill-11 rev. 02 valid since 1 october 2013)
- Procedure of water treatment plant, (SOP-Mill-12 rev. 02, valid since 1 october 2013)
- Procedure of kernel crushing plant, (SOP-Mill-13 rev. 02, valid since 1 october 2013)
- Procedure of Sexual Harassment Complaint Handling Mechanism (PRO-HRD-004 rev.01 dated on 23 April 2015)
- Procedure of worker complaint and grievance mechanism (PRO-HRD-005 rev.1 dated on 23 April 2015)
- Procedure of fertilizing (SOP-EST-001 rev.04 dated on 12 February 2015)
- Procedure of EFB application (SOP-EST-010 rev.01 dated on April 2011)
- Procedure of hazardous waste handling (SOP-EHS-007 rev.01 dated on 23 April 2015)
- Procedure of riparian belt management (SOP-EHS-017 rev.01 dated on 12 February 2015)
- Procedure of wildlife conservation (SOP-EHS-019 rev.01 dated on 30 April 2015)

Internal audit report year 2015 was available (include evidence of corrective action for non compliance) where internal audit by company as mechanism to check consistent implementation of procedures. The records of worksheet in each procedure was available too example using pesticide note, using fertilizer note, etc.

AMP POM has archived record the origins of all third party sourced FFB in form of FFB delivery note, weigh-bridge ticket and receipt of payment. Furthermore, the mill has daily, weekly and monthly production activity report. AMP POM has conducted verify of FFB location from their suppliers.

The company has a procedure of fertilization i.e. Fertilization procedure (SOP-EST-001 revision 04 effective date February 12, 2015) and the EFB application procedure (SOP-EST-010 revision valid 1 dated 00 April 2011). Based on field visit in block 27 AMP-4, the company conducted fertilization of kieserite with a dose of 750 gram/tree. At the time of the observations, fertilization has been conducted in accordance with the procedures starting from the opening of fertilizers until fertilizer application.

The company has records of fertilization from January to December 2015. Based on actual recordings of fertilization, seen that program fertilization activities carried out in accordance with the fertilizer recommendation. Records of fertilizer use per tonne of FFB, with details as follows :

1. Year 2015 in AMP IV

- NPK Super K: total realization until December 2015 as much as 489,800 kg with FFB produced as much as 20,879.730 tons so the fertilizer application per tonne of FFB is 23.45 kg/ton FFB
- Dolomite: total realization until December 2015 as much as 37,300 kg with FFB produced as much as 20,879.730 tons so the fertilizer application per tonne of FFB is 1.78 kg/ton FFB
- Kieserite: total realization until December 2015 as much as 55,200 kg with FFB produced as much as 20,879.730 tons so the fertilizer application per tonne of FFB is 2.64 kg/ton FFB
- Borate: total realization until December 2015 as much as 5,360 kg with FFB produced as much as 20,879.730 tons so the fertilizer application per tonne of FFB is 0.25 kg/ton FFB
- Urea: total realization until December 2015 as much as 133,350 kg with FFB produced as much as 20,879.730 tons so the fertilizer application per tonne of FFB is 6.38 kg/ton FFB
- MOP: total realization until December 2015 as much as 153,000 kg with FFB produced as much as 20,879.730 tons so the fertilizer application per tonne of FFB is 7.32 kg/ton FFB
- Rockphosphat: total realization until December 2015 as much as 11,700 kg with FFB produced as much as 20,879.730 tons so the fertilizer application per tonne of FFB is 0.56 kg/ton FFB
- CuSO4: total realization until December 2015 as much as 4,900 kg with FFB produced as much as 20,879.730 tons so the fertilizer application per tonne of FFB is 0.23 kg/ton FFB

2. Year 2016 in AMP IV

- NPK Super K: total realization until February 2016 as much as 223,650 kg with FFB produced as much as 4,466.070 tons so the fertilizer application per tonne of FFB is 50.07 kg/ton FFB

3. Year 2015 in PMJ

- NPK Super K: total realization until December 2015 as much as 832,510 kg with FFB produced as much as 32,516 tons so the fertilizer application per tonne of FFB is 25.60 kg/ton FFB
- Dolomite: total realization until December 2015 as much as 40,150 kg with FFB produced as much as 32,516 tons so the fertilizer application per tonne of FFB is 0.001 kg/ton FFB
- Kieserite: total realization until December 2015 as much as 59,550 kg with FFB produced as much as 32,516 tons so the fertilizer application per tonne of FFB is 1.83 kg/ton FFB
- Borate: total realization until December 2015 as much as 6,180 kg with FFB produced as much as 32,516 tons so the fertilizer application per tonne of FFB is 0.19 kg/ton FFB
- Urea: total realization until December 2015 as much as 219,850 kg with FFB produced as much as 32,516 tons so the fertilizer application per tonne of FFB is 6.76 kg/ton FFB
- MOP: total realization until December 2015 as much as 260,000 kg with FFB produced as much as 32,516 tons so the fertilizer application per tonne of FFB is 7.99 kg/ton FFB
- Rockphosphat: total realization until December 2015 as much as 204,300 kg with FFB produced as much as 32,516 tons so the fertilizer application per tonne of FFB is 6.28 kg/ton FFB
- CuSO4: total realization until December 2015 as much as 409,510 kg with FFB produced as much as 32,516 tons so the fertilizer application per tonne of FFB is 12.59 kg/ton FFB

4. Year 2016 in PMJ

- NPK Super K: total realization until February 2016 as much as 369,340 kg with FFB produced as much as 7,286.780 tons so the fertilizer application per tonne of FFB is 50.68 kg/ton FFB

The company has soil and leaf analysis procedure with document number Pro-Est-008 revision 00 effective date July 1, 2013. In the procedure stated that the leaf analysis conducted once a year and soil analysis conducted every 5-10 year.

The company (PMJ, AMP-1, AMP-3 and AMP-4) has recording of leaf analysis result that has been conducted in 2015 by EMU Laboratory to get the fertilizer recommendation for year 2016. The results of leaf analysis have described the content of N, P, K, Mg, Ca, B, Cu, Zn.

The company (PMJ) has been analyzing 15 leaf samples and soil sample as much as 8 samples. AMP-4 has analyzed 8 leaf sample and 2 sample of rachis and soil analysis conducted by Soil Program Agriculture Faculty of Andalas Padang University as much as 4 samples. For AMP-1 has been analyzing 17 leaf samples and soil analysis conducted by Param Agricultural Soil Survey year 2008 and AMP-3 has been analyzing 21 leaf samples.

The company has records of EFB application to maintain soil fertility. AMP-4 has records of EFB application realization from January until December 2015 covering an area 12.23 ha with total of EFB as much as 538.10 tons.

The company (AMP-4) has soil map with scale 1:30,000 and PMJ has soil map with scale 1:50,000. Map of semi-detailed soil is the result of a field survey conducted in 2008 by Param Agricultural Soil Survey. The company (AMP-4 and PMJ) also has slope map with scale 1:30,000. Based on the map can be seen that the land is a flat area (<6 °) so that the company does not have a strategy for the management of sloping land.

The company (AMP-4 and PMJ) has planned and actual records of road maintenance program in 2015 and 2016. The road maintenance program has been included in the budget in 2015 and 2016.

The company (AMP-4) and PMJ has records of road maintenance year 2015 and 2016 (till March 2016). Type of work is road pavement of collection road and main road : 150,650 meter and 35,150 meter (on collection road only). Whereas, in PMJ are 22,553 meter (collection road) and 6,905 meter (main road).

The company has Management and Monitoring of Peat Soil for planting (SOP-Est-008 revision 01, effective date October 1, 2013). The company has water level and bund off but should conduct a review of the flow drainage of the peat so that a water management plan can be executed as stated in the RSPO Manual on Best Management Practices (BMPs) which is based on a field visit water level reaches 32 cm (Block 19A AMP-4) and Block 1E AMP-3 reaches a height of 5 cm from the ground. The Company has peat but does not have plans replanting in the near future and therefore has not carried out an assessment of the suitability of land.

PT PANP, PT AMP (including POM), PT PMJ and PT KAMU have water management plan with identified actions such as identification of water sources, efficient use of water, renewability of water source and avoidance of surface and ground water contamination. The plan has implemented by each company such as spraying is no longer permitted at river riparian buffer zones and manuring is to be done by burying of fertilizer (refer to management of riparian procedure), marking as sign prohibits spraying at riparian buffer zones, river and reservoir as water sources, using flow meter as monitoring of water use, service/repair of drain so as not flood, planting of conservation trees on riparian, socialization of efficient use of water etc. Volume of using water for processing year 2015 in AMP POM is 344,335 tonnes and year 2016 (per March 2016) is 81,413 tonnes.

Map of river distribution was available on HCV report and auditee has implemented management of riparian procedure. Riparian areas has maintained by company on existing plantation areas.

AMP POM has treated their effluent in form of effluent pond and implemented land application on plantation areas. The mill still conducts monitoring of mill effluent (BOD parameter) once every month as seen from analysis results from third party laboratory which has accredited. 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. Furthermore, based on land application permit that mill has carried out monitoring volume of discharge effluent to land application areas and their pH everyday and other parameters every month, every three month and every one year.

The company (AMP-1) has program and progress in 2016 about integrated pest management (FRM-EST-036 revision 3 dated January 5, 2015). The IPM program such as census of early warning system (EWS) for each pest which conducted 4 (four) times a year. The company has pest monitoring procedure (SOP-EST-

018 revision 01 effective date October 1, 2013). In the procedure regulated that monitoring conducted every 1 until 4 months.

The Company has conducted a census of pests such as bags worms, fire worms, termites, Ganoderma, horn beetles and rats. The company has been conducting a census in August, November 2015 and February 2016. Based on these recordings there are ganoderma attack in the several blocks above the threshold that is > 5% i.e. block II / 21 (August 2015 (8.97%), November 2015 (9.34%) and February 2016 (11.31%)) and block II / 22 (August 2015 (6.80%), November 2015 (5.22%) and February 2016 (7.86%)).

The company has been controlling by conducting a detail census and application PPC (Projection Plan). For example, the company has made an application PPC in Block I / 09 in October 2015 as much as 100 liters (200 trees) and in December 2015 a total of 140 liters (279 trees). The Company has conducted socialization of IPM on October 10, 2015 with the material presented concerning the identification of pests and diseases, the identification of the characteristics of the affected plants and census on the field.

Justification of all pesticides used coming by recommendation from Government of Agam District as letter number 460/0369/Sosnakertrans/2016 in February 2016 allowing PT AMP to use some pesticide such as: Glystate, Garlon, Starlon, Inteam, Lindomin, Abolisin 865, Glinat, Tiara, Amistra, Dense, Antracol, Raban, Dithane, Furadan, Cymbush 50EC, Agrimec 18 EC, Dursban 200 EC, Pegasus 500 EC, Matador, Tikumin, Regent, Bravo 50EC, Bestox 50 EC, Penalty 50EC.

Recommendation for pesticide use issued by Office of Social, Labor and Transmigration Pasaman Barat Dsitrict number 560/02/DSTK-TRANS/II/2016 dated on February 22nd, 2016 (PT PMJ). They are Glystate, Lindomin, Ken amine, Starlon, Tiara, Abolisi, Dithane, Regent, Decis, Penakty 50 C, Petrokum 0,005 BB, Dwistic 380.

The companies record pesticide used including active ingredients used and their LD-50, area treated, amount of active ingredients applied per ha and number of applications, on document DAFTAR PESTISIDA YANG DIGUNAKAN (FRM-EST-053), each operating unit has their own list/record. Whereas, some of agrochemical at POM are HCl, soda caustic for test of quality CPO and waste and waste and water purifier for boiler. Usage of chemical record and reported in monthly base.

The companies has plan to reduced usage of pesticide trend year 2016 where one of activity is implement of IPM by introduce Tyto Alba (owl). Year 2015, the company has used pesticide for rat such as Tikumin and Ratgone but during year 2016 that there is no usage of both agric. The companies have used pesticides as glisat, inteam, winson, lindomin, agristick, tiara, starlon and bravo. There is no usage of WHO class 1A or 1B or that are listed by the Stockholm or Rotterdam Conventions, and Paraquate.

PT AMP and PT PMJ has trained sprayer operator from both company on April 20th, 2015 by internal EHS officer. Whereas, PT KAMU has carried out spraying technique, usage of PPE, spraying hazardous and mitigation was held on June 2016 for spraying operator and EHS officer and field officer as trainer.

Base on field visit in PT KAMU for pesticide application of Glyphosat for Circle & Path in immature tree, application using dosage 120 cc/15 liter air, applied at block 6 phase-1. All sprayer operators used appropriate PPE as well, they are Helmet + google, masker, Apron, hand-gloves, Boots. all sprayer well trained regarding pesticide hazard, Based on document and field visit (pesticide warehouse and temporary storage warehouse for hazardous and toxic waste in PT AMP, PT PMJ and PT KAMU that all pesticide containers properly disposed of and not used for other purposes.

The company has circle and path spraying procedure (SOP-EST-002) and based on report and verification in field that they are 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 1-2 estate and handling of disposal by AMP 1-2 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, harvester using helmet, and booth, fertilizing workers using masker and gloves, driver using safety booth & helmet, During field visit, found that every operator has completed with PPEs.

PT AMP, PT PANP, PT KAMU and PT PMJ no aerial application for pesticides.

During interview with sprayer in PT KAMU phase-1, it is found that all sprayers has demonstrate that they has knowledge and skill on pesticide handling, sprayer supervisor has carry with him MSDS and he understood.

Waste material of Agrochemical disposed as Hazardous waste, periodically will transfer to Licensed Waste

Storage in POM, after collected in every estate. Based on inspection in employee Housing in phase-1 PT KAMU, PT PMJ/AMP4 workers who lives there understood how to distinguish and to handle waste from housing activity, such as organic and un-organic waste and Hazardous waste, house environment also looks tidy, there is no scattered waste. by discussing with fertilizer applicator, they also understand how to handle.

Medical surveillance for pesticide operators held in 11-12-2016, some of them has exceed parameters, and company already forward to advanced medical check, and company has remove them to non-chemical job.

Based on verification of document and field visit that all women operator are not in pregnancy or baby breast feeding, according to their statement and also countercheck to their medical check in company clinic.

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. The company has health and safety plan year 2015 and 2016 too and it was implemented example safety patrol, use of PPE by employees, safety and health meeting, medical check-up for employees, socialization of OSH & environment to employee, installing or maintenance of sign board in field, checking fire extinguisher condition, checking and completing first aid, etc. The health and safety plan year 2015 has evaluated of their effectiveness.

Risk Assessment has done properly in identifying potential hazard and implementing control measure such as : climbing on top of the vehicle tank or lorry in AMP POM, repairing under part of the vehicle by a hole on the floor in PT PANP, spraying activity, fertilizer activity, loading and unloading FFB to and from truck, etc. The company have mechanism regarding the filling aspect impact guidance (SOP-EHS-010) and risk assessment form (FRM-GEN-017) where it was informed that the current risk control has identified before the risk assessment conducted, the risk categorized as III (score of III) so additional action recommended available, risk control has more specific (type of PPE and engineering control measures), etc.

The companies have provided and distributed PPE to all employees appropriate with risk of their jobs. Based on field visit and interview to one of sprayer worker in AMP 1 estate and PT KAMU that replacing the booth shoes broken with new booth shoes on 8 May 2015 (AMP 1 estate) and 28 May 2015 has carried out / implemented with real by company. Furthermore, AMP 1 estate and PT KAMU has implemented replace plan/program of booth shoes broken with periodically. Whereas, FFB unloading workers in AMP mill has used PPE (helmet, gloves & booth shoes) on audit time but before audit time (yesterday) that auditor has saw some FFB unloading workers not using PPE exit from AMP mill but the result of interview that they are not familiar to using helmet and booth. The company has commitment to socialization or awareness continuously to them because their root cause is culture. Based on accident report on January 2016 that there is accident because inconsistency relate of using PPE on working areas i.e harvester worker in AMP IV estate and PT PMJ not using leather gloves as one of mandatory PPE for harvesting activity near or under to government electric company (PLN)'s electric installation/line/voltage as required in the procedure no.SOP-EST-007. It condition was raised as non-conformity (**NCR no.RSPO00227**).

The companies (PT AMP Plantation, PT PMJ, PT PANP and PT KAMU) have safety and health committee. Safety and health committee in PT PANP (2nd revision) has been appointed by top management (No.001/PANP-PIMP/Int-VI/2014) dated on 10 June 2014 where they has conducted meeting regularly (every 3 month i.e June, September, December 2015 and March 2016) with main topics are health and safety (medical check-up regularly, provide PPE for all type of jobs, safety patrol for consistency using PPE by employees, evaluate of accident report) and minute of meeting has documented. They have submitted OSH report to local government regularly too (every 3 month) include accident report. Any issues raised on OSH committee meeting year 2015 are founded employees not using PPE although employees has receipt PPE from company so that OSH committee suggesting to management is re-socialization and re-awareness about necessity and importance of use PPE and issuing sanctions. Moreover, OSH committee has recommended completing PPE for emergency respond team in form of life vest so that to anticipate drowned in the river and providing special gloves for harvesters to avoid electric shock while working under an electric voltage but year 2016 has not been implemented/realized so that it condition was raised as non-conformity above.

Safety and health committee in PT AMP Plantation & PT PMJ has carried out meeting with main topics are occupation, safety, health and welfare employees. Whereas, main topics of safety and health committee in PT KAMU & PT PANP are occupation, safety and health. In PT PANP, PT AMP Plantation, PT PMJ and PT KAMU have work union (Serikat Pekerja) or bipartite cooperation institute (LKS Bipartite) so that they has meeting regularly with main topic is welfare of employee.

The companies (PT AMP Plantation, PT PMJ, PT KAMU and PT PANP) have accident and emergency procedure (PRO-GEN-014) where based on interview with employees (spraying, harvesting, manual weeding) in PT AMP Plantation (estate), PT PANP Bt Biyu and PT KAMU that they has understood relate of accident and emergency procedure. Employees have participated on first aid training available and they are present in field (estate). It is not changes employees so that that is information same as previous surveillance audit.

The company have list of first aid equipment (boxes and bags) location in estates and mill. The results of checking relate of adequacy of the item in first aid boxes/bags accordance with requirement available too. Based on verification in PT PANP By Biyu office, PT KAMU office that PT PANP Bt Biyu office & PT KAMU have a first aid box with items complete appropriate with requirement. The company has accident record and report (the recapitulation of accident include their LTA and accident investigation report). Information of accident has reviewed periodically by OSH committee and has submitted report to local government. PT PANP By Biyu has carried out fire extinguisher simulation include earthquakes and floods condition dated on April 14, 2016.

Worker in PT AMP Plantation, PT PMJ, PT PANP and PT KAMU has covered by medical care in form of polyclinic and the national health care security (BPJS Kesehatan), whereas employer insurance in form of the national social security (BPJS Ketenagakerjaan) as evidence sampled wage slip period March 2016 on behalf group of workers on spraying section in PT PANP Bt Biyu where there is deduction for employer insurance. Moreover, there is evidence of the national health care security (BPJS Kesehatan) payment period April 2016 for group of workers on spraying section in PT PANP By Biyu and their ID BPJS Kesehatan card.

Nucleus estate (PT AMP Plantation) has developed health and safety guideline for smallholder is 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 have shown safe working practices. Harvester, fertilizer and sprayer have PPE such helm, boots, gloves, masker, a long sleeved shirt. Responsibilities of OSH committee in nucleus estate (PT AMP Plantation – AMP 1-3 estate) include smallholder so meetings regarding OSH issues available where it is covering OSH issues in smallholder. If there are emergency situation or accident so farmers/harvester/sprayer has understood of implementation or handling it.

The Companies (AMP, KAMU, PANP and PMJ) maintain plan and records of trainings that has been conducted. The records presented in a matrix as "Annual Training Plan and Realization 2016". The document shows detail regarding the training subjects, attendances and monthly schedules. Some evidences training record was available.

Compliance status: Non Compliance

NCR No.RSPO00227 (Indicator 4.7.3. major)

Based on accident report on January 2016 that there is accident in harvesting activity near or under to government electric company (PLN)'s electric installation/line/voltage because harvester not using leather gloves as required in the procedure no.SOP-EST-007.

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

Criteria assessed : CR5.1, CR5.2, CR5.3, CR5.4, CR5.5, CR5.6

Criteria not assessed : -

Findings:

PT AMP include POM had Environmental Impact Assessment (DPPL) covering 2.020, 25 ha and mill capacity 80 ton FFB/hour. Management had developed and implemented within a comprehensive plan to mitigate negative effects. Management also had implemented to monitor the effectiveness of the mitigation measures. During this audit activities observed that there is no required changes and last review on December 15th, 2015 with the result is no significant change.

Identification Aspect and Evaluation of Impact (FRM-GEN-017), updated in August 15th, 2015 covering all activities. POM also has document identification aspect and environment impact, covering all activities and areal operational POM, last update as integrated part of EIA document. Identification of aspect, impact and evaluation (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 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. Whereas, PT PANP has conducted activities on environment management & monitoring matrix and results of management and monitoring activities has stated on environment management and monitoring report – semester II year 2015. It has submitted to local government on 14 April 2016.

Company (PT AMP Plantation, PT PMJ, PT KAMU and PT PANP) has conducted assessments and identification of HCV areas in the region the company conducted in 2010 by Aksenta. The assessment is conducted by personnel who have the competence. Based on the documents, the assessment was also conducted consultation with the parties around the estate. In the document there are maps HCV areas that have been identified.

The company has the management plan of HCV year 2016-2018 which in the plan includes monitoring activities HCV areas, riparian restoration, mitigation animal hunting, mitigation of fires. Company conducted periodic monitoring and recorded in the monitoring report which reported every month. In the plan described regarding HCV location, classification, status and comments, actions to be taken, responsible, deadlines and budgets are planned.

The Company has a regular program listed in the matrix of HCV management plan to provide understanding HCV areas to workers. The Company has a procedure protection of flora and fauna. The procedure declared if an employee is proven to do things that are prohibited namely not allowed trading in wildlife protected or unprotected so the employee will be given a sanction in accordance with laws and regulations.

Based on the documents of the HCV, there are HCV areas set aside with the local community in PT KAMU Kinali but the company have not agreement with claimer regarding participating in the management of HCV example in block 5. It condition was raised as non-conformity (**NCR no.RSPO00228**).

PT AMP, PT PANP, PT KAMU and PT PMJ has identified clearly about all sources of waste (include source of pollution) in identification and handling of waste form (FRM-GEN-046) and aspect & impact assessment document.

All chemicals and their containers disposed to collector PT Wastec by Transporter PT Shali Riau Lestari . The newest submission of theis waste on March 21st, 2016 while previous shipment was in October 10th, 2015 as record in hazardous Waste Manifest number 0004983.

At 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 oli, 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) for used oli, 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. Some of the waste can be recycles like paper, plastics, metal/cans and etc. This will help reduce generation of waste. Whereas at PT PANP that all sources of waste were identified clearly in Identification and handling of waste which contained list of wastes such as used oli, used filter, used accu, used filter, pesticide container etc. Palm Oil Mill, Identification and handling of waste for used oli, 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. All agrochemical has used by companies and their containers has collected by third party which have license it (has descripted on indicator 4.6 above). The companies have waste management and disposal plan for benefical and hazardous waste include of domestic waste. It has implemented such as handling container of hazardous and toxic waste, no chemist activity in riparian and collect and disposal domestic waste to landfill.

AMP POM had improving and monitoring efficiency of the use of fossil fuels and to optimize renewable energy, there use fiber and shell to help as fuel boiler machine.

The Company has a policy of without burning, signed by Group Head Plantation, Group CSR Head. In the policy stated that it is not allowed to burn in all of activity in the plantation. Some of the documents show the company does not burning during land clearing is a letter agreement with contractors which were doing activities replanting program.

At PT. PMJ, PT AMP Plantation and PT PANP 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. There are evidence replanting activity year 2013 to March 2015 in AMP 1 estate and PT KAMU that land clearing is done mechanically without burning or not use combustion.

PT AMP Plantation, PT KAMU, PT PMJ & PT PANP has carried out assessment of pollution & emission activities on own estates & mill including gasses emission and particulate. The result of assessment was available where their pollution & emission activities i.e FFB transportation, generator (genset & boiler) operation, oil storage, fertilizer usage, fuel storage, chemical usage for plantation & mill, EFB application as fertilizer, effluent pond and land application and it has updated at January 01, 2016.

Whereas, significant pollutant and GHG emission has identified are land conversion, fertiliser, fossil fuel (using for generator and or boiler, transportation, machinery, field application, pumps, etc, pesticide), peat land, POME, lubricant, chemical used in laboratory as pollution & emission sources. The company has planning to reduce and mitigate GHG emission, e.g. preventive maintenance, reforestation, EFB application for cover crop and maximize of renewable energy. The planning objective and target has been defined, basically the company target is maintain all pollution and emission under government and other requirement target. Some activities to reduce and mitigate GHG emission has implemented example preventive maintenance for truck & machines in POM, EFB application, road maintenance, maximize of renewable energy (using fiber & shell), manage of effluent and land application, restoration riparian.

The company using independent third party to monitor all identified pollution and emission as required by EIA document. The company conduct regular monitoring, following approved document RPL and RKL by government between six monthly and or one year. AMP POM that evidence of monitoring on pollution and emission such as 2 (two) Boilers and 2 (two) genset was available. All parameters of 8 pollutants were compliance with regulation (Permen LH No. 07 year 2007 attachment 1) for genset no 3 & 4. Moreover, the result of analyst of the pollutant parameter were compliance with regulation for WTP on effluent discharge.

The company a monitoring system in place for greenhouse gas (GHG) emissions, which are calculated using the RSPO endorsed Palm GHG tool. As seen from the company's Palm GHG Summary Report dated April 11, 2016 for year of assessment is 2015, as follow :

- Total emissions calculated were 12.63 tCO₂e/t product for both CPO and PK, with no emissions for palm kernel oil (PKO) and palm kernel expeller (PKE).
- Total field emissions was calculated to be 263,822.14 tCO₂e from own crop and 971,028.89 tCO₂e from out growers.
- Total mill emissions were determined to be – 32,003.27 tCO₂e.

Compliance status : Non Compliance

NCR No.RSPO00228 (Indicator 5.2.5. minor)

There are HCV areas set aside with the local community in PT KAMU Kinali but the company have not agreement with claimer regarding participating in the management of HCV example in block 5.

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

Criteria assessed: CR6.1, CR6.2, CR6.3, CR6.4, CR6.5, CR6.6, CR6.7, CR6.8, CR6.9, CR6.10, CR6.11

Criteria not assessed : -

Findings:

The company use existing environmental impact document (AMDAL) approved by the government and an independent social impact assessment (SIA) dated April-May 2010 conducted by an external consultant (AKSENTA). There are two SIA documents due to location of estate divided into two administrative areas i.e. PT AMP 1,2,3 (December 2010 final version of document) and PT KAMU in Agam District while PT AMP 4, PMJ and PT PANP (January 2011) in West Pasaman District. 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 of social impacts has been established for all estates and Mill. There was a detailed action plan which informs about schedule to manage and monitor the impacts has

been established for all estates and mill. Review and evaluation for social impact management program and implementation has conducted with participation of stakeholder. Evidences showed regarding stakeholder involvement/participatory, such as : Minute of Meeting: July 24th 2014, "Socialization and Review of SIA Management Plan 2016, consultation regional development of SIA Management Plan 2016 PT AMP conducted in Tapian Kandis June 04,2015 and at Nagari level on April 8, 2015 at Nagari Salareh Aia. The meeting has attended by stakeholders such as head of Jorong and head of Nagari. There is evidence of participation for establishment Social Impact Management Plan in all companies.

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 SOP also used by PT KAMU, PT PANP and all scheme smallholders. All of documents completed with detail information regarding procedures, flowcharts and officer who responsible in communication process has been communicated to stakeholders.

The company have list of stakeholder with some stakeholders such as Ninik Mamak, Jorong, Financial Institutions / Banks, Officers and members of cooperatives, Independent Farmer Cooperative Oil palm plantations, Puskesmas / Polindes, District Government,contractor, supplier.

Estate manager decree no.13/PIPM-PANP/SK/IV/2015 dated on April 18, 2015 regarding public speaker assignment to Mr. Mulyono.

The company has maintained record of communication where one of evidence or record of action taken in response to input from stakeholders is a symbolic handover oil palm seed amount of 500 pcs through Forestry and Plantation Agency in Agam District to farmer group of Jorong – Sei Jaring dated on December 18, 2015. Input from stakeholder for action taken above is forestry and plantation agency in Agam district letter no.522.3/25/BU-BU-Dishutbun/I/2016 dated on January 22, 2016 regarding aid oil palm seed to poor families.

Company still maintains their procedure that documented as Procedure No. PRO-HRD-005, regarding "Worker Complaint and Grievance Mechanism", issued in October 1st 2015, and has been revised in April 23rd 2015. The revisions were adding a clause regarding protection to complainer or reporter (whistleblower). This revised procedure has communicated to all level workers. Company shows records regarding workers complaint in April 2nd that has used relevant form. The complaint regarding harvesting techniques and requesting for Fresh Fruit Bunch theft cases that influence harvester performance. This complaint has been followed up by labor union.

Company still maintains their procedure that documented as Procedure No. PRO-HRD-007, regarding "Complaint handling and Conflict Resolution", issued in October 1st 2015, and has been revised in April 24th 2015. Revision to this procedure has been conducted 5 times. Last revision on chapter 6.2 regarding protection to whistleblower. This procedure state that every complaint must submit by clear information regarding the complainer such as identity and address. Complaint submission using some channel such as, direct communication (literally and by mail/letter) and or by suggestion box.

During this surveillance, there is no complaint that has recorded from suggestion box that has been placed in front of estate offices. Based on logbook of incoming letters found that there are some letters regarding stakeholder grievances.

It also provides a mechanism for employees to raise complaints, and consulting. If requested, the company guarantees the confidentiality of the identity of the complainant and the revealer of disgrace or events (whistleblower) adjusted to the sensitivity of the issue, the scale of the impact if the issue is published, or the risk of retaliation. PT PANP has received complaint and has action taked example complaint on 12 April 2016 from one of employee regarding the bathroom door has broken and company has repaired on 13 April 2016. Whereas, there is complaint from daily employee in PT AMP dated on 4 August 2015 who experience of sexual harassment by her supervisor. It has submitted to the gender committee too. The follow-up from company is summoning perpetrator but it is not responded so that the company shall re-summon twice time. The perpetrator was not working for 5 days and not respond for summon letter from company so that the company has decided work termination on 14 August 2016.

All of negotiations and compensations process records has documented and keep in determined retention time. As mentioned in the procedure, persons responsible for conflict resolution has conducted their role depend on the level of executions. Records showed that it has been compliance with the procedure, such as BM officer act as the first complaint responder and legal staff act as company representatives in developing and signing Agreement (and addendum). During surveillance audit that some process has conducted by

company and effected parties to meet resolution on year 2015. There are not resolution between the company and effected parties on year 2016.

The company has a list of wages for employees and shown their compliance to keep their commitment regarding minimum wage payment. Based on West Sumatera Governor Decree No. 562-777-2015 on Provincial Minimum Wage in 2016 amounted to Rp. 1,800,725, - / month. Minimum payment of daily rate worker are minimum payment year 2016 equal IDR 72,029 and every daily rate worker, daily based permanent worker and casual worker that it has been accepted above the new minimum wage policy will only accepted daily rate improvement of IDR 5,000. Whereas, basic wage for piece rate and operators, will specifiacally determine by Human Resource and General Administration.

Payment records for low level worker have been checked during surveillance, such as pay-slips of AMP and PANP daily workers. All evidences showed that companies has comply the regulation. The pay-slips that have collected also showed that some of payment has been deducted by company as social health and workforce insurance.

The company also has a Joint Working Agreement periof of year 2014-2016, and approved by the district labor offices. Socialization “Perjanjian Kerja Bersama” of AMP period of 2014-2016 conducted on July 22 and 29, 2015 and through a booklet distributed to each worker at all companies.

Company shows their commitment in providing adequate housing facility, health care, water supply and electricity. Evidences has collected during audit , such as :

- Kindergarten and child care facility of PMJ year 2015
- Asset inventory list of PMJ and AMP year 2015
- Health care service and 10 highest illness data year 2015
- Capital expenditure year 2015-2019 showing company's budget for facility maintenance.

Field visit in emplacement found that all facilities that provided by company still in order conditions.

All estates area (AMP, PMJ, KAMU, PANP and all scheme smallhodlers) are not too far from local economic center (market etc.). Small shop supplying workers everyday needs of consumptions are available in every emplacement. Food is adequately, sufficiently and affordably supplied by these local shops, there is no restriction from the company for worker to build a shop in housing facilities areas. To improve worker access to adequate food supplies, company has planned Workers Cooperation that could accessed by all workers, member or non-member. The main business of this cooperation would be consumptions shop that available in every estate office.

The Company has a rule on the existence of unions based on an internal memorandum no. 26 / WIP-HRD / Int-VIII / 2009 dated August 12, 2009 on revisions concerning conditions of employment, explaining that the company guarantees the freedom of all employees to form and join trade unions or union in accordance with applicable laws and regulations AMP.

There are minute meeting records such as labour union internal meeting dated on10 March 2016 at E&S room - PT AMP. Topic of meeting/discuss is change of organization structure of labour union unit. New organization structure is chairman : Mudahar, secretary : Nanda Evariani, Treasurer: Petermawilis, Coordinator of AMP 1: Amir Hamzah, AMP 2: Akmul Khusairi, AMP 3: Ferries Kurnawan, POM: Anto Sugianto. 31 members present. Whereas, PANP has arcieved about meeting record between labour union unit at PANP and management of PANP as example meeting dated on 9 April 2016 in meeting room with topic/agenda of meeting/discuss is formulation or draft of joint working agreement period of year 2016-2018 with participant amount of 18 employees and management/company representative.

Visits to AMP I, PANP and verification of document second objects there were no workers under the age of 18 years.

The following employee data as evidence of policy implementation in job opportunities. There is no discrimination in employee recruitment as in the following table :

Unit	Sex		Employee Status		Local Origin		Agama	
	Male	Female	Perma- nent Em- ployees	Daily Paid Workers	Local	Non Local	Moslem	Christian
AMP 1	124	380	383	121	337	167	337	167
AMP 2	195	323	436	82	335	183	345	173
AMP 3	189	295	397	87	278	206	205	279
AMP 4	75	67	91	51	99	43	109	33

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AMP POM	186	14	191	9	170	30	198	2
Cooperative of BST	29	5	33	1	20	13	29	4
Cooperative of MSJ	10	10	21	3	6	18	12	12

Whereas, there is evidence regarding no discrimination are decree no.01/SK-PGA/III/2016 on March 13, 2016 regarding promotion be harvester as permanent worker where it has based on the result of medical check up, socialization of anti-discrimination to manuring employees on January 13, 2016.

There are policy dissemination sign board mounting in front of the garden and courtyard housing employees. Gender socialization and healthy lifestyles for employees dated March 2, 2016 was attended by 20 participants where Susanti Elfa as chairman, vice is Narti, secretary is Neli Karmila.

The replacement job during pregnancy and lactation from manuring to maintenance set as decree No. 039 / SK-PGA / VI / 2015. Work activity does not related to hazardous materials during pregnancy and lactation.

Contract No. 07 / SPK / PANP / III / 2016 dated March 3, 2016 between the Estate Manager of PANP with CV Usaha Ayah regarding EFB transport and contract cost of IDR 46,000/ton with period of March 4 - March 31, 2016 where there is evidence payment date 07/04/2016 via Bank Nagari of Lubuk Basung branch. Based on interview that contractors has understood regarding contractual agreement and it is fair.

PT AMP still conducted fairly trade with partners. Sample evidences showed during audit (For PT AMP), records regarding agreement and transactions with smallholder scheme partner, such as Letter from Province Government Office of Plantation, April 15th 2015, regarding FFB Prices Formulation of Agam District, April 2016. This letters shows information regarding official FFB price of each palm oil year crop as buying prices for smallholder scheme partners.

The company had made payments according to the agreed time along with the FFB price set by the plantation agency. Contract No. 51 / SPK / AMP 1 / III / 2016 dated March 8, 2016 between the AMP I Management with CV Usaha Ayah, EFB transport and contract cost of IDR 27,000 / ton volume of 3000 tons, working period February 25- March 31, 2016 payment date of April 4, 2016. Whole contracts are fair, legal and transparant. Contract has been agreed and understandable by both parties.

Some evidences record of contibution to local development from AMP estates are the construction of fence infront of Elementary School (SDN 19) in Anak Aia Kasiang and Anak Aia Jorong dated on August 18, 2016, repair of teacher residence at elementary school no.19 (SDN 19) dated on August 18, 2016, the develop or construction of the ring road limpato village – nagari kinali between along 1,000 meter with heavy of equipment (the application letter regarding it dated on 30 May 2015) and material assistance for the rehabilitation of tapian kandis jorong office dated on 11 September 2015 amount of IDR 7,500,000. Whereas, PT PANP has carried out contribution to local development example funds for construction of TPA Nurul Huda Mosque at Padang Canduah Kinali Nagari dated on 9 April 2015 and Nurul Iman Mosque at Batang Biyu Jorong dated on 28 December 2015. Evidence of cooperative of TTK, MSJ and BST has contribution to local development was available.

There is no migrant/foreign worker in company's operation areas. No trafficked and forced labor as consequences will be found at field because working agreement starting on 14 March to 30 April 2016 for manuring worker (daily paid worker) and working agreement no.02/Pimp/PANP/III/2016 dated on 2 January 2016 for workshop helper (daily paid worker) starting 1 March to 31 April 2016 was available.

Human Rights Policy has been communicated to all employees of PT. PANP and PT AMP. Evidence socialization according to attendance list dated April 14 2016, AMP II dated on March 30, 2016.

Compliance status : Full Compliance

Principle 7: Responsible development of new plantings

Criteria assessed: CR7.1, CR7.2, CR7.3, CR7.4, CR7.5, CR7.6, CR7.7
Criteria not assessed:

Findings:

Based on table 5.a and 6 above that there are replanting activities in PT AMP Plantation and PT KAMU pe-

riod of year 2013 to 2016. Replanting activities has not included new planting category so that there is not explanation on principle 7.

Planted areas after November 2005 in all company areas has covered by environmental document which own by each company.

Company (AMP-4) has a semi detailed soil map with a scale of 1: 30,000 and PMJ has semi-detailed soil maps with a scale of 1: 50,000. Map of semi detailed soil is the result of field survey conducted in 2008 by Param Agricultural Soil Survey. It has informed marginal and fragile soil areas too and all planted areas after November 2005 not planting on marginal and fragile soil areas.

Company (AMP-4 & PMJ) has a slope maps with a scale of 1: 30,000. Based on the map can be seen that the land is a flat area (< 6°) so that the company does not have a strategy for the management of sloping land.

Based on landuse/cover change map with source is landsat 7 ETM imagery on October & November 2005 (scale 1:20,000, 1:18,000, 1:16,000 and 1:12,000) that :

- PT AMP have evidence that year planting 2011 & 2012 (25.39 ha) in AMP 3 estate no replaced primary forest or any area required to maintain or enhance HCV,
- PT PMJ have evidence that year planting 2009 & 2010 (45.97 ha) in PMJ estate no replaced primary forest or any area required to maintain or enhance HCV,
- PT KAMU have evidence that year planting 2006 (29.92 ha) in KAMU estate no replaced primary forest or any area required to maintain or enhance HCV,
- PT PANP have evidence that year planting 2006 & 2007 (11.96 ha) in PANP Kinali estate no replaced primary forest or any area required to maintain or enhance HCV.

Landuse/cover in AMP3 estate based on landsat 7 ETM imagery on November 2009 (scale 1:20,000) are oil palm, bare land, old shrub and young shrub; in PMJ estate based on landsat 7 ETM imagery on November 2009 (scale 1:14,000) are oil palm and bare land; in KAMU estate based on landsat 7 ETM imagery on November 2005 & December 2007 (scale 1: 16,000) are bare land, oil palm and young shrub (November 2005) and oil palm & young shrub (December 2007) so that year planting 2006 is converting from bare land to oil palm; whereas, in PT PANP Kinali estate based on landsat 7 ETN imagery on November 2005 & December 2007 (scale 1:20,000) are bare land, oil palm and young shrub but there is converting from bare land to oil palm.

In indicator 5.2 has explained that HCV assessment has carried out year 2010 by third party where include of stakeholder consultation. All areas above has covered HCV assessment report and landuse/cover change analysis. Record of planting activity was available on SAP records. Planting activities year 2011 & 2012 in AMP 3 estate has referred finding of HCV assessment report but others company not refer because planting activities has done before HCV assessment.

The company have evidence of affected local people was agreed about develop of plantation first time (minute of meeting "committee B", letter of handover traditional right (hak ulayat) from head of traditional communities to government and compensation payment from company to communities). All areas has informed on 4th paragraph above are inside land use right (HGU) on behalf company

The Company has a policy of without burning, signed by Group Head Plantation, Group CSR Head. In the policy stated that it is not allowed to burn in all of activity in the plantation. Some of the documents show the company does not burning during land clearing is a letter agreement with contractors which were doing activities replanting program. Result of field visit no found replanting activities using burning.

Refer to PalmGHG summary report on behalf AMP POM year assessment 2015 that one of emission sources is land conversion amount of 72,904.50 tCO₂e and have crop sequestration amount of - 68,064.58 tCO₂e from own crop. Based on information above and explain on 5th paragraph above that company has identified and estimated but the company have not plan to minimise GHG emission from area after year 2005 because planting activities has done long time ago.

Compliance status : Full compliance.

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

Criteria assessed : CR8.1

Criteria not assessed: -

Findings:

The company have action plan for continual improvement such as schedule of environmental management and monitoring, planting benefical plant, CSR action plan or program, minimize of waste and pollution plan.

CSR program has been impelemted where report and evidences and evaluations were available. Futher-more, the company (PT AMP, PT PANP, PT PMJ and PT KAMU) has carried out internal audit and environmental management and monitoring and their report to government.

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 :

Smallholder Schemes already have and documented policy regarding Communication. In this policy, information divided into two categories, publicly and non-publicly available. Transparent communication has a main objective to make a better understanding of stakeholder regarding smallholder scheme cooperatives performances. Scheme Smallholder has documented a procedure as guidance of policy implementation. This procedure documented as Soc. No. PRO-BNM-005, "Communication, Consultation and Coordination with Stakeholder", issued on June 1st 2014.

Based on document checked, smallholder showed that they have been providing information to relevant stakeholder (environmental, social and legal issues). Evidences showed during audit is Logbook of incoming and out coming letters of TTK, AWM, BST & Village cooperative of MSJ year 2012 – present. This logbook has registered all communication letters with relevant stakeholder. Incoming letter majory are notification, invitation and request of donation.

Some documents was available in TTK, AWM & BST smallholder's office such as :

1. Ulayat/traditional land handover letter from Ninik Mamak of Tapian Kandis to local government,
2. Agreement between PT AMP Plantation and Mangopoh I cooperative,
3. Agreement of partnership between Mangopoh I cooperative and Tompek Tapian Kandis cooperative which was known by PT AMP Plantation,
4. The freehold title (land ownership) of cooperative members,
5. Training materials in IPM and safe use of agrochemical use example training has carried out dated on October 10, 2015 who was participated from each IPM officers (AWM, TTK & MSJ),
6. Plans and impact assessment relating to environmental and social impacts. Moreover, programme of healthy, safety and environmental in nucleus and smallholder,
7. Environmental document and report per semester year 2015 including environmental management and monitoring plan and four cooperative have social impact assement (SIA) report,
8. The pollution prevention plans in form of matrix of environmental management and monitoring,
9. Procedure of receiving complaint and dispute resolution (PRO-BNM-03 rev.01),
10. Negotiation procedure, 11). Procedure of calculating FFB prices from smallholder (SOP-BNM-001 rev.01) and procedure of FFB grading (SOP-Mill-02 rev.06), and
11. FFB production report period of December 2015, regulation of FFB prices year 2015 from local government, record of payment of FFB from smallholder.

Whereas, document of continous improvement plan for four cooperation was not available. This is condition as non-conformity (**NCR No.RSPO00223** (indicator 1.1 (scheme smallholder) – Minor)).

Compliance status: Non Compliances

NCR No. RSPO00223

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 :

Checked on documented policy and procedure regarding transparency, there is no information mentioned the kind of publicly available document. Regarding this commitment to transparency, smallholder schemes has sent a letter to relevant stakeholder that consist of publicly available document consist of :

- a. Environmental Documents (impact and management & monitoring plan)
- b. Cooperative policies
- c. Cooperative legality
- d. The wide of cooperative operation area
- e. Procedures
- f. HCV document and management plan
- g. Social Impact assessment and Management Plan
- h. Procedure of complaint/grievance and mechanism
- i. Procedure of information service

The four cooperatives have budget year 2016 such as main expenditure category – general and administration for scheme smallholder (general and administration, mature maintenance, crop & harvesting). Scheme manager has shared and explained their budget to cooperatives. Complaint and grievance procedures and land acquisition procedure has explained and submitted to cooperatives. During audit, no land acquisition process in smallholder areas. Between cooperative and company have contract regarding developing plantation.

Compliance status : Full Compliance

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 :

During audit, some evidences of compliance with relevant laws and regulations requirement where one of them are :

1. Village cooperative (koperasi perkebunan kelapa sawit) of Tompek Tapian Kandis (TTK) has deed of establishment (akte pendirian koperasi) dated on June 11, 1998 and has legalized by government officials (decree letter no. 04/BH/KDK.3.1/IX/1998 dated on September 10, 1998). Amendment certificate of establishment no.124/BH/PAD/DKPP/PI/V/2004 dated on May 17, 2004. Revision of deed of establishment has legalized by government officials decree letter no.124/BH/PAD/DKPP/PI/V/2004 dated on May 17, 2014). This is compliance with law no.17 year 2012.
2. Village cooperative of MSJ has deed of establishment (akte pendirian koperasi) and has legalized by government officials (decree letter no. 42/BH/KWK.3/IV/1997 dated on April 30, 1997). Location of village cooperative of MSJ in Taratak Nan Tigo Tiku village, Tanjung Mutiara Sub District, Agam District, West Sumatera Province. This is compliance with law no.17 year 2012.
3. BST cooperative has deed of establishment (akte pendirian koperasi) and has legalized by government officials (decree letter no. 70/BBH/KDK 3.1/XII/1999 dated on December 27, 1999). This is compliance with law no.17 year 2012.
4. Decree letter from Head of Agam District **no.597/1994** dated on November 28, 1994 regarding list of TTK cooperative member amount of **245 person**. Whereas, current condition of total member are **256 persons** because there are the rest of areas amount of 22 ha.
5. 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).
6. 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.

7. BST cooperative has carried out annual member meeting for year 2014 dated on February 17, 2015. It is compliance with law no.17 year 2012 article 36.
8. Village cooperative of TTK and BST cooperative has environmental management document (*Dokumen Pengelolaan Lingkungan Hidup*) and environmental permit. This is compliance with Ministry of Environmental decree no.14 year 2010 and Government Regulation no.27 year 2012.
9. Cooperative of MSJ, AWM, TTK and BST has carried out annual member meeting for year 2016 (evaluation of performance year 2015). It is compliance with law no.17 year 2012 article 36.

Compliance status : Full-Compliance

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

Findings :

Some of informations regarding the right to use land from 4th smallholders are :

- Village cooperative of Tompek Tapian Kandis (TTK) : Legal ownership of the land from all members (**256 members**) in village cooperative of Tompek Tapian Kandis (TTK) is freehold title (Sertifikat Hak Milik) with total areas is **511.78 Ha**. The cooperative has kept all freehold title (SHM) own members. First of all, status of legal land is customary right land so head of traditional community hand over to Head of Pasaman District on 9 April 1993 amount of 1,500 Ha with evidence of land hand over letter on behalf Kinali customary right in Tapian Kandis village, Palembayan Sub District, Agam District. The cooperative have a map where it was informed the distribution of the location of estate every member, number plot, name of groups, river, road, and land ownership in around the cooperative estate.
- Village cooperative of Mutiara Sawit Jaya (MSJ) - Limpato : Legal ownership of the land from all members (**110 members**) in village cooperative of Mutiara Sawit Jaya (MSJ) is freehold title (Sertifikat Hak Milik) with total areas is **223.53 Ha**. The cooperative has kept and showed all freehold title (SHM) own members. Whereas, village cooperative of MSJ-Kinali : legal ownership of the land from all members (**150 members**) is freehold title (Sertifikat Hak Milik) with total areas is **353.50 Ha**. First of all, status of legal land is customary right land so head of traditional community hand over to Head of Agam District on 9 April 1993 amount of 2,000 Ha with evidence of land hand over letter on behalf Kinali customary right in VI Koto Selatan Village, Pasaman Sub District, Pasaman District.
- Bukit Sandiang Tigo (BST) cooperative : during audit, legal ownership has not been issued because there is a lawsuit from "Ninik Mamak Bawan" for request of the issuance of certificate of freehold title process amount of 41 units/sets on behalf some personils in appendix of Head of Agam decree No.655 year 2002. Land National Agency in Agam District has carried out mediation between both parties with the results of mediation are owner smallholder areas is Ninik Mamak Bawan and 41 personils (cooperative member from BST cooperative) was not proposed by Ninik Mamak Bawan but instead by one of ninik mamak bawan only (previous head of smallholder/cooperative). Whereas, total of Ninik Mamak Bawan are 7 (seven) Ninik Mamak. The results of mediation were stated on Mediation Statement no.BAM/02/I/2011/PPSKP dated on 13 January 2011. Info on letter dated on 13 April 2010 from Ninik Mamak Bawan to Head of Agam District that Ninik Mamak Bawan will not approved/authorized Bawan smallholder areas amount of **226 Ha** to be certificate of freehold title (SHM) on behalf person per person because it is one unity. Total of cooperative member is 41 members but it was controlled by **113 person-nels** (41 personnels from cooperative and 72 personnels from Ninik Mamak Bawan). Penghulu Tujuh Suku, Basa Nan Barampek and Ninik Mamak se-Bawan hand over customary right land to Head of Agam District on 25 August 1991 in Bawan village, Lubuk Basung Sub District, Agam District. During 4th surveillance audit that no evidence sufficient regarding legal ownership (SHM) process. It condition was raised as non-conformity (**NCR No.RSPO00224** (indicator 2.2 (scheme smallholder) - Major)).
- Agro Wira Masang (AWM) cooperative can not shown legal ownership of the land from all members (**255 members**) with total areas is **511.18 Ha**. First of all, status of legal land is customary right land so head of traditional community hand over to Head of Agam District on 9 April 1993 amount of 2,000 Ha with evidence of land hand over letter on behalf Kinali customary right in VI Koto Selatan Village, Pasaman Sub District, Pasaman District. It condition was raised as non-conformity (**NCR No.RSPO00224** (indicator 2.2 (scheme smallholder) - Major))

Smallholder scheme manager always conduct routine meeting with Ninik Mamak as member representatives

at least twice in a year. There were evidence showed that scheme manager has conducted coordination meeting with smallholder representatives such as meeting documents and invitation letter. In this meeting all of problem discussed among managers and members. Based on interview result with scheme manager, there were no land disputes issue regarding AWM, MSJ and TTK land rights but at BST cooperative available. Land dispute between Ninik Mamak Bawan with BST cooperative has mediation by National Land Agency in Agam District on 13 January 2011 (minute of meeting of mediation no.BAM-02/I/2011/PPSKP). The current condition, both parties mutual waiting about the completion process and the results of selling FFB has shared to both parties from nucleus company. The record of resolution was available in BST cooperative office.

Compliance status : Non-Compliance

NCR no.RSPO00224

Criteria 2.3 : Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent

Findings :

Based on working agreement document June 14th 2014, between scheme smallholder with PT AMP, smallholder scheme right to use the land has been demonstrated and stated in this agreement. Here and example of TTK documents listed in the agreement, consist of :

- a. Statement Letter, April 7th 1993 regarding Tompek and Tapian Kandis customary (right) land hand over to Head of Agam District government.
- b. Decree letter of Ninik Mamak Tompek Tapian Kandis and Monitoring Body, April 05th 2011.
- c. Letter of Tompek Tapian Kandis Cooperative, No. 03/KPS-TTK/V/2011 regarding information of scheme wide area.
- d. Measurement result of AGAM BPN (National Land Body), No. 139-149/2011.
- e. Land and Building Tax Payment records, September 17th 2014.

Scheme manager has shown some evidences that smallholder areas do not diminish legal or customary right in form of the head of traditional community hand over to Head of Pasaman District on 9 April 1993 amount of 1,500 Ha with evidence of land hand over letter on behalf Kinali customary right in Tapian Kandis village, Palembang Sub District, Agam District and head of traditional community hand over to Head of Agam District on 9 April 1993 amount of 2,000 Ha with evidence of land hand over letter on behalf Kinali customary right in VI Koto Selatan Village, Pasaman Sub District, Pasaman District.

There are not disputes between 4th cooperatives with others or outside parties but there is internal dispute in BST cooperative. The resolution of internal dispute in BST cooperative in-process.

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 village cooperative of TTK have operational projection period of 2014 to 2016, BST cooperative, village cooperative of MSJ (Limpato & Kinali) and AWM cooperative have projection period of 2015-2020. Information in document it 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.

The smallholders have 5 year replanting programme (year 2017-2021) i.e cooperative of TTK are year 2017 : 69.76 ha, year 2018 : 50.00 ha, year 2019 : 55.96 ha, year 2020 : 59.08 ha and year 2021 : 80.00 ha; cooperative of MSJ are year 2021 : 75.64 ha; cooperative of BST are year 2019 : 50.00 ha, year 2020 : 72.03 ha

and year 2021 : 22.87 ha; and cooperative of AWM are year 2019 : 90.39 ha, year 2020 : 157.62 ha and year 2021 : 193.16 ha.

During 4th surveillance audit, there is not change document.

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) and monitoring of pest attacks procedure (SOP-EST-014). The cooperative of Tompek Tapian Kandis has Fertilizer procedure (SOP-Est-001, revision 00 dated June 1, 2014). This procedure aims to provide nutrients for the plants to produce optimally.

The cooperative of Tompek Tapian Kandis, Mutiara Sawit Jaya and Bukit Sandiang Tigo has a procedure for calibration of agrochemical spray tool with document number SOP-EST-012 revision 00 dated June 1, 2014. In the procedure regulated about calibration of spray tool conducted once a year. The cooperative has conducted calibration on 22 April 2015 equipped with minutes of knapsack calibration. The results of calibration (FRM-EST-061 revision 03 effective date January 5, 2015) showed that all of the knapsack (4 pieces) for Tompek Tapian Kandis cooperative and Mutiara Sawit Jaya cooperative and 3 (three) for Bukit Sandiang Tigo cooperative in a good condition for use.

Evidence of implemented procedures in village cooperative of TTK, MSJ, AWM & BST cooperative are available such as working programme year 2016, leaf analysis year 2015, manuring/maintenance (circle spraying, fertilizing, path spraying, etc) year 2015 & 2016, crop & harvesting statement year 2015 & per March 2016, etc.

Compliance status : Full compliance

Criteria 4.2 : Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield

Findings :

The cooperative of Tompek Tapian Kandis has Fertilizer procedure (SOP-Est-001, revision 00 dated June 1, 2014). This procedure aims to provide nutrients for the plants to produce optimally.

The cooperative (Tompek Tapian Kandis, Mutiara Sawit Jaya, Agro Wira Masang and Bukit Sandiang Tigo) has conducted sampling of leaf sampling in April 2015 to get fertilizer recommendation for year 2016. The cooperative has records of fertilizer realization that has been conducted.

The cooperative (Mutiara Sawit Jaya) has productivity data for last 3 year namely:

- Year 2015 as much as 5,302,307 kg with total planted area 218.25 ha (24.29 ton/ha/year)
- Year 2014 as much as 5,437,749 kg with total planted area 218.25 ha (24.91 ton/ha/year)

The cooperative (Bukit Sandiang tigo) has productivity data for last 3 year namely:

- Year 2015 as much as 3,318,172 kg with total planted area 218.53 ha (15.18 ton/ha/year)
- Year 2014 as much as 3,796,806 kg with total planted area 218.53 ha (17.37 ton/ha/year)
- Year 2013 as much as 4,136,456 kg with total planted area 218.53 ha (18.92 ton/ha/year)

Compliance status : Full-compliance

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

Findings :

Based on countur and slope map that village cooperative of TTK areas are 0° - 6° (slope class) and flat to undulating (<25% and 25-50%) and there are 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. The cooperative has soil map or result of soil analys and in the field, the drainage system available because low land.

Village cooperative of MSJ, and BST cooperative areas are flat so that no practice minimise & control erosion in field. AWM, MSJ limpato & MSJ Kinali areas near with a river where auditor was found erosion in MSJ-Limpato but cooperative has handling condition it with develop of gabion basket (civil engineering).

The cooperative (Tompek tapian Kandis, Mutiara Sawit Jaya and Bukit Sandiang Tigo) has a map of soil type with a scale 1:50,000. Based on the slope map, it can be seen that the area of cooperative is flat area.

Compliance status : Full-compliance

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

Findings :

All cooperatives has conducted socialization of RSPO, procedure, OSH, gender and HCV to workers and farmers with topic of RSPO standard, legal compliance, man power, first aid procedure, IPM, soil and water conservation, OSH, environmental, HCV, operasional 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, develop of gabion basket, not allow carry out spraying and fertilizing in riparian, installation of sign board as marking of chemical activity with yellow colour.

Scheme manager has shown some evidences regarding maintain the quality of surface from contaminated by agrochemical and campaign of minimize using water in emplasment. Result of field visit that cooperative of AWM has developed levee or mound of soil as correction action of flood.

All cooperatives has conducted socialization last year about socialization of RSPO, procedure, OSH, gender and HCV to workers and farmers 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 contour etc. Evidence of efforts to prevent erosion and maintain natural water resources are preparing midrib parallel to the contour, terracing with bad condition, develop of gabion basket, not allow carry out spraying and fertilizing in riparian, installation of sign board as marking of chemical activity with yellow color.

All cooperatives have list of agrochemical was used and their volume year 2015 and year 2016 (per March). Whereas, volume of fertilizer was implemented in the cooperative has explained criteria above (criteria 4.2).

Compliance status : Full-compliance

Criteria 4.5 : Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques

Findings :

Cooperatives have procedures for the integrated pest management (Pro-EST-006 revision 00 effective date of June 1, 2014) and monitoring of pest attacks procedures (SOP-EST-014 revision 00 effective date June 1,

2014).

Cooperative of Tompek Tapani Kandis has conducted a census of early warning system namely in October 2015 and January 2016. Based on the results of the census EWS reports that have been done, there was information that the pest attack is below the threshold so that it is not to control. Cooperative had socialized integrated pest management to employees conducted on October 10, 2015. The material presented in this socialization such as the kinds of pests, identification of the characteristics of plant that has been attack of pests and diseases and the theory and practice of census field. The evidence of socialization such as the documentation of the activities and the attendance list regarding socialization.

Cooperative of Mutiara Sawit Jaya has conducted a census of early warning system in March 2016. Based on the results of the census EWS reports that have been done, there was information that there are Ganoderma pest attack above the threshold (5%) so that should be controlled by means of landfill infected plants, sanitation and cleaning stem. We recommend control effort that has been planned immediately implemented so that the spread rate can be reduced and does not spread to other subject.

Cooperatives have socialization integrated pest management plan in 2016. The plan socialization conducted in October 2016. The cooperative has socialized integrated pest management to employees conducted on October 10, 2015. The material presented in this socialization such as about the types of pests, identification characteristics of the affected plant of pests and diseases and the theory and practice of census field. The socialization of evidence in the form of documentation of the activities and attendance the socialization of list of participant.

Cooperative of Bukit Sandiang Tigo has conducted a census of early warning system in June 2016. Based on the results of the census EWS reports that have been done, there was information that there are Ganoderma pest attack above the threshold (5%) in June 2015 in block 3 (5, 21%), September 5% and December 5%. The cooperative has conduct detail census and based on the result of detail census, the Ganoderma attack is below the threshold.

Cooperatives of Bukit Sandiang Tigo and Agro Wira Masang (Kinali) have socialization integrated pest management plan in 2016. Cooperative has socialized integrated pest management to employees conducted on 13 April 2016. The material presented in this socialization such as about the types of pests, identification characteristics of the affected plant of pests and diseases and the theory and practice of census field. The socialization of evidence in the form of documentation of the activities and the attendance list of participant socialization. All cooperatives have dedicate person as pest & disease staff.

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 :

The list of agrochemical was used available and volume of agrochemical was implemented year 2015 & 2016 (per March) in areas has available. 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 Conventions. No evidence using agrochemical for handling pest & disease.

Based on reports and verification in field that they are 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 1-2 estate and handling of disposal by AMP 1-2 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, harvester using helmet, and booth, fertilizing workers using masker and gloves, driver using booth & helmet. Records of hand over of PPE to sprayer were available (dated on 25 November 2013, 21 December 2013, 9 December 2013, 7 February 2014 and 20 May 2014). Based on interview with EHS officer and accident report that there are not toxicity cases. Training on the use of limited pesticides for sprayer has carried out dated on 23 April 2015 (village cooperative of TTK), 13 April 2015 (Village cooperative of MSJ) and 23 April 2015 (BST cooperative). Record of it training available such as attendent list, and photograph. The smallholders has list of the type of pesticide and volume of pesticides has implemented where it was receipt from PT AMP Planta-

tion.

During 4th surveillance audit, 4th cooperatives do not new training or socialization regarding the use of limited pesticides for sprayer.

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 is 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 not accident in year 2015 & 2016 (till March). Harvester, fertilizer and sprayer have PPE such helm, boots, gloves, masker, a long sleeved shirt. Responsibilities of OSH committee in nucleus estate (PT AMP Plantation – AMP 1-3 estate) include smallholder so meetings regarding OSH issues available where it is covering OSH issues in smallholder. If there are emergency situation or accident so farmers/harvester/sprayer has understood of implementation or handling it.

Compliance status : Full-compliance

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

Findings :

All training programs are proposed and planned by the company related to the nucleus during plasma plantation management activities approved by Tompek Tapian Kandis (TTK) Cooperative, Bukit Sandiang Tigo (BST) Cooperative, Agro Wira Masang (AWS) Cooperative and village cooperative Mutiara Sawit Jaya (MSJ) because daily operations performed by an employee plasma / KUD is not as owner / farmer land but as a daily workers.

Annual training plan needs to be given to the smallholder year 2016 (FRM-HRD-018) was available. This training is intended for employees of 4th cooperatives everyday work on smallholder areas. The need for training is organized by HRD of PT AMP as a nucleus.

Some training has conducted year 2015 such as mechanical harvesting, fertilization techniques, spraying techniques, fire emergency response, OSH and Environment, and first aid. Training records was available.

Compliance status : Full-compliance

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 :

All cooperatives has a commitment to maintain sustainable environment and has documented to a policy named as Environment Policy. This policy consist of commitment such as:

- a. Compliance all environmental regulations according to related national and local law.
- b. Applying zero burning activity at all smallholder operation area.
- c. Preventing soil, air and water pollutions and decreasing wastes.
- d. Preventing land erosion and destruction by applying best practices principles.

TTK scheme has conducted environment impact assessment and has published environment document known as Environmental management document/report (*Dokumen Pengelolaan Lingkungan Hidup*). This document has been reviewed by Agam District office of environmental Body, based on meeting note in July 16th 2014, in Meeting Room of AGAM BLH Office. Recommendation to improvement has issued as recorded, such as:

- a. To clearly stated regarding plantation permit (legality).
- b. Explanation regarding peat land in area
- c. List of references must complete
- d. Maps must completed
- e. Activities regarding worker housing facility
- f. Points location/ coordinate regarding water samples
- g. There was indication found that water has been polluted caused by fertilizer application, schemes must implement the procedure regarding fertilizing and chemist applications.
- h. Harvesting risk must identified and add to the documents
- i. To complete information regarding planted area locations, soil, boundary, the wide to water catchment area, and detail infrastructures and facilities that has been developed.
- j. To add hazardous waste management that come from fertilizing, spraying and vehicle maintenance.
- k. Impact to water quality decrease.
- l. Effort to manage erupted soil.

This document has been socialized to relevant stakeholder as stated by a meeting record on July 24th 2014, regarding socialization of SIA Management Plan, Environmental Management Plan and Environmental Monitoring Plan (RKL and RPL), The meeting has attended by 23 peoples, from cooperative member, *ninik mamak* and PT AMP management officer. Environmental management document/report (*Dokumen Pengelolaan Lingkungan Hidup*) on behalf TTK cooperative has approved by local government dated on 21 October 2014 (Head of Environmental Agency decess in Agam District No.41 Year 2014) covering **511.18 ha** and environmental permit was available too (Head of Agam District decree no.437 year 2014 dated on 27 October 2014).

Environmental management document/report (*Dokumen Pengelolaan Lingkungan Hidup*) on behalf BST cooperative was available covering **226 Ha** and it has approved by local government dated on 21 October 2014 (Head of Environmental Agency decree in Agam District no.43 year 2014) and environmental permit was available too (Head of Agam District decree no.438 year 2014 dated on 27 October 2014). Environmental management document/report (*Dokumen Pengelolaan Lingkungan Hidup*) on behalf AWM cooperative & Village cooperative of MSJ has not been finished or in-process. During audit, site plan recommendation from regional development planning in Pasaman Barat has not been issued because there are some documents not complete so that Environmental agency in Pasaman Barat District has not beed carried out meeting or discuss about draft of environmental management document/report on behalf both cooperatives

Environmental management document/report (*Dokumen Pengelolaan Lingkungan Hidup*) on behalf village cooperative of TTK, BST cooperative and Village cooperative of MSJ has involved smallholders participation in form of minute of meeting about discuss of environmental management document/report between cooperative of TTK management, Head of Palembayan Sub District and Environmental Agency in Agam District dated on July 16, 2014 at meeting room of Environmental Agency office in Agam District and between cooperative of BST management, Head of Ampek Nagari Sub District and Environmental Agency office dated on 16 July 2014 at minute of meeting of Environemtal Agency office in Agam District.

Environmental permit on behalf village cooperative of TTK and BST cooperative was issued on 27 October 2014. The TTK and BST cooperative has managed & monitored of environmental plan year 2015 which it has reported to Environmental agency in Pasaman Barat District.

Compliance status : Full Compliance

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 :

The list of RTE species found in the smallholder areas (TTK cooperative) was available where it has included in HCV report on behalf PT AMP Plantation. Officers HCV able to mention a few names of wildlife that makes RTE (based on his own knowledge) like a hawk, monkeys (*Macaca facicularis*), and crocodile fish (*Tomistoma schlegelii*). Some of smallholder employees are able to mention some kind of protected wildlife

such as monkeys (*Macaca fascicularis*), and crocodile fish (*Tomistoma schlegelii*). Cooperative of Tompek Tapian Kandis has the HCV identification report in 2010. HCV report was prepared in 2010 by Aksenta. In the report has included regional cooperatives. Whereas, Cooperative Tompek Tapian Kandis, Mutiara Sawit Jaya and Bukit Sandiang Tigo has a matrix of HCV management program in 2016. The cooperative has conducted HCV monitoring in the area of plasma as outlined in HCV monitoring report. In the report there is a list of flora and fauna contained in the plasma area.

The entire management of smallholdings (village cooperative of MSJ & BST cooperative) is done by the staff / employees of cooperative specific daily worker in the smallholder areas. Daily worker in the smallholder areas can mention some kind of protected animals found in smallholder areas such as macaque (*Macaca nemestrina*), Cengko (*Trachypithecus cristatus*), snake swah (*Python reticulatus*), cobra (*Naja sumatrana*). There is evidence of farmers land owners smallholder (chairman of BST cooperative) can mention kinds of animals and plants at his areas.

There are officers appointed by the management unit that served as an officer HCV in TTK cooperative areas (based on the letter designation No. 001/KPS-TT/Int-VII/2014), in village cooperative of Mutiara Sawit Jaya (MSJ) areas (letter No. 001/KUD-MSJ/Int-III/2015) and in Bukit Sandiang Tigo cooperative (BST) areas (letter No 01/KUD-BST-BWN/Int-III/2015). In village cooperative of TTK, village cooperative of MSJ and BST cooperative at recognized by officers already received training. Mean of training is just get the information HCV from socialization activities conducted by EHS officer of nucleus in March and April 2015.

Cooperative Tompek Tapian Kandis, Mutiara Sawit Jaya and Bukit Sandiang Tigo has a matrix of HCV management program in 2016. The cooperative has conducted HCV monitoring in the area of plasma (scheme smallholder) as outlined in HCV monitoring report. In the report there is a list of flora and fauna contained in the plasma (scheme smallholder) area.

The results of HCV identification stored in village cooperative of TTK, village cooperative of MSJ and BST cooperative offices and the results of HCV identification were known by farmers/HCV officer.

Compliance status : Full-compliance

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

Findings :

Cooperative of AWM & TTK have a plan for the management and disposal of waste from smallholdings include the safe disposal of pesticide containers are available, SM has identify Emission & Pollution source, disposal plan following SOP-GEN-004 (title PENANGANAN LIMBAH PLASTIK) and SOP-GEN-003 (title PENGELOLAAN SAMPAH DOMESTIK), surplus chemical container handling as Hazardous waste, collecting and stored in Temporary hazardous waste in nucleus.

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. Road maintenance and FFB transport route was implemented in field. Figure of fuel consumption between year 2014 and year 2015 is stabilize.

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 :

Cooperative Mutiara Sawit Jaya, Tompek Tapian Kandis and Bukit Sandiang Tigo have a policy about the environment. In point 3 declared implement zero burning (without burn) in all development activities in estates and waste disposal except under special condition as set out in the ASEAN guidelines for zero burning activities. All preparation and maintenance land was not done by the farmer but performed by the management unit nucleus. Cooperative of TTK, MSJ, AWM and BST areas no re-planting activities during audit.

The cooperative has a list of fire-fighting equipment of land, such as water pump (1 piece), hose and nozzles (2 pieces), knapack sparayer (2 pieces), shovel (2 pieces), tank fire (1 unit), excavators (1 unit), grader (1 unit), a bucket (1 piece), fire beater (1 piece), APAR (55 pieces), clothes fireman (2 pieces).

Cooperative of TTK, MSJ, AWM and BST cooperative employees has knowed emergency procedure for forest fire and zero burning techniques in land preparation / re-planting activities. The smallholder officers from village cooperative of TTK, BST, village cooperative of MSJ, and AWM (Agro Wira Masang) cooperative has participated in fire emergency response training.

Location of all smallholders near with nucleus areas so that fire control equipment has provided by nucleus of company.

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, fertilizing activities and spraying activities and emission reduction plan in form of use of vehicle which their production year near with this year, fertilizing appropriate with doses where their bowl has appropriated with type of fertilizer which applied in field, calibration of nozzle regulary, no spraying in riparian areas, etc.

Compliance status : Full-compliance

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 :

Smallholder schemes has conducted social impact assessment and issued Social Management Plan in July 2014. This document scope has cover 4 smallholder schemes, village cooperative of TTK, BST, village cooperative of MSJ and AWM. This document has signed by all of 4 heads of each cooperative. Social impacts that has been identified such as:

- a. Workforce and Human resources
- b. Educations
- c. Natural Resources,
- d. Financial
- e. Social and religious community habitat
- f. Social communication and contribution
- g. Physical infrastructures and facilities
- h. Population change by migration

It has also identified smallholder impacts to PT AWM and internal smallholder members.

The matrix of Social Impact management Plan has been developed and consist of information such as: ob-

jective, indicators, baseline, target, activity, monitoring, budget, and PIC. The objectives that has been determined are:

- a. Strengthening and improvement on working relations between Company and Cooperatives.
- b. Stakeholder communication especially with Ninik Mamak, Anak Kemenakan and all community surround plant.
- c. Improvement of smallholder member/farmer quality and capacity
- d. Cooperative institutional strengthening
- e. Socialization of harvesting best practices, such as ripe FFB criteria
- f. Improvement of communication between schemes managers with the members.
- g. Development of Demplot of plantation restructuring

Based on minute of meeting dated on June 04, 2015 (cooperative level) and April 8, 2015 (Nagari level) that group manager & cooperatives has conducted socialization of SIA, review of Social impact management plan year 2016 and consultation of regional development in order of SIA Management Plan year 2016. The location of meeting is Tapian Kandis (cooperative level) and Nagari Salareh Aia (Nagari level). The meeting has attended by stakeholders such as head of Jorong and head of Nagari. Review of social impact management plan year has conducted by participatory from stakeholders.

Compliance status : Full-Compliances

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 :

Smallholder Schemes already have and documented a policy regarding Communication and has documented a procedure as guidance of policy implementation. This procedure documented as SOP. No. PRO-BNM-005, "Communication, Consultation and Coordination with Stakeholder", issued on June 1st 2014. Moreover, procedure of relate of communication and consultation with community is PRO-BNM-006, PRO-BNM-007 and PRO-BNM-008 including flow chart of information services. All documents have been communicated to local community representative including the customary leader, head of sub district and head of cooperative. Procedure, flowchart and officer who responsible in communication process has been communicated to stakeholders by scheme manager. Scheme smallholder is scheme manager as personil who responsible in communication process.

Based on document checked, smallholder showed that they have been conducting and recording all of their communication and consulatation process with relevant stakeholder. Evidences showed during audit such as :

- a. MSJ cooperative : letter no.07/MP/AMP I/Ext/II/2016 dated on February 19, 2016 from PT AMP to the board of Mitra Sawit Jaya cooperative regarding replanting program. Mitra Sawit Jaya cooperative has responded letter it in form of letter no.05/K-MSJ/B/III/2016 dated on March 5th, 2016 regarding replanting program year 2017-2021.
- b. AWM cooperative : letter no.033/KP.AWM/II/2016 dated on February 12th,2016 from AWM to the management board of PT AMP regarding debt bailout installment rehabilitation areas of 102.6 ha. PT AMP has responded to AWM cooperative in form of letter no.AMP-OU II/Ext/II/2016 dated on February 1st, 2016 regarding the bailout loan installment rehabilitation of an areas of 102.6 ha and their appendix about detail of the calculations.

Four cooperative have list of stakeholder where their stakeholder are Ninik Mamak, Jorong, financial institution or bank, officer and member of cooperative, PT AMP, other cooperative, community healthy centre, local government in district level and suppliers.

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 :

Smallholder schemes has documented a procedure for dealing with complaint and grievances and has accepted by relevant parties. The procedure documented as Procedure No. PRO-BNM-003, issued in June 1st

2014 and no.PRO-HRD-005 Rev.01 dated on 23 April 2015 regarding “Complaint Acceptance and Conflict Handling Mechanism” and “technical guide about implementation of communication, consultation and coordination between the cooperative with stakeholder”.

This document has prepared by scheme staff, checked by scheme manager and agreed by Cooperative board. Procedural description explain as follow:

- a. Cooperative will provide constructive response and immediately regarding incoming complaint and conflict handling (grievances) from Stakeholder.
- b. Every incoming complaint will registered to logbook of complaints and grievances.
- c. Cooperative management will review, and analyse all incoming complaint and grievances
- d. Cooperative management would formulate solutions in a meetings
- e. Every decision that has been made will deliver towards stakeholders
- f. Every decision that has been made by Cooperative will be deliver to stakeholders.

SOP no.PRO-HRD-005 Rev.1 as a mechanism of employee to raise complaint and consultation. If any complaint or consultation that the company guarantees the confidentiality of the identity of the complaint and the revealer of disgrace or events (whistleblower) adjusted to the sensitivity of the issue, the scale of impact if the issue would published or the risk of retaliation.

Interview result with cooperative management found that there was no incoming complaint or grievances so far. No specific significant problem was raised regarding complaints that lead to conflicts. Moreover, based on employee complaint book on behalf BST cooperative, MSJ cooperative and TTK cooperative that there are not compliant from employee.

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 :

The cooperative still uses 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. The procedure has documented as SOP No. PRO-BNM-007, October 1th, 2011 that has revised April 23rd 2015 regarding “Complaint and conflict handling mechanism”.

All of negotiations and compensations process records has documented and keep in determined retention time. As mentioned in the procedure, persons responsible for conflict resolution has conducted their role depend on the level of executions. Records showed that it has been compliance with the procedure, such as BM officer act as the first complaint responder and legal staff act as company representatives in developing and signing Agreement (and addendum).

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 :

The company on behalf cooperative has a list of wages for employees and has committed to fulfil about minimum wage payment. Based on West Sumatera Governor Decree No.562-777-2015 regarding provincial minimum wage year 2016. Provincial minimum wage year 2016 is IDR 1,800,725 per month.

Minimum payment of daily worker year 2016 equal to IDR 72,029 and every daily worker, daily permanent worker and casual worker has been accepted salary/wage higher from minimum wage year 2016 amount of IDR 5,000. Whereas, basic wage for piecework and operator will specifically determine by HRGA.

During surveillance audit that auditor has checked payment record for low level worker such as pay-slips of daily worker. Based on pay-slip that employee has covered social health and worker insurance so that the company on behalf cooperatives has complied with regulations. The company have a joint working agreement period of 2014-2016 and has approved by the labor office in district. Socialization of joint working agreement has carried out July 29, 2015 at in front of warehouse, on July 22, 2015 at in front of office and distribution of booklet to each worker.

The company has showed their commitment regarding provide of adequate housing facility, health care, water supply and electricity. Evidence has collected during audit such as kindergarden and child care facility in PMJ year 2015, list of asset inventory in PMJ and AMP year 2015, health care service and 10th highest illness data year 2015 and capital expenditure period of 2015 to 2019 – section of facility maintenance. The result of field visit that all facilities has provided by company with good condition or still maintained.

Plantation areas on behalf cooperative or house's employee are not far from local economic center (market, etc). Small shop supplying basic need or need of consumption for worker everyday on each emplacement has available. Food which adequately, sufficient and affordably has supplied by some local shop, there is not restriction from the company to worker regarding build a shop in housing facilities areas. The company has improved regarding accessibility to adequate food where the company has planned cooperative of worker/employee. It could accessed by all workers (member or non-member). The main business of cooperative is providing all kind consumption products so that it as consumption shop. The consumption shop will available in every estate's office.

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 :

Smallholder has no specific policy regarding the right to form and join trade union. Interview result with scheme Managers found that there was no limitation/restriction to all employes to form or join trade union from cooperative. They can easily join the existing labour union which was operated in surround smallholder area. Interview with workers, male and female has conducted during audit. They know that there is a labour union in PT AMP operation area, and they all exclaim that there is no restriction from scheme managers to join that union. All respondent has no interest to join the union.

Record of labor union meeting dated on March 10, 2016 at E&S room PT AMP was available. Topic of discuss on meeting is labor union structure on PUK SPSI PT AMP was changed be chairman : Mudahar, secretary : Nanda Evariani, Treasure : Petermawills, coordinator of AMP1 estate : Amir Hamzah, AMP2 estate : Akmul Khusairi, AMP3 estate : Ferries Kurnawan, POM : Anto Sugianto and 31 members present.

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 :

Evidences showed during surveillance audit were smallholder worker list of MSJ, AWM, BST and TTK per March 2015. This are records consist information regarding birthdate and join date. No worker under minimum age found on the list. Visits to cooperative of BST and cooperative of MSJ and verification of document second objects and there was no children worker and/or under minimum age requirement (under the age of 18 years) worker found in working area.

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 :

Scheme Smallholder (MSJ, AWM, BST and TTK) has a commitment regarding equal opportunity that has documented as a policy. This policy has stated some applicable statements according to equal opportunity, such as:

- a. Comply to all regulation regarding discrimination issues,
- b. Develop working environment, conditions, practices and procedures that assure fairness,
- c. Develop complaint and grievances mechanism and handling
- d. Make sure that all of partners apply equal opportunity principle

e. Review this policy in a determined period time

This policy has also give specific guidance regarding policy mechanism, such as:

- a. Job Vacancies requirements
- b. Recruitment process and selections
- c. Worker training, human resource, career and benefits improvement.
- d. Personnel records
- e. General requirement

The company on behalf cooperatives has carried out socialization of anti-discrimination dated on January 13, 2016 with total of participant is 13 persons.

The location of smallholder plantation is in an area that genuinely lived by Minang ethnicity, all of the cooperation member's ethnicity is local Minang community. The workers assigned in smallholder schemes based on worker list per March 2016 were mixed of ethnicities that come from various areas, such as Java, Nias, Medan, Padang. Whereas, employee's profile per March 2016 below :

Unit	Sex		Employee Status		Local Origin		Religious	
	Male	Female	Permanent Employees	Daily Paid Workers	Male	Female	Permanent Employees	Daily Paid Workers
BST	29	5	33	1	20	13	29	4
MSJ	10	10	21	3	6	18	12	12

there is evidence regarding no discrimination are decree no.064/SK-PGA/IV/2016 dated on 1 April 2016 regarding set as permanent daily worker and labour agreement on behalf one manuring worker starting from 14 March to 30 April 2016 and promotion of spraying employee in cooperative of BST as permanent worker assigned from 1 March 2015 where it has based on the result of medical check-up.

Based on interviews with the farmer and workers, there's no a complaint or a grievance from all parties and community members regarding discrimination issues on work recruitments and interrelations. All farmer and worker treat equally among them as the member of local communities.

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 :

There is a policy of smallholders that ascertained their member to avoid sexual harassment and violence's against woman. This policy has clearly stated term and conditions, such as:

- a. **Definition.** Sexual harassment means acts that not allowed and in attack, request manner with the main objective is for sexual pleasure and/or express by words/speaks and body language that refer to sexual symbol.
- b. **Application.** This policy is applied among workers, partners and between worker and supervisor.
- c. **Complaint and handling Mechanism.** Investigation will be conducted for every incoming complaints and reports.
- d. **Principle of Policy Reinforcement.**
 - Investigation immediate time
 - Report the result to victims and actors,
 - Punishment if proven conducted
 - Punishment for miss-statement report for complainer.
 - Seniority-superiority is not related to all decision
 - Records must be maintain and keep in retention time.

Female worker at scheme smallholder areas is 15% (BST) & 50% (MSJ) where BST cooperative has carried out socialization of sexual harassment policy, safety & health policy, gender policy, etc dated on March 24, 2016 in smallholder office with participant of 31 employees. PT AMP Plantation has issued decree no.039/SK-PGA/VI/2015 regarding replacement of job location

Field check and interview result found that most of them are spouse of harvester worker. Some of female worker know regarding sexual harassment mean and exclaim that there is no such case happens among workers and supervisors. They also recognized their reproductive rights such as maternity and menstruation leave. This item has mentioned in their monthly pay-slips.

Compliance status : Full Compliance

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

Findings :

Scheme Managers has showed evidence regarding fairly and transparently deal with smallholder and local business. The evidences that has been showed and checked were:

- a. **Deal with smallholder.** FFB Share Statement period of March 2016. This statement signed by scheme management board and smallholder representatives (ninik mamak). This statement consist detail information regarding benefits revenue of FFB for 810 Ha, and share per smallholder member, such as:
 - Deduction: Allocated Cost for maintenance and fertilizing, management fee, member contribution, workers yearend bonus.
 - Share division/cut of each of 500 members
- b. **Deal with local business partner.** Working agreement between MSJ cooperative and CV Asnest (contract number : 01/SPK-PLS 3/01/2016 dated on January 2, 2016) regarding FFB transport from cooperative areas to AMP mill and unloading in mill with cost of IDR 39,000/tonnes and IDR 8,200/tonnes and working period from January 2 to June 30, 2016. Payment for the FFB transport and unloading of 261,730 tonnes was available (on April 10, 2016). Moreover, There is working agreement between AMP I estate and CV Ayah (contract number : 51/SPK/AMP 1/III/2016 dated on March 08, 2016 regarding EFB transport amount of 3,000 tonnes with cost of IDR 27,000/tonnes and working period from 25 February till 31 March 2016. Working agreements is a short term agreement and has been complied by the partner. Payment for their activities was available (on April 04, 2016).

Compliance status : Full Compliance

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

Findings :

Smallholder scheme has documented a policy regarding Social Responsibility that implemented to maintain production sustainability, OSHA and social responsibility as the local economic driver. Contribution to local sustainable development is part of Smallholder Social Impact Management Plan. This contribution is based on incoming proposal from stakeholders. Records of contribute to local sustainable development has been showed during audit, such as:

- a. TTK cooperative has contributed about the construction of the Palembayan Police Station dated on January 5, 2015 amount of IDR 1,500,000,-
- b. MSJ cooperative & PT AMP has contributed about the construction of the ring road at Limpato village – Nagari Kinali along 1,000 m using heavy equipment. It was based on application letter dated on May 30, 2015 from Jorong village regarding road development.
- c. BST cooperative has contributed to Bawan village about donation to Babbusalam Mosque construction at Pasar Bawan dated on January 5, 2015 (donation amount of IDR 300,000).

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 : Not Applicable

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 and soil map (scale 1:50,000) in existing smallholder areas. Based on soil map that peat soil not available in smallholder areas.

Based on the slope of map, it is known that the area Tompek Tapian Kandis (TTK) cooperative consisting of :

- Flat undulating (wavy flat area) as large as 449.40 ha
- Undulating roll (wavy) as large as 56.29 ha

The cooperative of TTK has a map of soil type also. Based on map of land exploration and agro-climate research center year 2000 with the details :

- Aluvium (endoaquepts dan Dystrudepts) as large as 96.69 hectares
- Aluvium (endoaquepts dan endoaquents) as large as 415.09 hectares

Based on the slope of the map, it is known that the Mutiara Sawit Jaya cooperative areas consist of :

- Wavy flat area 0-6 degree (flat undulating) as large as 214.70 hectares
- Wavy 6-12 degree (undulating roll) as large as 5.20 hectares.
- Hilly 12-18 degree as large as 0.10 hectares

The cooperative also has a map of soil types. Based maps of land exploration and agro-climate research center in 2000 with the details:

- Aluvium (endoaquepts dan Dystrudepts) as large as 209.51 hectares
- Aluvium (endoaquepts dan endoaquents) as large as 10.49 hectares

Compliance status : Not Applicable

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. Whereas, based on landuse/cover change map with source is landsat 7 ETM imagery on October & November 2005 (scale 1:20,000, 1:18,000, 1:16,000 and 1:12,000) that Cooperative of TTK, MSJ and BST areas have not year planting after November 2005 because condition of before November 2005 has oil palm plantation. Year of planting 2011 on cooperative AWM areas is replanting activity because per November 2005 has oil palm plantation.

Compliance status : Not Applicable

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. The cooperative of TTK has been created terrace year 2015 with the realization as long as 100,363 meter.

Compliance status : Not Applicable

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 institu-

tions

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 : Not Applicable

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 : Not Applicable

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.

Cooperative Mutiara Sawit Jaya, Tompek Tapian Kandis and Bukit Sandiang Tigo have a policy about the environment. In point 3 declared implement zero burning (without burn) in all estates development activities and waste disposal. The cooperative has a list of fire-fighting equipment of land, such as water pump (1 piece), hose and nozzles (2 pieces), knapack sparayer (2 pieces), shovel (2 pieces), tank fire (1 unit), excavators (1 unit), grader (1 unit), a bucket (1 piece), fire beater (1 piece), APAR (55 pieces), clothes fireman (2 pieces).

Compliance status : Not Applicable

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:

There is a mechanism of internal audit carried out by a team formed originating from the Head office, the plasma core. All activities in the oil plam management audit, management system adapted to quality, environment, K3, RSPO and other quality management systems.

Compliance status : Full Compliance

• **RSPO SCCS**

PT AMP Palm Oil Mill is producing crude palm oil (CPO) and palm kernel (PK), First audit time that the company 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 re-

quirements. Results of audit/assessment as describe on the explanation bellows :

Module E – CPO Mills: Mass Balance

E.1 Definition

Findings :The organization (AMP Mill) was implemented the RSPO-SCCS **Mass Balance (MB)** model since get certificate. This SCCS model allowed to mixing of certified and uncertified product but shall be control by the Mass Balance record to ensure the quantity of certified product, and only certified product could be claim by the organization as certified palm oil product. Organization has identified the volume of certified and uncertified FFB supplied to the mill. Based on record of Mass Balance showed the amount of FFB certified and uncertified, when the certified FFB is come from PT AMP Plantation, PT PMJ, PT PANP, PT KAMU and village cooperative of TTK, MSJ, AWM and BST but since July 2014 till 31 December 2015 that FFB from PT PMJ, PT PHP and PT PANP is tolling system so that FFB ownership is still PT PMJ, PT PHP and PT PANP.

Based on **Table 3** that AMP Mill was received certified FFB year 2015 is approximately 188,757.71 mt of FFB (64.60% from the total of FFB received in once year) and uncertified FFB is approximately 103,456.13 mt (35.40%). AMP mill only produced Crude Palm Oil (CPO) and Palm Kernel (PK).

Mass balance record in mill also showed the certified product. In year 2015 that certified CPO are 35,543.08 tonnes (64.60%) and uncertified CPO is 19,480.79 tonnes (35.40%). Whereas, certified PK are 9,928.66 tonnes (64.60%) and uncertified PK are 5,441.79 tones (35.40%).

Compliance status : Full Compliance

E.2 Explanation

Findings :The organization (AMP Mill) was implemented the RSPO-SCCS **Mass Balance (MB)** model since get certificate. This SCCS model allowed to mixing of certified and uncertified product but shall be control by the Mass Balance record to ensure the quantity of certified product, and only certified product could be claim by the organization as certified palm oil product. Organization has identified the volume of certified and uncertified FFB supplied to the mill. Based on record of Mass Balance showed the amount of FFB certified and uncertified, when the certified FFB is come from PT AMP Plantation, PT PMJ, PT PANP, PT KAMU and village cooperative of TTK, MSJ, AWM and BST but since July 2014 till 31 December 2015 that FFB from PT PMJ, PT PHP and PT PANP is tolling system so that FFB ownership is still PT PMJ, PT PHP and PT PANP.

The projections of certified CPO and PK year 2015 are 39,954.09 MT (CPO) and 10,764.83 MT (PK). The realization of certified product sold is 7,919.73 MT (PK). Whereas, projection of certified product year 2016 are 50,759.00 MT (CPO) and 13,666.00 MT (PK) with projection of FFB process is 260,300 MT and extraction rate are 19.50% (OER) and 5.25% (KER). There are PK certified transaction period of 2015-2016 but those transaction not written on eTrace platform. This is condition was raised as non-conformity (**NCR No. RSPO00229**). Register in eTrace on behalf PT AMP Plantation.

Compliance status : Not Compliance

E.3 Documented procedures

Findings :The company has list of procedures for implementation of SCCS as seen on Master list document (FRM-GEN-002) and there is not revise during audit. 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.

Since 1 January 2016, tolling system has not implemented so that procedure of the handling of material (FFB, CPO & PK) with "titip olah" status not valid.

During surveillance audit, there is not change management of representative SCCS. The management of repre-

tentative SCCS is the 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 : Full Compliance

E.4 Purchasing and good 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 sustainibilities 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, PT PANP and smallholders estate. FFB from outgrowers are accompanied by weighbridge slip, grading records, delivery Notes without certified stamp. Certification status will be stated on "Incoming Certified FFB Received" report (daily, monthly and three monthly report), in weighbridge location. Whereas, non-certification status will be stated on "Incoming non-certified FFB received report. Recapitulation of production report for year 2014 & 2015 including volume of FFBs received which is separated into certified and non-certified FFB volume. Total FFB received include of FFB certified and FFB non-certified in year 2014 and year 2015.

Based on table 3 above that FFB supplier year 2015 & 2016 are PT AMP Plantation, PT Primajaya Muliajaya, PT Permata Hijau Pasaman, PT Perkebunan Anak Negeri Pasaman, PT Karya Agung Megah Utama, scheme smallholders (10 cooperatives) and trader. During surveillance audit that the scope of audit is PT AMP Plantation, PT Primajaya Muliajaya, PT Perkebunan Anak Negeri Pasaman, PT Karya Agung Megah Utama, Cooperative of TTK, MSJ, BST and AWM. A person has been appointed to be responsible to check and ensure the FFB quality and quantity as per purchase documents.

Compliance status : Full Compliance

E.5 Record 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 on April 02, 2013 that all records related to CSPO & CSPK product company will be maintained for 7 years. Implementation of control and maintenance of the data & document has consisted.

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 such as calculation of FFB receipt, product production and product dispatch.

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 : Full Compliance

E.Definition

3.2 Status of Previously Identified Non-conformities

A total of 12 nonconformances were identified during the 3rd surveillance audit (6 nonconformances for scheme smallholder, 6 nonconformances for RSPO P&C and 0 nonconformances for RSPO SCCS). These consisted of 8 major non-conformity and 4 minor non-conformities. 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.

- **RSPO P&C**

Criterion 1.3. (Minor indicator 1) There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations

NCR No 2015- 01 of 06

The companies (PT AMP Plantation, PT PMJ, PT KAMU and PT PANP) have not the policy of the code of ethical conduct and integrity.

Verification result :

The companies (PT AMP Plantation, PT PANP, PT KAMU and PT PMJ) has created of code of conduct in bilingual. PT AMP has established policy for ethical conduct and integrity. As interpretation from Wilmar business policy Company as part of WILMAR Corporation, has already documented a policy regarding Code of Ethical Conduct that published by Wilmar International as stated on document 044/Dir-KP/XII/2015.

Code of conduct consist of 3 major principle is 1). To avoid conflict of interest, 2). To avoid misuse and/or abuse of position and 3). To ensure confidentiality of information and to prevent misuse of information gained through the company's operations, either for personal gain or for any purpose other than that intended by the company. Policy of code of conduct has signed by each top management on behalf Wilmar group in Indonesia.

In term of company's commitment to all principle above, auditor team can find enough evidence during the surveillance audit, that company's staff level has been attend the socialization or other mechanism to ensure the implementation of policy, and sign the commitment. However company has not provide evidence that ethical conduct policy has been socialized to mill contractors evidence sowed socialization only conducted for mill workers. This is raised as new non conformities for this surveillance audit.

Auditor Conclusions : Closed.

Criterion 2.1. (Major indicator 1) Evidence of compliance with relevant legal requirements shall be available

NCR No 2015- 02 of 06

1. During document checked found that a worker that has been working for 30 days in a month on PT KAMU (March 2015) accepted regular payment in holiday/Sunday. Deeply checked to daily harvesting records and piece rate norms found that there is no different rate between regular day and holiday/Sunday. This situation has not complied with national regulation according to Ministry of Workforce and Transmigration Decree No. 102/2004 regarding overtime.
2. PT KAMU has not been provided PPE appropriate with Indonesian National Standard (SNI) for workers so it was not complied to Ministry of Man Power decree No.8 year 2010 regarding PPE.
3. Land application permit on behalf PT AMP Plantation (Head of Agam District No.324 year 2009) has been expired since 17 March 2014.
4. Renewal of permit regarding temporary storage warehouse for hazardous and toxic waste on behalf AMP POM has not been issued. Based on permit letter that the validity period till 23 March 2015.
5. In "titip olah"/tolling agreement between PT AMP Plantation with PT SPS has not been included that all FFBs PT SPP will delivery to AMP POM not come from forest areas or illegal FFB as required by Law No.18 Year 2013

Verification result:

Some evidences provided by auditee are :

- PT KAMU (region of Agam) has proposed about harvesting rates year 2015. This documents consist information regarding actual incentive rates for harvester who work in holiday that has been divide into year of plant-

ing (YoP), such as IDR 50,000 (YoP 2005 & 2006) and IDR 53,000 (YoP 1990 & 1991).

- Minute of meeting on May 28th, 2015 regarding rate incentive for working on Sunday/national holiday and attendant list it (participant are 28 harvesting workers).
- PT KAMU will revision of the list of laws and regulations (law register) of OSH (FRM-EHS-009 rev.04) regarding Ministry of Man Power and Transmigration decree no.PER.08/MEN/VII/2010 article 2 paragraph 2 because company has provided PPE using other standard but equivalent example helmet (one of merk with standard of ANSI/ISEA Z89.1-2009).
- First of all that PT AMP Plantation has submitted request of the renewal of land application permit to head of Agam District c.q head of environmental agency in Agam District on January 20, 2014 by letter no.03/AMPPOM-MH/Ext-I/2014. Current condition that land application has not been issued because still in-process where the last time of correspondence is PT AMP Plantation has submitted letter to environmental agency in Agam District regarding interference permit (Hinderordonnantie) not as one of the requirements for new or renewal permit based on Minister of Environmental Agency decree No.29 year 2003 and Minister of Environmental Agency regulation No.01 year 2010 not relevant for renewal of land application permit process. The step by step correspondence about renewal of land application permit process between company with local government are :
 - Letter no.660.1/55/BPLH-Agam/2014 dated on 7 February 2014 from Environmental Agency in Agam District to company regarding respond from company's letter. Information on this letter are the company shall fill form of the request of permit (based on Minister of Environmental Agency regulation no.1 year 2010), submit other permits such as location permit, interference permit, business permit, permit building license, notary company act, etc, submit the results of examination of liquid waste quality period of 3 months, soil quality, surface water quality, ground water quality from examination laboratory and submit land application report.
 - Letter no.10/AMPPOM-MH/Ext-III/2014 dated on 10 March 2014 from company to Environmental Agency in Agam District regarding submit some documents required such as form has filled, location permit, land use right, notary company act, land application report, analysis of ground water and surface water and permit building license.
 - Letter no.660.1/44/BPLH-Agam/2014 dated on 4 April 2014 from Environmental Agency in Agam District to company regarding request of permit can not be processed because some documents not fulfill/compliance with requirement such as interference permit has not been valid, not submit evidence formally from examination laboratory about waste quality period of 3 months, surface water quality and ground water quality and not submit lay out/map of land application areas which was signed by top management.
 - Letter no.16/AMPPOM-MH/Ext-VI/2014 dated on 18 June 2014 from company to Environmental Agency in Agam District regarding the company objected that interference permit not longer valid, submit evidence of waste quality period of 3 months, surface water quality and ground water quality from examination laboratory and submit lay out/map of land application areas which was signed by top management.
 - Letter no.660.1/272/BPLH-Agam/2014 dated on 01 July 2014 from Environmental Agency in Agam District to company regarding respond about statement of interference permit not longer valid, adjustment of permit from company accordance Minister of home affair regulation no.27 year 2009 dated on 19 June 2009 so that request of the renewal of land application permit can not be processed.
 - Letter no.18/AMPPOM-MM/Ext-VII/2014 dated on 8 July 2014 from company to Environmental Agency in Agam District regarding consideration and reconsideration.
 - Letter no.22/AMPPOM-MM/Ext-VII/2014 dated on 13 August 2014 from company to Environmental Agency in Agam District regarding request of policy for land application permit process.
- First of all that PT AMP Plantation has submitted request of the renewal of temporary storage location of hazardous and toxic waste permit to head of Agam District c.q head of environmental agency in Agam District on April 7, 2015 by letter no.10/AMPPOM-MM/Ext-IV/2015 and it has responded by environmental agency in Agam District on April 24, 2015 by letter no.660/165/PDL/2015 regarding the request of completeness from permit which one of them is interference permit. Current condition that temporary storage location of hazardous and toxic waste permit has not been issued because still in-process where the last time of communication is PT AMP Plantation has visited local government with main topic of interference permit (Hinderordonnantie). The communication was done together with land application process. It was stated on the result of visit/communication signed by PIC.
- "titip olah"/tolling agreement between PT AMP Plantation with PT SPS has been included that all FFBs PT SPP will delivery to AMP POM not come from forest areas or illegal FFB.

The company has implemented all correction activities regarding issues above with consistently during audit. Moreover, the latest information relate of the process of renewal some permits is :

1. Environmental agency in Agam District was issued letter no. 660.1/636/BPLH/2015 dated on 29 October 2015. It has informed that based on technique requirement has compliance but based on administration requirement has not been compliance because interference permit (Hinderordonnantie) has not been issued by local gov-

ernment.

2. The renewal of temporary storage location of hazardous and toxic waste permit has issued by head of Agam District (Head of Agam District decree no.344 year 2015).

Based on email dated on 7 December 2015 from head of accountant that tolling system not valid since 1 January 2016.

Auditor Conclusions: Closed

Criterion 4.7. (Major indicator 3) All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.

NCR No 2015- 03 of 06

- PPE which adequate and appropriate has provided by company but it has not provided to all employees because there are evidences that spraying workers has been used booth shoes broken in AMP 1 estate and PT KAMU.
- FFB unloading workers in AMP POM not using PPE appropriate with risk of their jobs

Verication result :

During year 2016 surveillance audit was found AMP 1 estate has provided evidence about replacing the booth shoes broken with new booth shoes to someone sprayer dated on May 8,2015 and photograph of worker using new booth shoes it. Whereas, PT KAMU has provided evidence about replacing the booth shoes broken with new booth shoes too where new booth shoes hand over to 9 (nine) workers on May 28,2015 and photograph of top management has submitted new booth shoes to workers.

Auditee (AMP 1 estate and PT KAMU) has carried out identification of booth shoes broken who used all workers and auditee has made the replace plan/programme of booth shoes broken with periodically based on identification it because financial/budget auditee limited. Moreover, auditee has submitted a photograph and minute of meeting that supervisor has carried out inspection/checking of using and condition PPE to all workers in morning meeting.

AMP mill has submitted the photograph of FFB unloading workers using PPE (helmet, gloves & booth shoes), list of PPE receipt, list of PPE stock, check list of inspection or patrol using PPE by workers and log book of borrow PPE (helmet) for supplier or subcontractor workers who working in mill.

The company has implemented all correction activities regarding issues above with consistently during audit.

Auditor Conclusions: Closed.

Criterion 5.2.(Major indicator 2) Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan

NCR No 2015- 04 of 06

- Section Batang singkok river border region is a land of HCV, which is a section of the other side of the community arable land. There is no evidence of efforts PT PANP that people participate in the management as has been done by the PT. PANP.
- In AMP 3 estate, there are occupation areas on HCV areas by communities in form of palm oil estate i.e block 22B amount of 5 Ha and 0.2 Ha but their completion process action plan not optimal and management and monitoring plan of HCV areas not optimal too

Verification Result :

During year 2016 surveillance audit that PT PANP has carried out socialization of riparian areas management to community as cultivation/claimer on block 3 (riparian Batang Singkok river) on May 21, 2015 where topic/substance of socialization are goal, procedure of riparian management and some things that need to be considered. The evidence of socialization has carried out in form of attendance list, photograph and minute of meeting. Whereas, the company has created activities plan regarding communication and their agreement for others location (8 locations). During audit that there are two agreements/deals (agreement between company and claimer) was available whereas the rest are being processed.

AMP 3 estate has carried out communication/socialization to community as claimer/cultivation on June 17, 2015 with substance of communication/socialization are maintenance HCV areas together as a form of safeguard of fauna in block 22, notice to cultivator/claimer on HCV areas amount of 5 Ha among others are prohibited of burning land in HCV areas, prohibited of planting in HCV areas and restore of HCV areas as early time, cultivation/claim areas and HCV areas on land use right (HGU) no.9 on behalf PT AMP Plantation. The conclusions of communication/socialization are cultivator/claimer was not agreed for sign on minute of meeting but he agree to be photograph only, the substance has been informed to cultivator/claimer and their respond be considered first and if cultivator/claimer do not leave HCV areas so that the company will be reported to the police.

The company has submitted schedule of communication/socialization to others cultivator/claimer on HCV areas so that burning areas not available and condition of HCV areas has been maintenance.

Auditor Conclusions : Closed.

Criterion 6.1. (Minor indicator 4) The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.

NCR No 2015- 05 of 06

There are no evidences of affected party participations showed for PT KAMU Social Impact Management Plan review

Verification Result :

During year 2016 surveillance audit that PT AMP Plantation provide evidence regarding meeting with affected parties and communicate/socialize implementation and the evaluation result regarding social impact management the evaluation has been involve participation of affected parties.

Review of social impact management plan year 2016 has involved affected party participations including socialization and consultation of regional development. It has carried out dated on June 4, 2015 at Tapian Kandis (Sub District level) and 8 April 2015 at Nagari Salareh Aia (Nagari level). The meeting has attended by stakeholders such as head of Jorong and head of Nagari.

Auditor Conclusions : Closed.

Criterion 8.1. (Major indicator 1) The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria

NCR No 2015- 06 of 06

- PT PANP has not been carried out evaluation and preparing action plan regarding water quality on Batang Singkok river for Nitrit parameter has overed from quality standard/threshold
- PT PANP has not been carried out evaluation and preparing action plan regarding water quality which it was consumed by communities (well water) for Coliform & Fe parameter has been overed from quality standard/threshold.

Verification Result:

During year 2016 surveillance audit, the company can showed that PT PANP – Batang Biyu has submitted revision of environmental management & monitoring report on semester II – year 2014 in form of additional of explanation that PT PANP-Batang Biyu areas was flowed by Batang Singkok river where there is PT Andalas Agro Internusa palm oil mill which use water from river as their source and more community areas in upstream and PT PANP-Batang Biyu areas in downstream. The communities have used fertilizer on their estate. The company (PT PANP-Batang Biyu) conduct activity to minimize of contamination/pollution to river such as no spraying in riparian areas (least 50 m from river), installing of sign board regarding no spraying activities on riparian areas and name of HCV areas and socialization of handling on riparian areas to employees. The condition of Nitrit parameter exceeded from quality standard/threshold in upstream (5213) and downstream (5214) because there are some activities in upstream which can be Nitrit parameter up/down.

Well water was not used to drink/consumption by communities but was used to bathing and washing only. The company purchase water for dinking. PT PANP-Batang Biyu has carried out preventive action is install of sign

board near well that “water well not used for drink” and socialization of water well quality it and their impact for health.

Causing coliform parameter over from quality standard/threshold is location of well near septic tank so that PT PANP-Kinali has communicated to some mothers in emplasment of type H and type G that cooking water should be boiling and prepare of well alternative on next time so that the well was not reused again as well in emlasment of type H.

Auditor Conclusions : Closed

- **RSPO Smallholder**

Indicator 2.1. (Major indicator 1) Evidence of compliance with essential regulations relevant and related to oil palm cultivation

NCR Smallholder no. 2015 – 01 of 06

The village cooperative of MSJ and AWM cooperative did not conduct annual member meeting for year 2015 (evaluation of performance year 2014)

Verification Result:

The village cooperative of MSJ has carried out annual member meeting year 2015 on 20 May 2015 at shophouse – JI Veteran. It was declared valid because 1/3 members has attended the meeting. Evidence of annual member meeting has carried out that minute of meeting, attendant list, meeting invitation letter and photograph.

Majority members was domiciled in around Kinali Sub District and annual member meeting has not been carried out long time so that management cooperative has carried out meeting on May 15,2015 with conclusion of management will be meeting to “Ninik Mamak” (tradisional leader) and regulatory body on 20 May 2015 with topic of discussion is preparation of annual member meeting. The results of coordination meeting on 20 May 2015 that annual member meeting will carry out on October 2015 and formed committee with responsibility is doing annual member meeting.

During year 2016 surveillance audit, the MSJ and AWM has carried out annual member meeting for year 2016 (evaluation of performance year 2015).

Auditor Conclusions : Closed.

Indicator 2.2. (Major indicator 1) Smallholders are able to show legal ownership of the land or land-use rights

NCR Smallholder no. 2015 – 02 of 06 (potential suspension)

- The results of sampling that auditee (village cooperative of TTK) can not showing certificate of freehold title for member no.011, 112, 115, 170, 184, 229, 232, 245, 246 and 250.
- Smallholder management (village cooperative of MSJ) can not showing certificate of freehold title

Verification Result:

Village cooperative of TTK has provided list of freehold title from all members and it has informed copy of freehold title available or not. Moreover, cooperative has submitted freehold title for member no. 011, 112, 115, 170, 184, 229, 232, 245, 246 and 250. The information of ownership from freehold title it such as :

- Member no.011 : freehold title no.443 (parcel identification number (NIB) : 03.04.04.01.00467) in Salareh Aia village (before is Tapian Kandis village) of 20,000 m2. Name of ownership has replaced from previous owner (from Zainal M.Rajo to Darmawiyah).
- Member no.112 : freehold title no.544 in Tapian Kandis village of 20,000 m2. Name of ownership has replaced from previous owner (from Majo Ali to Suarni).
- Member no.115 : freehold title no.150 (parcel information number : 03.04.04.01.00104) in Jorong Koto Gadang – Salareh Aia (before Tapian Kadis village) of 20,000 m2 on behalf Asuarni and Kartiman.

- Member no.170 : freehold title no. 285 (before no.007) in Salareh Aia village (before is Tapian Kandis village) of 10,000 m2 on behalf Murni.
- Member no.184 : freehold title no.368 (before no.616) (parcel information number : 03.04.04.01.00168) in Salareh Aia village (before is Tapian Kandis) of 20,000 m2. Name of ownership has replaced from previous owner (from Ratna to Ali Basyar).
- Member no.229 : freehold title no.171 (parcel information number : 03.04.04.01.00130) in Jorong Koto Gadang - Salareh Aia village (before is Tapian Kandis) of 20,000 m2 on behalf Rabuman.
- Member no.232 : freehold title no.664 in Tapian Kandis village of 20,000 m2 on behalf Nun Syfar.
- Member no.245 : freehold title no.223 (before 677) in Salareh Aia village (before is Tapian Kandis) of 20,000 m2. Name of ownership has replaced from previous owner (from Amir Husin to Amril Amir).
- Member no.246 : freehold title no.152 (parcel information number : 03.04.04.01.00105) in Jorong Koto Gadang – Salareh Aia village (before is Tapian Kandis) of 20,000 m2 on behalf Irfan Toni.
- Member no.250 : freehold title no.148 (parcel information number : 03.04.04.01.00100) in Jorong Koto Gadang – Salareh Aia village (before is Tapian Kandis) of 20,000 m2 on behalf Mardin Effendi.

Village cooperative of MSJ has provided list of members and their freehold title, the information of copy of freehold available or not and copy of freehold title for 10 members as samples such as :

- Freehold title no.1359 in Tapian Kandis village of 20,000 m2 on behalf Aini Wardani.
- Freehold title no.1351 in Tapian Kandis village of 20,000 m2 on behalf Bahar.
- Freehold title no.1356 in Tapian Kandis village of 20,000 m2 on behalf Budi Kurniawan.
- Freehold title no.1353 in Tapian Kandis village of 20,000 m2 on behalf Hari Kemala.
- Freehold title no.1352 in Tapian Kandis village of 20,000 m2 on behalf Hariadi.
- Freehold title no.1355 in Tapian Kandis village of 20,000 m2 on behalf Mansyur.
- Freehold title no.1357 in Tapian Kandis village of 20,000 m2 on behalf Masri.
- Freehold title no.1354 in Tapian Kandis village of 20,000 m2 on behalf Rivano.
- Freehold title no.1360 in Tapian Kandis village of 20,000 m2 on behalf Saodah.
- Freehold title no.1358 in Tapian Kandis village of 20,000 m2 on behalf Usman.

Auditor Conclusions: Closed.

Indicator 5.1. (Major indicator 1) A documented SEIA, available at smallholders organisation. The document shall be made known to all members.

NCR Smallholder no. 2015 – 03 of 06

Agro Wira Masang (AWM) cooperative has not Environmental impact assessment report (*Dokumen Pengelolaan Lingkungan Hidup*). Whereas, Environmental impact assessment report (*Dokumen Pengelolaan Lingkungan Hidup*) on behalf Village cooperative of Mutiara Sawit Jaya (MSJ) was not approved by local government.

Verification Result:

AWM cooperative and village cooperative of MSJ has submitted a letter (no.23/KP-AWM/IV/2015 on 04 April 2015 (AWM cooperative) and no.01/KUD-MSJ/IV/2015 on 04 April 2015 (village cooperative of MSJ)) to head of regional development planning in Pasaman Barat District regarding request of site plan recommendation because environmental agency in Pasaman Barat District will not carry out meeting or discuss about draft of environmental management document/report on behalf both cooperatives (it has stated on letter no.660/37/PDIL/II/BLHKP-2015 and no.660/212/PDIL/VI/BLHKP-2015). Based on condition that environmental management document/report still in-process.

During surveillance audit that regional development planning in Pasaman Barat District has not been issued site plan recommendation (based on letter no.050/476/BAPPEDA-PWSDA/XII/2015 dated on 14 December 2015. It is respond from cooperative letter dated on 04 April 2015) because some documents still not complete i.e location map, recommendation from relevant agency (such as consideration of National Land Agency, Forestry Agency and Plantation Agency), recommendation of traditional leadership (wali nagari) and head of sub district, principle permit regarding capital investment from investment coordination board, plan of land utilization, minute of meeting regarding willingness/permit from local communities, and land ownership. Cooperatives has been communicated to local government that they is not company so that some requirement not relevant for cooperative. Based on condition it so that environmental management document/report still in-process.

Auditor Conclusions: Closed.

Indicator 5.2. (Minor indicator 2) 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. 2015 – 04 of 06

- There are not evidence of the results of HCV identification stored in village cooperative of TTK, village cooperative of MSJ and BST cooperative offices.
- The results of HCV identification were known by farmers/HCV officer. Recognition of village cooperative of TTK, village cooperative of MSJ and BST cooperative officials said that they did not know about the results of HCV identification

Verification Result :

It was sight during year 2016 audit evidence of HCV report/document has distributed or kepted in all cooperative offices covering TTK, AWM, MSJ and BST cooperative. There are also evidence that the results of identification of HCV have re-socialized to every HCV officer and every HCV officer get 1 set (copy of HCV report/document). Based on interview to farmers/HCV officer that they are has known about the results of HCV identification.

Auditor Conclusions: Closed

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. 2015 – 05 of 06

The record of implementation of management and monitoring about social impact in village cooperative of MSJ not available

Verification Result :

During 1st surveillance audit year 2016 that the company provide evidence that all documents and records relate of the implementation of management and monitoring about social impact has been socialized to all cooperative management. The company and cooperative has apporinted one person as archivist.

The record of social management plan implementation in MSJ cooperative was available such as the construction of the ring road Limpato village – Nagari Kinali along the 1,000 m using heavy equipment in order to cooperation between PT AMP Plantation and MSJ cooperative (physical infrastructure and facilities).

Auditor Conclusions : Closed.

Indicator 6.2. (Major indicator 2) Smallholders organisation has records on communication and consultation with local communities.

NCR Smallholder no. 2015 – 06 of 06

The cooperatives (village cooperative of MSJ and BST cooperative) has not been regular meeting with members (farmers) and other stakeholders.

Verification Result:

Smallholders (village cooperative of MSJ and BST cooperative) has provide evidences of periodical Meeting records as corrective actions such as :

- BST cooperative: Minutes of Meeting, Coordinative Meeting Note, organizing committee and smallholder members of Cooperative, May 28 2015. The meeting has also attended by related “Ninik Mamak” and total of attendances were 34 peoples (attendant list was available).
- Village cooperative of MSJ: Meeting Invitation Letters for May 15th 2015 that has been sent to all cooperative boards and members. Minutes of Meeting, Coordinative Meeting Note, organizing committee and smallholder members of Cooperative, May 20th,2015. The meeting has also attended by related “Ninik Mamak” and total of attendances were 39 people (attendant list was available).

Auditor Conclusions : Closed.

- **RSPO SCCS**

~~E.3 Procedure~~ non-conformity's RSPO SCCS standard in 3rd surveillance audit.

E.3 Records Keeping

3.3 Identified Non-conformances, Corrective Actions Taken and Auditors Conclusions

~~E.3 Records Keeping~~

During this surveillance assessment, a total of 7 nonconformances were identified. These consisted of 4 major non-conformities and 3 minor non-conformities where 1 major non-conformitie is excalation 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 :

- **RSPO P&C and RSPO P&C (Scheme Smallholder)**

Criterion 1.1 (Smallholder Scheme)

NCR No. RSPO00223 (Minor)

Finding:

Continuous Improvement plan documents are not available in all four cooperations.

Correction :

To provide continuous improvement documents plan for all four cooperations.

Corrective Action :

To ensure that continues improvement plan keep maintain and implemented by all cooperations

Date of Closure: April 14, 2017

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

Criterion 2.2. (Scheme Smallholders)

NCR No. RSPO00224 (Major)

Land title document for BST & AWM cooperation are not available even for the progress report for land title ownership.

Correction :

1. The company conduct meeting with BST and AWM cooperation to make planning about land title ownership process.
2. To make statement letter to community leader regarding land ownership acknowledge by local government and head of village (read : Wali Nagari)

Corrective Action :

To ensure that all parties involve for landownership processing for smallholder scheme has smilar commitment un-

til received land title right.

Date of Closure: June 15, 2016

Auditor Conclusions: Closed.

Verification Result:

There is letter signed by representative from communities group called “Ninik Mamak Tujuh Suku Basa Nan Barampek Bawan”, information stated on the letter to confirm that the 226 ha land under Bawan scheme located in PT AMP smallholder scheme is belong to mentioned communities group. The group decided will not processing the individual landownership rather than group ownership to maintain land status under group ownership (Tanah Ulayat). The letter was signed on June 01, 2016 acknowledged by head of sub district, head of villager Bawan and all community leader representative.

Criterion 1.3. (Minor indicator 1) .Growers and millers commit to ethical conduct in all business operations and transactions

NCR No. RSPO00225

There is no evidence that ethical conduct policy has been communicated to mill’s subcontractor.

Correction :

To communicate AMP Ethical conduct policy to mill subcontractors through:

1. Provide additional point regarding subcontractor compliances to AMP ethical conduct policy into working agreement.
2. Subcontractor management has to sign the new contract.
3. To conduct socialization regarding ethical conduct policy to all subcontractor’s workers.

Corrective Action :

It is mandatory for mill subcontractors to read the ethical conduct policy deeply and understood the content, implemented the policy during make cooperation with PT AMP mill.

Date of Closure: April 14, 2017

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

Criterion. 2.1 (Major indicator 1). Evidence of compliance with relevant legal requirements shall be available

NCR No. RSPO00226

The company only provide 1 time PPE (safety shoes) for workers who has been working for 6 years in PT AMP plantation. The lifetime for the shoes only less than year, to replace broken shoes the workers have to buy by themselves. This is against to government regulation PERMENAKER 08/MEN/VII/2010 regarding proper safety equipment for workers.

Correction :

The company review PPE matrix to include frequency of PPE replacement, especially for boot shoes will be replaced once a year as decided by Agriculture General Manager. The company provides PPE according to the revised PPE matrix, and manages PPE distribution to the workers according to the matrix and existing procedure. Furthermore company conducts socialization regarding PPE provision and PPE maintenance especially for the harvester.

Corrective Action :

The company ensures that all relevant workers wearing appropriate PPE according to the potential risk during working activity as determined on the procedure and matrix.

Auditor Conclusions: Closed.

Verification Result:

The company provide some document regarding:

- Revised PPE matrix signed by AGM and EHS manager, the matrix explained frequency of replacing PPE, e.g. for safety shoes stated twice a year, glove every four months etc.
- Revise PPE distribution (PRO-GEN-020) issued on April 21, 2016. The procedure generally explain about identification the need of PPE and providing PPE according to the need as result from risk identification.
- Updated law register version 10, dated January 04, 2016
- Minutes of OSH socialization and PPE distribution list for AMP 4 & PMJ workers dated April 21, 2016, the minutes signed by EHS manager. The minutes has include about photographs about socialization process, including list of participant dated April 21, 2016 attended by 30 harvester and socialization to all harvester staff, EHS and mandor on housing yard block 3000 kopel H type.
- There are list of PPE receiver signed by workers from AMP ad PMJ
- Etc.

Criterion 4.7.3 (Major indicator 3). *All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning*

NCR No. RSPO00227 (Major)

There is accident report nearby electric line on January 2016 in AMP4 & PMJ estate, it was known that the harvester did not wear PPE i.e. leather glove as required by SOP-EST-007. On April 2016 was reported again that harvesting activities nearby the electric line did not provide the leather glove again.

Correction :

The company investigate plantation area that is crossed the electric line and identify the harvester working on that area. The company revises the procedure for harvesting with high risk area such as close to the electric line especially to provide specific PPE for the harvester. The company provides socialization and training for the harvester especially harvesting in surrounding electric line area. The company revises HIRAC identification according to the existing control mechanism.

Corrective Action :

The company ensures that SOP-EST-007 regarding harvesting activities in surrounding electric lines well implemented through monitoring process by Mandor/supervisor and harvesting staff using proper PPE.

date of Closure: June 15, 2016

Auditor Conclusions: Closed.

Verification Result:

The company provides revised SOP-EST-007 regarding harvesting surrounding high risk condition issued on April 18, 2016. The SOP explains harvester position during harvesting activities e.g. harvesting in abnormal trees, harvesting on below electrical lines; harvesting in slope area etc. other high risk area.

There are list of receiver PPE i.e. 19 harvesters dated on April 21, 2016. The company release letter of working permit on high risk area (doc. No. FRM-GEN-008) e.g. for Field conductor as observed on harvesting block on 24 D to 25 C. The company has record of identification harvesting block nearby electrical line in PT AMP plantation Unit IV. Company provide training records (FRM-GEN-016) regarding harvesting technique and safety harvesting on high voltage area, e.g. block 24 E and 25 A dated April 21, 2016 including photographs regarding technique of harvesting on high risk condition.

Criterion 5.2 (Minor Indicator 5). *Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.*

NCR No. RSPO00228

There is no evidence about agreement between company with the farmer that side asides with HCV area to optimally safe guards both the HCVs and these rights as observed in block 5 PT KAMU estate.

Correction :

- To identify defined HCV area that side-asides with local community areas.
- To make program and agreement with the community to protect and manage the HCV area together.

- To make documentation and maintain the record of negotiation during agreement processing and record all agreement document with respective community that has plantation area side aside with HCV area t participate on HCV management and monitoring program.

Corrective Action :

To ensure that all program are well implemented according to defined scheduled. To ensure that both parties commit to the agreement and records all action taken, records should be maintained by both parties.

date of Closure: April 14, 2017

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

E.2.2. The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).

NCR No. RSPO00229 (Major)

AMP mill has physically transaction for certified PK since year 2015 to 2016 however all transaction has not registered to RSPO eTrace and transaction status on eTrace was not active.

Correction :

To input all physically certified product transaction into RSPO Etrace

Corrective Action :

To ensure that the person in charge for Etrace always upload the transaction into RSPO Etrace.

Date of Closure: June 15, 2016

Auditor Conclusions: Closed.

Verification result:

Company provide evidence of eTrace registration for physical transaction certified PK from December 2015 to January 2016 seller PT AMP palm Oil mill and buyer PT Usaha Inti Padang for certified PK MB claimed,e,g. ID transaction TR-42c792d4-66fe; TR-9c3c0bd7-03b8; TR-406a7b61; etc.

• RSPO SCCS

There is no NCR raised during this surveillance audit,

3.4 Noteworthy Positive Components

No.	Clause	Comment
1		Good cooperation from company's employee during the audit time.

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 2015 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 3rd surveillance audit.

TUV Rheinland recommends that PT AMP be continuing approved for certification of compliance to the RSPO P & C and Supply Chain Certification System and RSPO Scheme Smallholder requirement. Futhermore, TUV Rheinland recommends to contining extension scope of audit for their smallholders.

3.6 Issues Raised by Stakeholders and Findings Pertaining to Issues

Some issues raised during audit or previous audit but has not been solved are :

1. Head of Palembayan Sub District decree no.01 year 2007 regarding interference permit (Hinderordonnantie) for CPO and PKO processing on behalf PT AMP Plantation valid until 28 May 2012.
2. Letter no.660.1/241/PDL/2013 on 15 July 2013 from environmental agency in Agam District regarding 1st warning because PT AMP Plantation has not been paid retribution of interference permit based on statement letter on 4 April 2013.
3. Letter no.188.34/536/SJ on 5 February 2013 from Ministry of home affair to Head of Agam District regarding clarification of regional regulation.
4. Letter no.378/GAPKI/VII/2013 on 19 July 2013 from Indonesian Palm Oil Association (IPOA) regarding bill of interference permit retribution.
5. The company has applied request of review to local government regarding bill of interference permit retribution.
6. Some permits have not been issued for their renewal because the environmental agency in Agam District requesting of interference permit as one of requirements.
7. PT TUV Rheinland Indonesia has received letter from RSPO secretariat in Indonesia after conducting audit has finished about letter no.660.1/282/BPLH-PPL/VI-2015 on 16 June 2015 from environmental agency in Agam District regarding the result of monitoring and supervision. The results of monitoring and supervision on 7 May 2015 are validy period of land application permit has ended, waste management of laboratory with absorp system not include on environmental management document/report and PT AMP Plantation has not been followed up for evaluation results regarding wastewater treatment plant (WWTP). The company has been provided matrix plan responding to the subject inside letter it where it covering root cause, solution/action plan, PIC and timeline/deadline.

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Date of Next Surveillance Visit

The next surveillance visit is planned for May 2017.

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

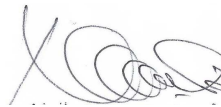
It is acknowledged that the assessment visit was carried out as described in this report and we accept the assessment findings and report content.

Signed on behalf of
PT AMP Plantation Palm Oil Mill



Simon Siburat
Group Sustainability Coordinator
Date : June 24, 2016

Signed on behalf of PT TUV Rheinland Indonesia



Naik Monang Parlindungan Lingga
Lead Auditor (under monitoring)
Date: June 24, 2016

APPENDICES

Appendix 1: Details of Revised Certificate (if applicable)

Certificate

Standard : RSPO Principles & Criteria for Sustainable Palm Oil Production (Generic Standard year 2013) & RSPO Smallholders Scheme (INA-NI October 2009) and RSPO Supply Chain Certification Systems: 2014

Certificate Registr. No. : 824 502 15017

Certificate Holder : PT TUV Rheinland Indonesia certifies :
PT AMP Plantation Palm Oil Mill
Tepian Kandle Village,
Palembayan Subdistrict,
Agam District, West Sumatera, Indonesia



RSPO number : -
Scope : Palm Oil Production and Plantation Management System

An audit was performed, Report No. ASA4_15017. Proof has been furnished that the requirements according to RSPO Principles & Criteria for Sustainable Palm Oil Production Generic Standard year 2013 & Smallholders Schema INA-NI October 2009 are fulfilled.

Validity: The due date for all future surveillance audits is 07.04 (dd.mm).
The certificate is valid from 07 June 2012 until 06 June 2017. The certificate shall remain valid in period stipulated above provided that the certificate holder mentioned here continues to comply with the RSPO P&C requirements. Status of compliance of the certificate holder shall be based on the annual inspections conducted by PT TUV Rheinland Indonesia.

RSPO registered parents Wilmar International Limited company* : (RSPO Member No. : 2-0017-05-000-00)
* Name of the RSPO registered member company of which the certificate holder is a subsidiary (if applicable)

Date of first certificate : June 07, 2011

Indonesia, 01-12-2016


PT TUV Rheinland Indonesia
Director

The certificate remains property of PT TUV Rheinland Indonesia and can be withdrawn in case of terminations as mentioned in the contract or in case of changes or deviations of the above-mentioned data. The licensee is obliged to inform PT TUV Rheinland Indonesia immediately of any changes in the above-mentioned data. Only an original and signed certificate is valid.

110200-4/2013-44 - 010 - TÜV Rheinland Indonesia (Pty) Ltd. (RSPO) is a registered member of the RSPO (www.rspo.org)

www.tuv.com



Annex to certificate

Standard : RSPO Principles & Criteria for Sustainable Palm Oil Production (Generic Standard year 2013) & RSPO Smallholders Scheme (INA-NI October 2009) and RSPO Supply Chain Certification Systems: 2014

Certificate Registr. No.: 824 502 15017

Location: PT AMP Plantation Palm Oil Mill
Address : Tepian Kandis Village,
Palembayan Subdistrict,
Agam District, West Sumatera, Indonesia



The palm oil mill and supply base covered in certification scope are :

Name of mill / estate	Location	GPS locations	
		Latitude	Longitude
PT AMP Plantation Palm Oil Mill	Tepian Kandis village, Palembayan Sub District Agam District, West Sumatera Province	00° 09' 17.6"	100° 01' 44.8"
PT AMP Plantation Estate 1	Tepian Kandis village, Palembayan Sub District Agam District, West Sumatera Province	00° 08' 22.6"	100° 00' 28.5"
PT AMP Plantation Estate 2	Tepian Kandis village, Palembayan Sub District Agam District, West Sumatera Province	00° 09' 30.2"	99° 55' 13.4"
PT AMP Plantation Estate 3	Tepian Kandis village, Palembayan Sub District Agam District, West Sumatera Province	00° 10' 47.7"	99° 48' 08.5"
PT AMP Plantation Estate 4	Tepian Kandis village, Palembayan Sub District Agam District, West Sumatera Province	00° 04' 22.7"	99° 48' 08.6"
PT Primatama Mulia Jaya	Ampai Koto village, Kinali Sub District, Pasaman Barat District, West Sumatera Province	00° 04' 22.7"	99° 48' 08.6"
PT Karya Agung Megah Utama	Kajar Piek Village, Lubuk Basung Sub District, Agam District, West Sumatera Province	00° 15' 53.3"	99° 59' 05.9"
PT Perkebunan Anak Nagari Pasaman	VI Koto Seletan Village, Kinali Sub District, Pasaman Barat District, West Sumatera Province	00° 04' 55.6"	99° 58' 08.6"
Cooperative of Tompek Tepian Kandis	Tepian Kandis village, Palembayan Sub District Agam District, West Sumatera Province	00° 08' 20.0"	100° 01' 00.0"
Cooperative of Mutara Sawit Jaya	Tanbak Nan Tiga Tikau village, Tanjung Mutiara Sub District, Agam District, West Sumatera Province	00° 08' 21.0"	99° 48' 20.0"
Cooperative of Bukit Sandang Tiga	Bawan village, Ampek Nagari Sub District, Agam District, West Sumatera Province	00° 08' 30.0"	100° 00' 00.0"
Cooperative of Agro Wira Meuang	Kinali village, Kinali Sub District, Pasaman Barat District, West Sumatera Province	00° 09' 00.0"	99° 55' 00.0"

CPO Tonnage Total Production* 68,058 tonnes
PK Tonnage Total Production* 17,784 tonnes
Company Estates FFB Tonnages* 280,300 tonnes
FFB Tonnages from other sources* 68,548 tonnes
CPO Tonnage claimed for certification* 50,759 tonnes
PK Tonnage claimed for certification* 13,686 tonnes

*Production for year 2018

Scope of SCCS & supply chain model assessed : FFB receipt, produce and delivery of CPO & PK with implementation of the following SCCS :
 Identity Preserved
 Mass Balance

Indonesia, 01-12-2018

PT TÜVRheinland Indonesia
Director

Issued by PT TÜVRheinland Indonesia

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Appendix 2: List of Abbreviations

AMDAL	Analisis Dampak Lingkungan & Sosial (Social & Environmental Impacts Assessment)
AWM	Cooperative of Agro Wira Masang
BST	Cooperative of Bukit Sandiang Tigo
CPO	Crude Palm Oil
EIA	Environmental Impact Assessment
ERTs	Endangered, Rare & Threatened species
ESH	Environmental Safety & Health
FFB	Fresh Fruit Bunches
EFB	Empty Fruit Bunches
HCV	High Conservation Value
IPM	Integrated Pest Management
KAMU	Karya Agung Megah Utama
LTA	Lost Time Accident
MSDS	Material Safety Data Sheets
MSJ	Village cooperative of Mutiara Sawit Jaya
NGO	Non-Government Organization
OSH	Occupational Safety & Health
PANP	Perkebunan Anak Negeri Pasaman
PKO	Palm Kernel Oil
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RKL	Rencana Pengelolaan Lingkungan (Environmental Management Plan)
RPL	Rencana Pemantauan Lingkungan (Environmental Monitoring Plan)
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
TTK	Village cooperative of Tompek Tapian Kandis
UKL	Upaya Pengelolaan Lingkungan (Environmental Management Efforts)
UPL	Upaya Pengelolaan Lingkungan (Environmental Management Efforts)

Appendix 3: List of Stakeholders Interviewed and Contacted

No.	Name of Stakeholder	Institution - Address	Remark
Stakeholders Interviewed On-Site			
	Khairul Anwar	Sustainability Coordinator	
	Lihardo Sipayung	Bina Mitra Sumatera	
	Donald Darwin	EHS Manager	
	Amil Rasyid	DM Plasma	
	Jaindin Sinaga	DM AMP	
	Bambang W	HRR	
	Mucandes	Doctor	
	Susanto	Document Control	
	Irsanul Z	EHS	
	Edita nainggolan	Document Control	
	Nanda Eva Riani	Document Control	
	Desrileni	Administration	
	Desni Yanti	Document Control	
	Jules Soni	Sustainability	
	Hasan Basri	KAMU	
	Revi Muhadi	Bina Mitra	
	M. Ritonga	FAM	
	Agung Sriyono Hg	CDO	
	Mulyono	Bina Mitra	
	Officer Koperasi Tompek Tapian Kandis	Kandis Sub District	

No.	Name of Stakeholder	Institution - Address	Remark
	Herman Suhita	HCV Officer at TTK cooperative	
	Joni Usman	HCV Officer at MSJ cooperative	
	Safrianto	Management of TTK cooperative	
	Rabuan Dt Jelanso	Management of TTK cooperative	
	Jasman	Operational manager at MSJ cooperative	
	Mahmud	Supervisor of smallholder at PT AMP	
	Fendi, Erizal, Hardianto, Reso, Safa, Sayanipo	Harvesting worker at MSJ cooperative	
	Asrarudin	Head of BST cooperative	
	Alwin	Spraying worker at BST cooperative	
	Jumono	Harvesting workers at BST cooperative	
	David	Staff at BST cooperative (Quality Control)	
	Sandra Yosi	Wilmar HO	
	Juned	Spraying worker at TTK cooperative	
	Doni	Worker at one of members at TTK cooperative	
	Malis, Saniati, Sitilia, Sona Melati, Suryana	Spraying workers at MSJ-Limpato cooperative	
	Effendi	Harvesting worker at MSJ-Limpato cooperative	
	Janiusman	Maintenance worker	
	Dewi Handayani	Administration Staff at MSJ-Limpato Cooperative	
	Jeri & Inahelis	Maintenance worker at BST cooperative	
	Darwin & Denis	Harvesting worker at BST cooperative	

Appendix 4: Observations and Opportunities for Improvement

No.	Observations / Opportunities for Improvement	Criteria
1	To ensure about quality of well water for employees with examination laboratory	RSPO P&C 4.4.1