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## **Roundtable on Sustainable Palm Oil**

### **Surveillance Assessment**

Report no.: ASA4\_14018

4th Surveillance Assessment against the  
RSPO Principles & Criteria Generic 2013 and  
RSPO Supply Chain Certification System Nov 2014

**PT Bakrie Sumatera Plantation, Jambi Unit**  
**PT Agro Mitra Madani Palm Oil Mill**  
**PT Agrowiyana Plantation**

Tebing Tinggi village, Tungkal Ulu Subdistrict  
Tanjung Jabung Barat District, Jambi Province

Date of assessment : June 13 – 15, 2016

Report prepared by :  
**Mhd Fundy Cholis Kurniawan**  
(RSPO Lead Auditor)

Certification Decision by :  
**Abdul Qohar**  
(Director)

**Certification Body :**  
PT TUV Rheinland Indonesia.  
Menara Karya Building 10<sup>th</sup> floor  
Jl. H.R. Rasuna Said Block X-5 Kav.1-2,  
Jakarta, Indonesia. 12950  
Tel: +62 21 579 44 579  
Fax: +62 21 579 44 579  
[www.tuv.com](http://www.tuv.com)

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**1.0 SCOPE OF ANNUAL SURVEILLANCE AUDIT**

**1.1 National Interpretation/Standard Used**

The operations of the palm oil mill(s) and its supply base of FFB were assessed against RSPO Principle and Criteria Generic year 2013 and the RSPO Supply Chain Certification Systems (SCCS) document (November 2014).

**1.2 Type of Assessment**

The 4th surveillance audit carried out on 1 (one) mill and 1 (one) company estates to this mill, i.e.: PT Agro Mitra Madani Palm Oil Mill (PT AMM), and PT Agrowiyana Plantation (PT AGW). The date of Certification Assessment of this unit was June 13 – 15, 2016.

The scope of the Supply Chain Certification System assessment covers the implementation of the Mass Balance supply chain model of AMM Palm Oil Mill.

**1.3 Certification Details**

The details of RSPO Certification Assessment of PT Agro Mitra Madani Palm Oil Mill are as per the table below:

**Table 1: RSPO Certification details of PT Agro Mitra Madani (PT AMM) Palm Oil Mill**

<b>RSPO Membership No.</b>	<b>1-0036-07-000-00</b>
<b>RSPO e-Trace No.</b>	<b>RSPO_PO1000000884</b>
<b>Subsidiary numbers of each certification unit</b>	-
<b>RSPO Certificate No.</b>	824 502 14018 (Transfer certification from TUV Rheinland Malaysia to TUV Rheinland Indonesia, certificate No. before was 1850 1949 001)
<b>Date of first RSPO certification &amp; validity</b>	2012-08-28 to 2017-08-27
<b>Date of certification audit</b>	September 19 to 23, 2011
<b>Date of previous surveillance audit</b>	August 3 – 7, 2015
<b>CPO tonnages claimed for 2016</b>	18,437.67 mt
<b>PK tonnages claimed for 2016</b>	4,009.36 mt

**1.4 Location and Maps**

**Table 2: GPS locations for all estates and mills included in certification assessment**

Name of Mill / Estate	Location	GPS locations	
		Longitude	Latitude
PT Mitra Agro Madani Mill	Talang Makmur village, Tebing Tinggi subdistrict, Tanjung Jabung Barat district, Jambi Province	1.04° S – 1.12°S	103.08° E –103.12°E
PT Agrowiyana Plantation	Talang Makmur village, Tebing Tinggi subdistrict, Tanjung Jabung Barat district, Jambi Province	1.04° S – 1.12°S	103.08° E –103.12°E

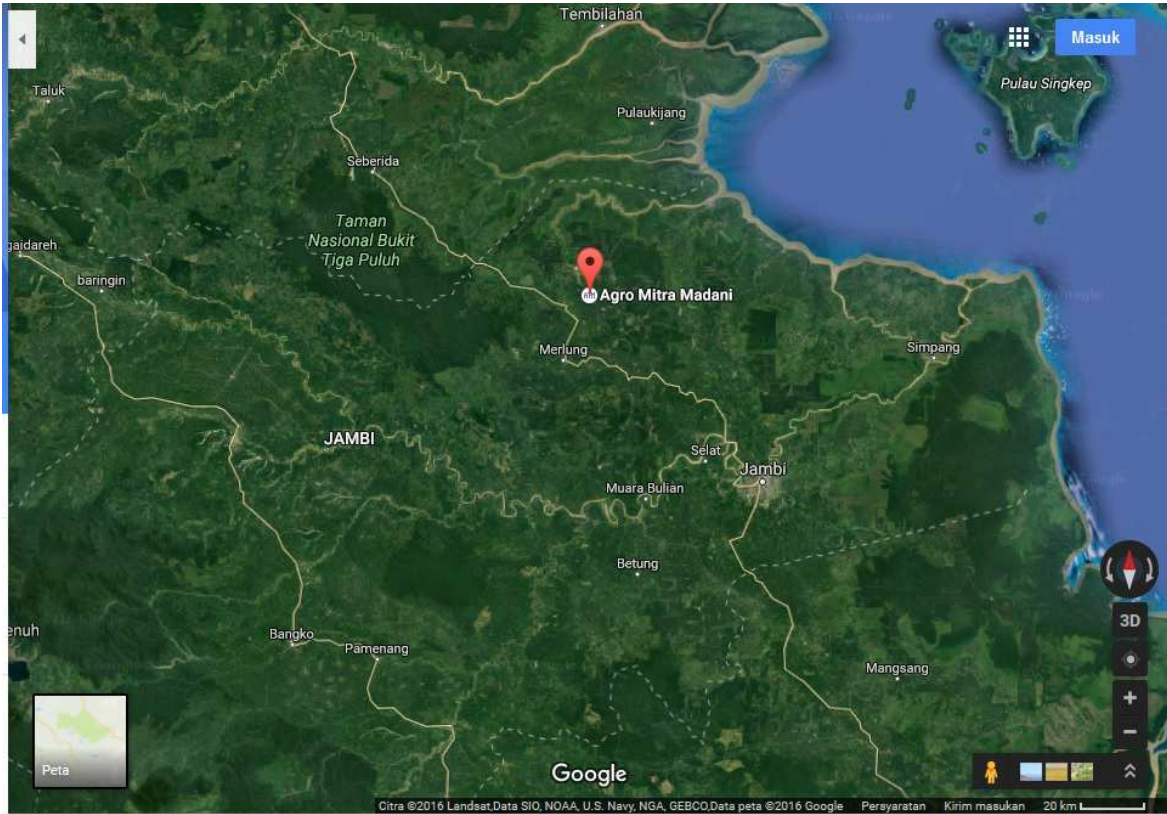


Figure 1. Location Map of PT Agro Mitra Madani Mill and PT Agrowiyana Plantation in Jambi Province

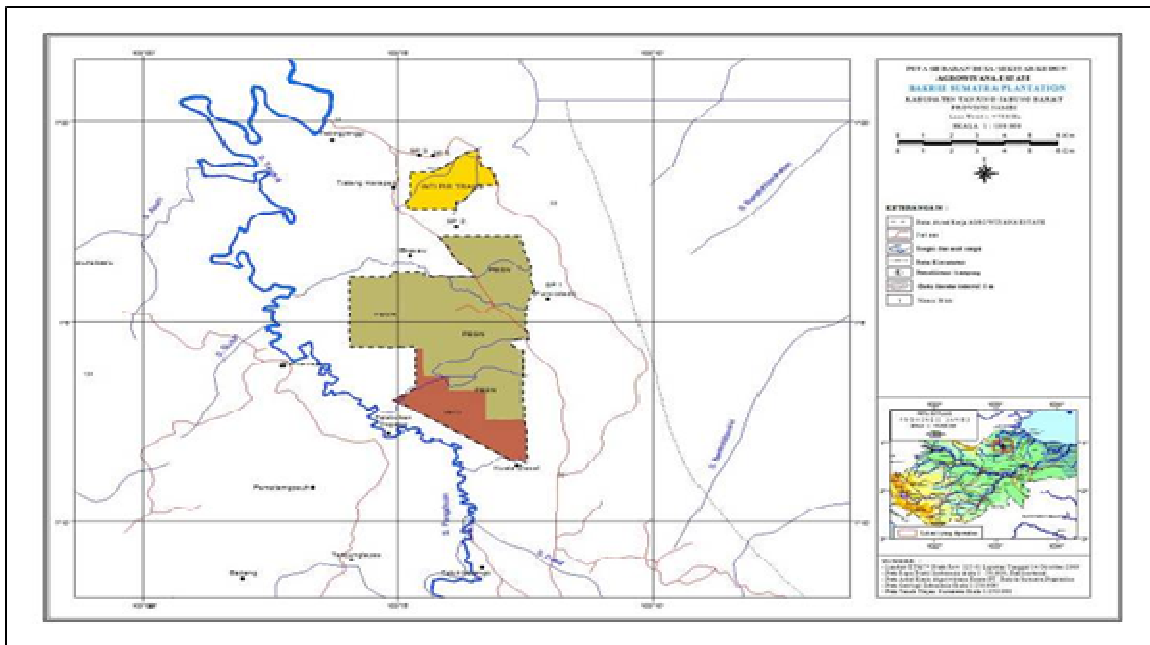


Figure 2. Location Map of PT Agrowiyana Plantation in Jambi Province

### 1.5 Organisational Information / Contact Person

Contacts details of the company presented below:

<b>Company Name</b>	<b>PT Agro Mitra Madani and PT Agrowiyana Plantation</b>
<b>Address</b>	<ol style="list-style-type: none"> <li>Jakarta: Complex of Resuna Epicentrum Bakrie Tower, 18<sup>th</sup>-19<sup>th</sup> floors, HR Rasuna Said Street – Jakarta Province 12960</li> <li>Jambi: Kol.Pol. M.Thaher Street, RT 33 RW 10 No.1A/2A Tambak Sari Village, Jambi Selatan Subdistrict – Jambi District</li> <li>Mill: Talang Makmur Village, Tebing Tinggi Subdistrict, Tanjung Jabung Barat District, Jambi Province</li> </ol>
<b>Contact Person</b>	Dadan Ramdani
<b>Telephone</b>	<ol style="list-style-type: none"> <li>Telph : 021-29941286-87, Fax : 021-29941752</li> <li>Telph : 0741-35334, Fax : 0741-26338</li> <li>Telph : 0741-64724, Fax : 0741-64670</li> </ol>
<b>Email</b>	<a href="mailto:amm@bakriesumatera.com">amm@bakriesumatera.com</a> ; <a href="mailto:agw@bakriesumatera.com">agw@bakriesumatera.com</a>

### 1.6 Description of Supply Base

PT Agro Mitra Madani (AMM) mill is one of the palm oil mills that is owned by Bakrie Sumatera Plantation in Jambi. PT AMM mill was established in 2001 with installed production capacity 60 tonnes/hour in accordance with the legal regulations 'Keputusan Badan Penanaman Modal dan Promosi Daerah (BPMPD) or the Decision of Board of Investment and Regional Promotion - Jambi Province No.15/07/1/PMDN/2001 (March 20, 2001)'. Currently, PT AMM mill receives supplies from one company-owned estate, smallholder schemes with total smallholders members of 4576, independent outgrowers and trading, as described below.

**Table 3: FFB Supply Information for PT AMM Palm Oil Mill year 2015 and 2016**

FFB Contributors	FFB supplied Tonnes 2015		FFB supplied Tonnes 2016*		Budget 2016
	Tonnes	%	Tonnes	%	
<b>Certified Source:</b>					
PT Agrowiyana (PT AGW)	95,852.13	45.20	22,632.00	70.04	89.896.00
<b>Sub Total</b>	<b>95,852.13</b>	<b>45.20</b>	<b>22,632.00</b>	<b>70.04</b>	<b>89.896.00</b>
<b>Uncertified Source:</b>					
<b>Others supplier</b>					
Outgrowers (including Plasma)	146,250.79	54.80	22,385.00	29.3	218.128.00
<b>Sub Total</b>	<b>146,250.79</b>	<b>54.80</b>	<b>22,385.00</b>	<b>29.3</b>	<b>218.128.00</b>
<b>Total</b>	<b>242,102.92</b>	<b>100</b>	<b>45,017.00</b>	<b>100</b>	<b>308.024.00</b>

Note: \*) until May 2016 received by AMM POM

### 1.7 Actual production volumes and project outputs.

During the Certification Assessment to PT AMM POM, record of certified sold available in place, as follow:

**Table 4: Total and projected CPO and PK production and Certified product sold from AMM Palm Oil Mill**

Remarks	Amount (mt)		
	FFB	CPO	PK
Certified tonnage claimed *)	-	18,437.67	4,009.36
Total product tonnage sold claimed under RSPO e-Trace	-	-	-
Certified tonnage sold claimed under Green palm	-	-	-

Certified tonnage purchased	-	-	-
<b>Realization production for 2015</b>			
Actual OER and KER	-	20.53	4.50
Total production	-	49,703.73	10,894.63
Total certified production	-	19,678.44	4,313.34
<b>Plan production projection for 2016</b>			
OER and KER		20.51	4.46
FFB receive	308.024.00	-	-
FFB process	308.024.00	-	-
FFB certified	89.896.00	-	-
Total production	-	63,175.72	13,737.87
Total certified production	-	18,437.67	4,009.36

Note: \*) certified tonnage claime based on budget production in 2016

### 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: Year of plantings of company estates supplying to PT AMM Palm Oil Mill Period year 2015.**

Year of Plantings	PT AGW (ha)
2011 – 2015	-
2006 – 2010	-
2001 – 2005	560.80
1996 – 2000	789.40
1990 – 1995	3,067.00
<b>Total</b>	<b>4,417.20</b>

Note: based on hectarage statement 2016

**Table 6: Planned and actual oil palm replanting activities for company-owned estates supplying to PT AMM Palm Oil Mill.**

Estate name	Total plan for replanting (ha)	Year (ha)				Actual total replanted (ha)
		2015	2016	2017	2018	
Agrowiyana	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

During the certification assessment process accordance to the budget plan document, management still not plan for replanting process, because the oldest palm oil still production above company requirement.

### 1.9 Area of Plantation (Total, Planted and Mature)

**Table 7: Oil Palm Planted Area Summary, FFB Production and Average yield/ha for PT AMM Palm Oil Supply Base estates.**

Estate Name	Total area (Ha)	Oil Palm Planted area (ha)	Mature (Production) area (ha)	Immature (Non-production) area (ha)	FFB Production (ton)*	Average yield/ ha (ton/ha)
Agrowiyana	4,708.00	4,417.20	4,417.20	-	95,852.13	20.35
<b>Total</b>	<b>4,708.00</b>	<b>4,417.20</b>	<b>4,417.20</b>	-	<b>95,852.13</b>	<b>20.35</b>

Note: \*) based production record in 2015, FFB from Agrowiyana delivered to PT AMM Palm Oil Mill.

**Table 8: Land used data for PT AMM Palm Oil Mill Supply Based**

Estate Name	Total area (ha)	Oil Palm Planted Area (ha)	HCV/Potential HCV areas* (ha)	Land used for other purposes (ha)			
				Housing, Road, other infrastructure **)	Nursery	Un-cleared Area	Other Land***)
Agrowiyana	4,708.00	4,417.20	611.27	270.00	21.00	-	-
<b>Total</b>	<b>4,708.00</b>	<b>4,417.20</b>	<b>611.27</b>	<b>270.00</b>	<b>21.00</b>	-	-

Note: \*) HCV inside of oil palm planted

\*\*\*) Consist of emplacement/housing, palm oil mill, roads

#### 1.10 Progress against Time Bound Plan

The company has revised their time bound plan for RSPO certification assessment of other management units, because two company (Graha Dura Leidong Prima and Indogreen) was not under Bakrie Sumatra Plantation Management. The schedule revise presented below.

**Table 9: Time Bound Plan of the Other Management Units**

Name of Holding	Location	Time bound plan for certification
BSP Kisaran	Kisaran, North Sumatra Province	Certified
Agrowiyana	Tebing Tinggi, Jambi Province	Certified
Bakrie Pasaman Plantation	Pasaman, West Sumatra Province	2017

#### 1.11 Audit against the rules for Partial Certification

Compliance of the uncertified management units of PT Bakrie Sumatera Plantation against the rules for partial certification according to RSPO Certification System clause 4.2.4 was assessed by Review self assessment report submits by company to TUV Rheinland. 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.	The parent organization of PT Agromitra Madani and PT Agrowiyana plantation is PT Bakrie Sumatera Plantation Tbk. With RSPO member No. 1-0036-07-000-00045-07(O)
(b-d) A challenging time-bound plan for certifying all its relevant entities is submitted to the Certification Body (CB) during the first certification audit. The time-bound plan should contain a list of subsidiaries, estates and mills.  Any revision to the time-bound plan or to the circumstances of the company shall cause the plan to be reviewed. for whether it is still appropriate, such that changes to the time-bound plan are permitted only where the organisation can demonstrate that they are justified	PT Bakrie Sumatera Plantation Tbk has revised the time bound plan as determined on the table above. The revision due to some of company's under Sumatra Plantation Group has been sold to others plantation company.
(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	According to information from BSP Management, there is no any replancement of primary forest or any area identified as containing High Conservation Values (HCVs).
(f) Land conflicts, if any, are being resolved	According information from BSP Management and in-

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.	interview with local communities surrounding company's area, they have good relationship and there were no conflict appears relating to land dispute.
(g) Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	No labour dispute in PT Bakrie Sumatera Plantation Group.
(h) Legal non-compliance, if any, is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	Some legal compliance are identified, this is become non conformities for each plantation unit, such as under report Kisaran Palm Oil Mill, PT BSP Unit North Sumatera.

#### **1.12 Progress of associated smallholders or outgrowers towards RSPO compliance**

Based on 3rd surveillance assessment report, the smallholder was exclude from smallholder scheme, and become independent smallholder, so the company no need to include the smallholder into timebond plan audit. But, during 4th surveillance assessment, whereas carried out the document verification in smallholder contract agreement, found some statement "the smallholder should deliver the FFB will produced to the PT AMM mill in 25 years". And also found several smallholder member not yet paid of the bank loan based on document verification. This condition made smallholder still engaged with the company and the company still has obligation to include the smallholder into time bond plan certification. **This condition raised as nonconformity under RSPO certification system 4.2.3 (NCR RSPO00471).**

As seen from data in **Table 3**, the mill received 54.80% supply of FFB from trader/supplier including from smallholder. Based on 3rd surveillance audit, but the management of PT Agrowiyana has issued letter on August 30, 2016 related to changes in the status of smallholder farmers become independent farmers. The farmers are not required to be included on the company's RSPO P & C certification.

#### **1.13 Approximate Tonnages Certified of AMM Palm Oil Mill**

The approximate tonnages certified, based on projection year 2016 for company owned estates only (refer to the table above as follows:

Crude Palm Oil (CPO) : 18,437.67 mt      Palm Kernel (PK) : 4,009.36 mt

#### **1.14 Recommendation for RSPO Principles and Criteria and Supply Chain Certification**

PT AMM Palm Oil Mill and supply based has established and maintains consistent and effective system to ensure compliance with the RSPO Principles and Criteria. The audit team has confirmed through the surveillance audit process that company practices complies with adequately maintains and implements the requirements of RSPO principles and criteria Generic 2013 and Supply Chain Certification System requirements (dated November 2014).

TUV Rheinland Indonesia recommends that PT AMM Palm Oil Mill to be continue the certification of compliance RSPO Certified Sustainable Palm Oil.



## 2.0 ASSESSMENT PROCESS

### 2.1 Certification Body

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 360 locations in 62 countries on all five continents. TUV Rheinland Indonesia offers certification for a wide range of management systems according to established international standards including ISO 9001, ISO 14001, OHSAS 18001, SA 8000, as well as CDM Project Validations and Verifications. TUV Rheinland Indonesia's office is located in Jakarta, Indonesia.

### 2.2 Qualifications of Lead Assessor and Assessment Team

The assessment team members of this certification assessment audit that were part of the same assessment team for the certification audit are as per the table below:

Name	Position	Qualifications / Experience
Mhd Fundy C Kurniawan	Lead auditor	<p><b>Education:</b> Master Degree in Natural Resource and Environmental Management, Bogor Agriculture University</p> <p><b>Trainings attended:</b> Environmental Impact Assessment (EIA), Ecological Risk Assessment (ERA), Internal Quality Audit Training for Quality Management System, IRQA-QMS ISO 9001:2000, IRQA-EMS 14001, High Conservation Value (HCV), RSPO Lead Auditor Course, ISPO Auditor Course, SCCS Auditor and ISCC plantation audit.</p> <p><b>Working experience:</b> Experienced in Environmental Impact Assessment (EIA Assessment), Environmental Health Safety Senior Officer (EHS-Senior Officer) in Wilmar International Plantation, Internal Auditor for Wilmar International Plantation, Auditor for Roundtable on Sustainable Palm Oil (RSPO), Indonesian Sustainable Palm Oil (ISPO), Timber Legality Verification Certification (SVLK) in PT TUV Rheinland Indonesia since June 2012 – present.</p>
Ade Sudiana	Auditor	<p><b>Education:</b> Bachelor degree of Forestry majoring Conservatio, Bogor Agricultural University.</p> <p><b>Trainings attended:</b> IRQA-QMS ISO 9001:2000, High Conservation Value (HCV) training for Assessors (ALS), ISPO Auditor Course, Sustainable Forest Management Training (National Standard – PHPL), Chain of Custody (National Standard).</p> <p><b>Working experience:</b> Managerial in Forest Mangement Unit, Auditor Indonesian Sustainable Palm Oil (ISPO), Auditor for Sustainable Forest Management Training (National Standard – PHPL), Auditor Chain of Custody (National Standard) for forestry, auditor timber Legality Verification Certification (SVLK) in PT TUV Rheinland Indonesia since October 2013 – present.</p>
Panggading Nainggolan	Auditor	<p><b>Education:</b> Bachelor of Social, Institut Ilmu Sosial dan Ilmu Politik, Jakarta.</p> <p><b>Training attended:</b> RSPO in house training by Mutu Agung Lestari, ISPO Training by Komisi ISPO and <i>Awareness QHSE (management system review dan integrated management system concept</i> ISO 9001, 14001, OHSAS.</p> <p><b>Working experience:</b> Komisi Nasional Perlindungan Anak – Community Relationship Staff, Divison Staff of 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 PT TUV Rheinland Indonesia.</p>

### 2.3 Assessment Methodology & Agenda

The 4th surveillance assessment was conducted between June 13 – 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.

The surveillance assessment was carried out in accordance with TUV Rheinland Indonesia RSPO audit procedure as well as the RSPO Certification Systems document and RSPO Supply Chain Certification Systems document. During surveillance 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.

One (1) estate and one (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. Document checks to verify closure of major non-conformances was conducted and implementation of corrective actions for minor non-conformities will be verified during the next surveillance audit. The certifications assessment agenda is as explained below.

#### Certification Assessment Agenda

Date / Time <sup>(1)</sup>	Organizational Unit and Processes	Auditor / Ab-brev.	Interviewee	RSPO Generic Standard and RSPO SCCS Standard
<b>Monday, June 13, 2016</b>				
05.45 – 07.10	Travelling from Jakarta to Jambi	All Auditor		<b>GA 130 (First flight)</b>
08.00 – 11.30	Travelling from Jambi to site	All Auditor		-
14.00 – 17.00	<ul style="list-style-type: none"> <li>Opening Meeting</li> <li>Introduction by team leader</li> <li>Presentation by Company's management regarding progress of oil palm plantation and palm oil mill and last nonconformity progress</li> </ul>	All Auditor	Management, Related Manager and others related PIC	-
<b>Tuesday, June 14, 2016</b>				
08.00 – 12.00 AMM Mill	<b>Verification of correction and corrective action from previous surveillance audit.</b> Document verification: <ul style="list-style-type: none"> <li>Law and regulation compliance</li> <li>Legal land</li> <li>Commintment longterm economic</li> <li>Record fo orgins third party</li> <li>OHS implementation</li> <li>Efficiency of energy used</li> <li>Reduce pollution and emission</li> <li>Supply chain certification system</li> <li>Continous improvement</li> </ul>	MK	Mill Manager and others related PIC	Principle 2 Criteria 2.1; 2.2 Principle 3 Criteria 3.1 Principle 4 Criteri 4.1.4; 4.7 Principle 5 Criteria 5.4; 5.6 Principle 8 SCCS Module E (MB)
08.00 – 12.00 AMM Mill	<b>Verification of correction and corrective action from previous surveillance audit.</b> Document verification: <ul style="list-style-type: none"> <li>Transparency</li> <li>Law and regulation compliance</li> <li>Land dispute if any</li> <li>Training program and records</li> <li>Social communities and employees</li> <li>Continous improvement</li> </ul>	PN	Mill Manager and others related PIC	Principle 1 Citeria 1.1; 1.2; 1.3 Principle 2 Criteria 2.1; 2.3 Principle 4 Criteria 4.8 Principle 6 Criteria 6.1 until 6.13 Principle 8
08.00 – 12.00 AMM Mill	<b>Verification of correction and corrective action from previous surveillance audit.</b>	AS	Mill Manager and others related PIC	Principle 2 Criteria 2.1 Principle 4

Date / Time <sup>(1)</sup>	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	RSPO Generic Standard and RSPO SCCS Standard
	Document verification <ul style="list-style-type: none"> <li>• Law and regulation compliance</li> <li>• Procedures implementation and evaluation</li> <li>• Water protection and management</li> <li>• EIA document and implementation</li> <li>• Waste management</li> <li>• Zero burning activity</li> </ul>			Criteria 4.1; 4.4; Principle 5 Criteria 5.1; 5.3; 5.5
12.00 – 13.00	<b>Break Lunch and Pray</b>			
13.00 – 17.00 AMM Mill	On site visit: <ul style="list-style-type: none"> <li>• Law and regulation compliance</li> <li>• Legal land</li> <li>• Commitment longterm economic</li> <li>• Record fo orgins third party</li> <li>• OHS implementation</li> <li>• Efficiency of energy used</li> <li>• Reduce pollution and emission</li> <li>• Supply chain certification system</li> <li>• Continuous improvement</li> </ul>	MK	Mill Manager and others related PIC	Principle 2 Criteria 2.1; 2.2 Principle 3 Criteria 3.1 Principle 4 Criteri 4.1.4; 4.7 Principle 5 Criteria 5.4; 5.6 Principle 8 SCCS Module E (MB)
13.00 – 17.00 AMM Mill	On site visit: <ul style="list-style-type: none"> <li>• Transparency</li> <li>• Law and regulation compliance</li> <li>• Land dispute if any</li> <li>• Training program and records</li> <li>• Social communities and employees</li> <li>• Continuous improvement</li> </ul>	PN	Mill Manager and others related PIC	Principle 1 Citeria 1.1; 1.2; 1.3 Principle 2 Criteria 2.1; 2.3 Principle 4 Criteria 4.8 Principle 6 Criteria 6.1 until 6.13 Principle 8
13.00 – 17.00 AMM Mill	On site visit: <ul style="list-style-type: none"> <li>• Law and regulation compliance</li> <li>• Procedures implementation and evaluation</li> <li>• Water protection and management</li> <li>• EIA document and implementation</li> <li>• Waste management</li> <li>• Zero burning activity</li> </ul>	AS	Mill Manager and others related PIC	Principle 2 Criteria 2.1 Principle 4 Criteria 4.1; 4.4; Principle 5 Criteria 5.1; 5.3; 5.5
	<b>End of 1<sup>st</sup> day audit</b>	All auditor		
<b>Wednesday, June 14, 2016</b>				
08.00 – 12.00 Agrowiyana Plantation	<b>Verification of correction and corrective action from previous surveillance audit.</b> Document verification: <ul style="list-style-type: none"> <li>• Law and regulation compliance</li> <li>• Legal land use rights</li> <li>• Long term economic</li> <li>• soil erosion control</li> <li>• OSH implementation</li> <li>• High Conservation Value</li> <li>• Efficiency energy used</li> <li>• Pollution, emission and green house gases reduce management plan and implementatio</li> <li>• Soil survey and topographic information for new planting</li> <li>• New planting since Nov 2005</li> <li>• Continuous improvement</li> </ul>	MK	Estate Manager and others related PIC	Principle 2 Criteria 2.1; 2.2 Principle 3 Criteria 3.1 Principle 4 Criteria 4.3; 4.7 Principle 5 Criteria 5.2; 5.4; 5.6 Principle 7 Criteria 7.2; 7.3 Principle 8
08.00 – 12.00 Agrowiyana Plantation	<b>Verification of correction and corrective action from previous surveillance audit.</b>	AS	Estate Manager and others	Principle 2 Criteria 2.1 Principle 4

Date / Time <sup>(1)</sup>	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	RSPO Generic Standard and RSPO SCCS Standard
	Document verification: <ul style="list-style-type: none"> <li>• Law and regulation compliance</li> <li>• Procedure implementation and evaluation</li> <li>• Soil fertility</li> <li>• Integrated Pest Management</li> <li>• Water management plan</li> <li>• Pesticide used</li> <li>• Environmental management</li> <li>• Waste management</li> <li>• Zero burning activity</li> <li>• Fragile soil management for new planting</li> <li>• Zero burning activity for new planting</li> <li>• Continuous improvement</li> </ul>		related PIC	Criteria 4.1; 4.2; 4.4; 4.5; 4.6 Principle 5 Criteria 5.1; 5.3; 5.5 Principle 7 Criteria 7.4; 7.7 Principle 8
08.00 – 12.00 Agrowiyana Plantation	<b>Verification of correction and corrective action from previous surveillance audit.</b> Document verification: <ul style="list-style-type: none"> <li>• Transparency</li> <li>• Law and regulation compliance</li> <li>• Land dispute</li> <li>• Training program and implementation</li> <li>• Social communities and employees</li> <li>• EIA and SIA assessment for new planting</li> <li>• Land dispute for new planting</li> <li>• Legal land process compensation for new planting</li> <li>• Continuous improvement</li> </ul>	PN	Estate Manager and others related PIC	Principle 1 Criteria 1.1; 1.2; 1.3 Principle 2 Criteria 2.3 Principle 4 Criteria 4.8 Principle 6 Criteria 6.1 until 6.13 Principle 7 Criteria 7.1; 7.5; 7.6 Principle 8
12.00 – 13.00	<b>Break and pray</b>			
13.00 – 17.00	Continue the agenda of the morning			
<b>End of 2<sup>nd</sup> day audit</b>				
<b>Thursday, June 15, 2016</b>				
08.00 – 12.00 Agrowiyana Plantation	<b>On site visit:</b> <ul style="list-style-type: none"> <li>• Law and regulation compliance</li> <li>• Legal land use rights</li> <li>• Long term economic soil erosion control</li> <li>• OSH implementation</li> <li>• High Conservation Value</li> <li>• Efficiency energy used</li> <li>• Pollution, emission and green house gases reduce management plan and implementation</li> <li>• Soil survey and topographic information for new planting</li> <li>• New planting since Nov 2005</li> <li>• Continuous improvement</li> </ul>	MK	Estate Manager and others related PIC	Principle 2 Criteria 2.1; 2.2 Principle 3 Criteria 3.1 Principle 4 Criteria 4.3; 4.7 Principle 5 Criteria 5.2; 5.4; 5.6 Principle 7 Criteria 7.2; 7.3 Principle 8
08.00 – 12.00 Agrowiyana Plantation	<b>On site visit:</b> <ul style="list-style-type: none"> <li>• Law and regulation compliance</li> <li>• Procedure implementation and evaluation</li> <li>• Soil fertility</li> <li>• Integrated Pest Management</li> <li>• Water management plan</li> <li>• Pesticide used</li> </ul>	AS	Estate Manager and others related PIC	Principle 2 Criteria 2.1 Principle 4 Criteria 4.1; 4.2; 4.4; 4.5; 4.6 Principle 5 Criteria 5.1; 5.3; 5.5 Principle 7

Date / Time <sup>(1)</sup>	Organizational Unit and Processes	Auditor / Abbrev.	Interviewee	RSPO Generic Standard and RSPO SCCS Standard
	<ul style="list-style-type: none"> <li>• Environmental management</li> <li>• Waste management</li> <li>• Zero burning activity</li> <li>• Fragile soil management for new planting</li> <li>• Zero burning activity for new planting</li> <li>• Continuous improvement</li> </ul>			Criteria 7.4; 7.7 Principle 8
08.00 – 12.00 Agrowiyana Plantation	<p><b>On site visit:</b></p> <ul style="list-style-type: none"> <li>• Transparency</li> <li>• Law and regulation compliance</li> <li>• Land dispute</li> <li>• Training program and implementation</li> <li>• Social communities and employees</li> <li>• EIA and SIA assessment for new planting</li> <li>• Land dispute for new planting</li> <li>• Legal land process compensation for new planting</li> <li>• Continuous improvement</li> </ul>	PN	Estate Manager and others related PIC	Principle 1 Criteria 1.1; 1.2; 1.3 Principle 2 Criteria 2.3 Principle 4 Criteria 4.8 Principle 6 Criteria 6.1 until 6.13 Principle 7 Criteria 7.1; 7.5; 7.6 Principle 8
12.00 – 13.00	<b>Break and pray</b>			
13.00 – 15.00	Preparation for closing meeting			
15.00 – 16.00	<ul style="list-style-type: none"> <li>• Presentation of findings by the audit team.</li> <li>• Questions and answers.</li> <li>• Final summary by team leader.</li> </ul>	All auditor	Management, Related Manager and others related PIC	-
17.00 - .....	Travelling to Jambi (overnight in Jambi)	All Auditor	-	-
<b>Friday, June 16, 2015</b>				
08.05 - 09.25	Travelling from Jambi to Jakarta	All auditor		<b>GA 131 (second flight)</b>

**2.4 Date of Re-Certification**

The 1st re-certification process will planned in June 2017.

### 3.0 ASSESSMENT FINDINGS

#### 3.1 Summary of Findings pertaining to RSPO Principles & Criteria

The following is a summary of findings made for the criteria listed in the RSPO Principles & Criteria Generic 2013 and RSPO Supply Chain Certification System November 2014.

During the 4th surveillance assessment, found 20 nonconformity, consist of 11 non-conformities were assigned against Major Compliance indicators while 9 non conformities was assigned against a Minor Compliance Indicator. Further explanation of the non-conformities raised and corrective actions taken by the company are provided in Section 3.2 & 3.3. The observations & opportunities for improvement are listed in Appendix 5.

#### Principle 1. Commitment to Transparency

**Criteria assessed: CR1.1, CR1.2, CR1.3**

**Criteria not assessed: -**

##### Findings:

##### CR1.1

The company has procedures communication, consultation and participation with the document number No. AG-SM-R-24 revision 2 dated January 30, 2015. This procedure arranging for the implementation of communication, participation and consultation on environmental, K3, social and legal to the external and internal the company. The procedure arranging for the submission of information with verbally and written. Personnel in charge of receipt of a complaint or a request for information are HRD assistant and CA/CSR department. Responsible for internal complaint is HRD department and to external parties is CA department. Records of information requests and responses to information requested saved by the clerk Estate, CA Clerk (external) and HR (internal) for 5 years. The company has list of stakeholders including government institutions, local and NGO/LSM. The company has set the information criteria based on the scope (social, environmental, legal) and the institutions or stakeholders are eligible to obtain the information. The Company has set the frequency time of updating the list of stakeholders is once a year.

In the procedure of communication, consultation and participation with the document number No. AG-SM-R-24 revision 2 dated January 30, 2015 has set the officer responsible for the receipt of a complaint or a discrepancy of internal and external parties to coordinate with the relevant sections to find a solution and give answers to requests incoming information is part of the assistant HR and CA / CSR. Based on sampling of incoming mail to the company can be seen that most of the incoming mail is a request for donations and borrowing heavy equipment. From the results of sampling is known that the company has responded well to the realization at the request of outside parties. Here are examples of incoming mail and that has been followed up by the company are:

- Letter No. 620.4 / 16 / TIBUM dated January 14, 2016 from Kuala Tungkal subdistrict Head regarding requests for help repair cross road to trading port, responses from management through letter No. 15 / Community Development / 2016 dated January 28, to provide assistance and IDR. 4.375.000,- for road repair Kuala Dasal trading port road.
- Proposal No. 140/233 / Pem-TIm / 2016 dated March 16, 2016, concerning the construction of the fence tomb at Talang Makmur village, management responses by letter No. 20 / ComDev-AGW / IV / 2016 dated 21 April 2016 regarding the provision of financial assistance for the fencing of the tomb at Talang Makmur village IDR. 3,000,000, (interview with the head of the village Talang Makmur that assistance has been received).

The companies keep well to all incoming information requests. All over the incoming mail is recorded in a log-book that contains information about the number of letters, the sender, and date of entry, objectives, subject, and description. On the Procedure Communication, consultation and participation with the document number No. AG-SM-R-24 revision 2 dated January 30, 2015 has been set about the time it takes to respond of requests for incoming information later than 1 month after the incoming mail is received.

##### CR1.2

The company has issued a memo with the number: 55 / CA-Legal / JMB / IX / 2011 dated September 10, 2011 by section CA / CSR Manager to all employees around the estate and the entire community around the estate concerning the corporate documents open to the public. The document is a document of licensing (lo-

cation permit, business license plantation, certificates HGU), document analysis Environmental and Social Impact, documents the activities of social and community relations, health and safety, a partnership program, vision and mission statement, program document continuous improvement.

### CR1.3

PT Bakrie Sumatra Plantation (Agrowiyana Plantation and Agro Mitra Madani Mill) already has a code of conduct that contains the code of integrity and commitment to ethical behavior in the whole conduct of operations and transactions.

The code of conduct has been documented and disseminated on 6 June 2015 in the parking lot of CPO to the various levels of employees.

Code of Conduct consists of three principles :

- To avoid conflict of interest
- To avoid misuse and / or abuse of position
- To ensure confidentiality of information and to prevent issue of information gained through the Company's operations, either to personal gain or for any purpose other than that intended by the company.

Information code of conduct has been written in the local language.

Contained in the Sustainability Report Bakrie Sumatera Plantation on Ethics and Integrity that "Under any circumstances the employee is not allowed to receive gifts that are not reasonable whether they are real or potential in the form of valuables, cash, or offer of payment for its services". Socialization of policies in the form of installation of sign boards Prohibited provide tips in the form of cash goods to the security guards, sorting, weighing, mill staff and workers.

**Compliance status: Full Compliance**

## Principle 2. Compliance with applicable laws and regulations

**Criteria assessed: CR2.1, CR2.2, CR2.3**

**Criteria not assessed: -**

### Findings:

#### CR 2.1

During the 4th surveillance, mill and estate still maintain law and regulation compliance accordance to the company procedure number Form No: AG-SM-R-26 dated on January 30, 2015 Rev01. This procedure still same with the last surveillance, did not revised by company. Procedure mentioned about job description person in charge for implementation law and regulation, such as MR have a job for identified and update new list and regulation. While Document controller, prepared and gave the law and regulation list copy to all related department, and others.

The company (mill and estate) has list law and regulation document number Form No: AG-SM-R-26 Rev02 issued date on July 28, 2015. Based on list law and regulation verification, this document still not complete, because there is no found regulation such as:

- Government regulation number 41/1999 about emission pollution control
- Environmental Ministry decree number 28 and 29/2003 about land application
- Labour and Transmigration Ministry decree number 13/2011 about physic and chemical limit in work place
- Regulation number 41/2004 about Cartagena Convention ratification
- And others

So this is nonconformance, and **raised as nonconformity (NCR RSPO00472)**.

Found in list law and regulation, regulation number 51/1999 about physic and chemical limit in work place was not valid, because this regulation has been revised by related ministry number into regulation No. 13/2011. So this is nonconformance, **raised as nonconformity (NCR RSPO00473)**.

The company procedure above, not mentioned about mechanism to update and evaluation for ensuring the law and regulation compliance, also no found system for tracking any changes in the law such as methodology updating and frequency for update. This is nonconformance, raised **raised as nonconformity (NCR RSPO00474)**. But the procedure mentioned of any special condition all unit/department in BSP Unit Jambi know about revision/new information about new law and regulation, should inform to Management representa-

tive immediately.

**CR 2.2**

During the 4th surveillance, there is no revised about document of land use rights of the company. All legal land use rights document available in place and maintain well. The summary of land use rights presented below:

No.	Decree of Land National Agency Number	Land use rights certificate Number	Valid Until	Total area (Ha)
1.	77/HGU/BPN/95	01/Desa Tebing Tinggi	14/09/2031	2,737
2.	17/HGU/BPN/2004	14/Desa Tebing Tinggi	06/05/2039	504
		15/Desa Tebing Tinggi	06/05/2039	259
		16/Desa Tebing Tinggi	06/05/2039	216
		17/Desa Tebing Tinggi	06/05/2039	970
3.	04-504.1-06-2003 Regional Land Agency decree	11/Desa Tebing Tinggi	11/02/2038	22
<b>Total</b>				<b>4,417.20</b>

The company has work instruction number Form. No: AG-SM-WI-S-02 Rev00 issued date on August 05, 2015. This work instruction mentioned the boundary pillars monitoring will carry out in every six (6) month by checking the boundary pillar condition, accessible, available or not in place, and others. The Agrowiyana estate has record of boundary pillars monitoring and boundary pillars distribution map for all estate for 2015, showed the boundary pillars condition still in good condition, available and accessible. For 2016, the monitoring will carry out in July.

Accordance to 3rd surveillance report, the land conflict between company with Zaini BR and Harun CS are resolved and clear. And the company has complete the land issue with the relevant stakeholder including through the compensation payment or called "Sagu Hati". There is evidence that the company tried to solve the conflict through the participatory method. During the 4th surveillance, there are no land conflict issue.

**CR 2.3**

Company has Procedure "Identification of Parties Entitled to Compensation" Document No. AG-SM-P-S-01 Rev 01, that issued 27 Januari 2015. The SOP explanation aims to ensure that decisions, steps or actions in the process of acquiring land for the benefit of industrial oil palm plantations is done properly, appropriately and in accordance with prevailing regulations and meet the principles and criteria of the RSPO, HCVF, and FPIC particularly for land-related interests of the community and communal land.

During ASA-04, auditor found no legal, customary or user right inside the plantation.

- Company has not copies of negotiated agreement process.
- There is no relevant information related to a FPIC process.
- So there was no community representative related land acquisition.

**Compliance status: Non Compliance**

**NCR RSPO00472**

The company list law and regulation still not complete, because not all law and regulation should be comply by the company, not listed in the law and regulation book list, example Government regulation number 41/1999, Environmental ministry decree number 28 and 29/2003, Labour and Transmigration ministry decree number 13/2011 and others.

**NCR RSPO00473**

Found in list law and regulation, regulation number 51/1999 about physic and chemical limit in work place was not valid, because this regulation has been revised by related ministry number into regulation No. 13/2011.

**NCR RSPO00474**

Procedure number AG-SM-R-26 Rev01, still not set about mechanism to update and chemical for ensuring the law and regulation compliance and system for tracking any changes in the law such as methodology updating and frequency for update.



### Principle 3. Commitment to long-term economic and financial viability

**Criteria assessed: CR3.1**

**Criteria not assessed: -**

**Findings:**

AMM Mill has budget for 4 years. With explanation presented below:

- Year 2017, certified FFB receive about 82,884 mt; OER 22%; CPO 18,234 mt; PK 3,730 mt
- Year 2018, certified FFB receive about 88,571 mt; OER 22%; CPO 19,486 mt; PK 3,986 mt
- Year 2019, certified FFB receive about 93,436 mt; OER 22%; CPO 20,556 mt; PK 4,205 mt
- Year 2020, certified FFB receive about 96,604 mt; OER 22%; CPO 21,253 mt; PK 4,347 mt

Other those mentioned above, the budget plan also was include with forecast prices for FFB and product, financial indicators, cost of production and others.

While, in Agrowiyana Estate has record for commitment to long term economic and financial viability and projection production for 5 years from 2016 – 2020. This budget document showed the FFB production until 2020 from owned estate and smallholder scheme also planted area and yield per hectare. The oldest YoP was in 1993 and the youngest planted YoP was in 2005 for owned estate and for smallholder the oldest YoP in 1995 and the youngest was in 2002. Budget not mentioned about replanting plan, because the replanting will plant in 2022. Budget document also showed the plan for maintenance, harvesting, fertilizing, spraying and others, even the fertilizing implementation in 2015 did not carried out, this is because the budget and financial reason.

**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:**

**CR 4.1**

PT Agrowiyana Plantation has standard operating procedures (SOP's) covering land clearing activity, planting oil palm, fertilizer application, spraying, pest integrated management system's, harvesting, FFB delivery. For SOPs Mill is also available covering grading, reception of FFB, CPO and PKO process, dispatch of CPO and PKO. There are all copies of document available in place it.

During interview to Harvester at field number 33, Divisi V that harvester understood about implementation of harvesting accordance with work instruction, AG-SM-WI-03 E-23 revision dated January 27, 2015.

The company has a master list of documents, AG-SM-FR-R-04, Rev. 00, issued date: 27 Jan 2015 that include the document number procedures / work instructions, procedures title/work instructions, date of approval, revision status and the officer responsible for the storage procedures/work instructions exist. The company has a mechanism to check consistency implementation of procedures through internal audit as determined in SOP internal audit, AG-SM-04 R-05 revision dated 30 January 2015. In the procedure has regulated that audit schedule at least 2 times audits per year or 6 months for each department. However, during verification to field at Mill, there is found some immature FFB at loading ramp and there is not found evidence that implementation of SOP harvesting already conducted very well and base on record of audit internal result in 2015, the company conducts internal audit only once in a year. This is not in accordance with SOP internal audit.

**This raised as nonconformity (NCR RSPO00475).**

The company has conducted internal audit on date April 7-8 2016 for all activities. Record of internal audit result already maintained very well.

During 4th surveillance, company did not have procedure for third party sourcing. **This raised as nonconformity (NCR RSPO00476).**

Mill has record of FFB incoming third party (out growers) record for 2015 and 2016 until May. In 2015, there are 56 third party supplied to AMM mill about 84,137.610 tons, and in 2016 until May found 12 third party supplied to AMM mill about 6,740.287 tons.

The company has 7 smallholder with different scheme, i.e.:

1. KKPA (*Kredit Koperasi Primer Anggota*) smallholder scheme, consist of Sukamakmur and Swakarsa smallholder
2. PIRTRANS (*Perkebunan Inti Rakyat Transmigrasi*) smallholder scheme, consist of SP1, SP2, SP3, SP4, and SP5.

Those smallholder scheme above set by government.

During the 4th surveillance, those smallholder has completed the bank credit scheme, based on record of (*kavling lunas petani plasma, June 2016*) only 47 person (1%) still not completed they credit bank scheme loan. So between smallholder and company they agreement was complete. Because the agreement mentioned, the smallholder shall provide and sell they FFB to the AMM mill in one cycle (25 year), or if the bank credit was complete.

Some cased happened during 4th surveillance, when the extraction rate FFB from smallholder below under AMM standard, this case made the mill loss the profit because mill should bought the FFB accordance to Estate Official Government prices. So the company carried out the meeting to made agreement between company and smallholder, this meeting carried out on August 2015. The result of the meeting mentioned all smallholder allowed to sold all they FFB produced to any mill around in Tanjung Jabung Barat district without forced sold to AMM mill.

AMM mill in 2015 until May 2016 has record FFB received came from smallholder, i.e.:

1. Year 2015, from KKPA smallholder scheme about 67,492 mt and from PIRTRANS smallholder scheme about 43,517 mt.
2. Year 2016 until May, from KKPA smallholder scheme about 7,110 mt and from PIRTRANS smallholder scheme about 8,534 mt.

#### **CR 4.2**

The Agrowiyana plantation has procedure for Good Agricultural Practices in managing soil fertility through the fertilizing activity, Empty Fruit Bunch (EFB) application and land application (LA). The example of procedure is:

- a. Work instruction, number: AG-SM-WI-E-E-12 rev. 04 dated January 27, 2015, about Implementation of fertilizing
- b. Work instruction, Number AG-SM-WI-E-41 rev 01 dated January 27, 2015 about utilization of solid waste (empty fruit bunch/EFB and composting) with doses 40-45 tons per ha
- c. Work instruction , AG-SM-WI-E-54 rev 02 dated September 27, 2015 about EFB application on field

The company already conducted fertilizing application amounted to 75 tons (MOP) on May 2016. But PT Agrowiyana Plantation does not conduct fertilizing input in 2015, because the financial problem of company. PT Agrowiyana plantataion use alternative for maintenance soil fertility through EFB application and POME application.

The company has work instruction for executing leaf sampling plant of palm and soil sampling, document number AG-SM-WI-E-33 rev. 04 dated August 27, 2015. There is evidence that work instruction implemented and maintained it.

PT Agrowiyana Plantation has record of soil and tissue analysis such as :

- a. Report of soil analysis from. PT. Nusa Pusaka Kencana Analytical and QC Laboratory, Ref. No. 062/RD-EXT/5/Jan/16, date of issued: 04/01/16.
- b. Report of leaf analysis, Ref. No. 311/RD/EXT/L/NOV/15, date of issued 12/11/15 from BARI laboratory.

The Agrowiyana plantation has a strategy of recycling nutrients and implemented, such as the use of Empty Fruit Bunches (EFB) and Palm Oil Mill Effluent (POME). There is realization of EFB application and drainage of POME such as :

1. EFB application :
  - a. Amount of EFB application in 2015 (until December), 36.119.660 Kg
  - b. Amount of EFB application in 2016 (until May), 8.603.560 Kg.
2. Drainage of POME to Land application:
  - a. Total amount of POME application , January 2016 : 7.143 m3
  - b. Total amount of POME application , February 2016 : 6.182 m3
  - c. Total amount of POME application , March 2016 : 6.085,m3
  - d. Total amount of Pome application, April 2016 : 5.969 m3
  - e. Total amount of Pome application, May 2016 6.192 m3

The company has a permit utilization of waste water (land application) with number No. 503.8 / 01 / KPPT / 2014 Issued date April 8, 2014 valid for 3 years from the Regent Tanjung Jabung District, valid for 3 years. Waste water is applied 630 m3 / day and still valid during the audit.

#### CR 4.3

Agrowiyana estate, has map of fragile soil, where the fragile soil in Agrowiyana estate is peat land area. The peat land area located in:

- Peat land with dept 0 – 50 cm located in division 5 about 20 Ha
- Peat land with depth 50 – 100 cm located in division 1, 2, 4, 5 about 301 Ha
- Peat land with depth 100 – 200 cm located in division 1, 2, 4 about 779 Ha
- Peat land with depth 200 – 300 cm located in division 1, 2, 5 about 380 Ha
- Peat land with depth > 300 cm located in division 4 about 225 Ha

Based slope map of Agrowiyana estate, slope condition in estate consist of:

1. Flat (0 – 3%) about 3,416 Ha
2. Undulating ( 3 – 8%) about 1,456 Ha

So the estate they did not need the management strategy to plant in slopes area, because they did not have slopes area in place.

Road maintenance program for 2015 and 2016 available in place. For 2016, the estate has done carried out the road maintenance in February, March, and May in division 1, 4, 2, 5, 3 in production and collection road. In 2015, estate has been done carried out the road maintenance and washing canal. Until the end of 2015, total canal has been done washing by estate are about 16,490 meters.

Agowiyana estate established the work instruction for water level management and subsidence in peat land area, with document number Form. No: AG-SM-WI-E-36 date issued on January 27, 2015 for water level management and Form. No: AG-SM-WI-E-37 date issued on January 27, 2015 for subsidence level measurement. Work instruction mentioned that the water level measurement in peat land should carry out every day, then for subsidence measurement in peat land carry out twice in once year. Based on field assessment, not all peat land area measured for water level and subsidence level by management, based on subsidence level record, found the decrease of subsidence level about 0.98 cm per month or 41 cm in three years (2013 – 2016 during the 4th surveillance audit), and for this condition the company done carried out some effort but still not properly to maintain the subsidence level decrease. **This is raised as noncoformity (NCR RSPO00477).**

#### CR 4.4

The company has a establish water management plan and implemented according document of enviromental management and monitoring Plan (RKL/RP). Based on these documents, there is surface water sources are Berasau river and Giring-Giring river.

The company has plan for avoidance of surface water contamination through installed signboards near river stating that Chemical Application is Prohibited. The company also applied white Sign at Palm Oil Tree near the River as border sign of chemical application. During visit at at block 29 Afdeling V in Giring-Giring river, there is applied white Sign at Palm Oil Tree near the River as border sign of chemical application.

The Company has eight ponds for waste water treatment process that can be utilized for land application in accordance with the standards of environmental quality standards. The Company has a permit utilization of waste water (land application) PT Agro Mitra Madani with numbers: 503.8 / 01 / KPPT / 2014 dated April 8, 2014 are valid for three years. In the permit required waste water used must meet the standards of environmental quality standards with a maximum of 5,000 mg BOD5 / l, a maximum pH 6-9.

PT AMM conduct to test of waste water from mill periodically in Laboratory of local environmental, local environmental Body, Bandung Regency in 2016. Record of a test result of waste water is available and maintained such as :

- Report of waste water test results with the number: 4.761.809.119 dated December 11, 2015 with the parameters tested include pH, BOD5, COD, TSS, N-total, oils and fats, Cadmium (Cd), Cuprum (Cu), lead (Pb) and zinc (Zn). From the test results obtained by the data BOD5 pH of 7.78 and 4.230 mg / l.
- Report of waste water test results with the number: 135/LHU / L2JBI/II / 16 dated February 26, 2016 with the parameters tested include pH, BOD5, COD, TSS, N-total, oils and fats, Cadmium (Cd), Cuprum (Cu), lead (Pb) and zinc (Zn). From the test results obtained by the data BOD5 pH 7.64 and 4.500 mg / l.
- Report waste water test results with the number: 269 / LHU / L2JBI / III / 15 dated April 7, 2015 at the tested parameters include pH, BOD5, COD, TSS, N-total, oils and fats, Cadmium (Cd), Cuprum (Cu), lead (Pb) and zinc (Zn). From the test results obtained by the data BOD5 pH of 6.74 and 1.410 mg / l.
- Report of waste water test results with the number: 424 / LHU / L2JBI / IV/ 16 dated May 16, 2016 at the tested parameters include pH, BOD5, COD, TSS, N-total, oils and fats, Cadmium (Cd), Cuprum (Cu), lead (Pb) and zinc (Zn). From the test results obtained by the data BOD5 pH of 6.90 and 1610 mg / l.
- Report waste water test results with the number: 545/ LHU / L2JB,V/ 16 dated June 8, 2016 with the

parameters tested include pH, BOD5, COD, TSS, N-total, oils and fats, Cadmium (Cd), Cuprum (Cu), lead (Pb) and zinc (Zn). From the test results obtained by the data BOD5 pH of 7.57 and 543 mg / l.

PT Agro Mitra Madani maintain amount of water usage for processing FFB every month. There is record of water usage per tonne FFB on January until May 2016. Record of water usage per tonne FFB e.g :

- January: total water consumption / tonne of FFB (process + boiler) is 2.06 liters / ton FFB
- February: total water consumption / tonne of FFB (process + boiler) is 2.40 liters / ton FFB
- March: total water consumption / tonne of FFB (process + boiler) is 1,45 liters / ton FFB
- April: total water consumption / tonne of FFB (process + boiler) is 1.6 liters / ton FFB
- May: total water consumption / tonne of FFB (process + boiler) is 2.4 liters / ton FFB

#### **CR 4.5**

The company has several procedures for integrated pest management, namely:

- Procedure number AG-SM-WI-E-30 Rev. 04 dated 27 January 2015, on the Work Instructions that should be known by the officer to monitoring, identification and control of caterpillars (UPDKS)
- Procedure number AG-SMM-WI-43-E Rev. 01 dated January 27, 2015 on Work Instructions that should be known by the officer to monitoring and control of termites.
- Procedure number AG-SMM-WI-44-E Rev. 01 dated January 27, 2015 on Work Instructions that should be known by the officer to monitoring and control of rats
- Procedure number AG-SMM-WI-46-E Rev. 00 dated January 27, 2015 on Work Instructions that should be known by officer to monitoring and control of ganoderma disease.
- Procedure number AG-SMM-WI-47-E Rev. 00 dated January 27, 2015 on Work Instructions that should be known by the officer to monitoring and control Oryctes

During the 4<sup>th</sup> surveillance audit, the company has a IPM plan in 2016 consist of census of fire catterpillar, census ganoderma, census for rat, monitoring for owl, monitoring for beneficial plant and IPM training. There is evidence that IPM plan has implemented such as :Report of fire caterpillar attack rotation 1, Report of ganoderma attack and Report of rat attack

Base on report of fire catterpillar attack that there was attack above threshold at division 2. So then PT Agrowiyana Plantation conduct to effort controlling pest attack through use of pesticide. Type of pesticide use for controlling pest with decis and cyperin.

The company also planting beneficial plant in each division, e.i. Turnera and antigonon.

The company already conducted training of refresh course and review of crop protection, on date May 12, 2016, followed by 9 participant.

#### **CR 4.6**

The company has a policy statement to reduce the use of chemicals, date issued October 20, 2014. The Company is committed to reducing the use of chemicals that are categorized as Type 1A and 1B or materials included in the list Stockholm or Rotterdam convention.

PT Agrowiyana plantation uses pesticide for managing pest and weed in the area according recommendation and registered agrochemical permitted.

There is evidence that use of pesticide maintained on January until May 2016 such as: Amiphosat (glifosat) , : 323,28 ltr; LD50 >5000 mg/kg ; Santamin (metilmaxsulfuron),: 166,62 Kg; LD50 >5000 mg/kg; Winson (Methyl sulfuron) , : 27,23 Kg ; LD50 >5000 mg/kg; Decis (deltametrin ) : 165,59 ltr; LD50 >5000 mg/kg; Matarin (lamda sihalotrin) , : 27,72 ltr; LD50 >228 mg/kg.

The company has conducted training for pesticide worker, namely training of pesticide handling including about MSDS on date January 15, 2016, followed by 54 partisipant. During surveillance audit, there is no spraying activity in the estate.

The company has IPM plan related use of pesticide. Base on report of census/EWS 2016, there is evidence that pest attack above threshold. In the case, the company already controlled pest attack through use of chemical application. There is evidence that fire catterpillar attack has controlled with pesticide application (Decis dan Cyperin).

There is no Pesticides applied aerially in the estate.

The company has evidence of a list of chemical used and registered in Pesticides Book issued by Pesticides Commission, Directorate General of Estate, Ministry of Agriculture of Indonesia 2014.

Storage of pesticides including pesticide/chemical and the disposal of used pesticide containers in accordance with the relevant regulations. The Company categorizes used pesticide containers as a Hazardous Waste (LB3). The company has SOPs for storage pesticide and also for temporary storage of hazardous waste, Namely :

- SOP for storage of pesticide/chemical, No. AG.SM-WI-G-03 rev 02. 27 Januari 2015

- SOP for managing and temporary storage of hazardous waste, No. AG-SM-P-G-04, rev 00 Date issued September 14, 2015

For Storage for the disposal of used pesticide containers, PT Agrowiyana Plantation has license for hazardous storage by decree of head of environmental office, Tanjung Jabung Barat regency number 660/626/XII/BLHD/2014 on December 2014, valid for 5 years. During visit at hazardous storage, there is evidence that storage the disposal of used pesticide containers in hazardous storage.

There is a record of annual medical surveillance of pesticide operators. The company already conducted examination performed on December, 28-30, 2015 to 289 employees including on the physical examination, blood and urine, (routine, blood, urea, SGOT / SGPT, cholinestrace and urine), audiometry, spirometry and x-rays. Cholinesterase tests carried out to the 45 workers spraying and storage of chemicals, the results were all normal. However, there is 8 (four) pesticide operator is not still exammed medical health. There is a difference in the amount of labor cholinestrace levels checked with a number of new workers related to chemicals.

**This is raised as nonconformity (NCR RSPO00478).**

PT Agrowiyana plantation has labor policy related to using of chemicals were signed by General Manager on October 20, 2014. Pregnant and nursing employee is prohibited for work related to chemicals, either spraying or the warehouse keeper. For ensure that pregnant or breast-feeding women did not conduct to pesticide handling, the company exam for six month every year. There is record of examination for pregnant or breast-feeding women in 2016.

#### CR 4.7

During the 4th surveillance audit, no revised about OHS policy of the company, where the policy signed by General Manager on October 20, 2014 with document number Form. No: AG-SM-K-02 Rev00. The occupational health and safety policy states that OHS is the responsibility of everyone. Head of the company and all employees and partners shall obey the OHS rules to prevent and minimize losses due to occupational accidents, occupational diseases and other causes related to OHS. The company will make continuous improvements and effort to comply with legislation, regulations and other requirements relating to OHS to be more effective to realize zero accidents. Policy is made to be implemented by all levels of management and employees, and open to the partner company and the surrounding community. As OHS policy implementation the company has identified potential hazards and risk management for all operational activities. During plant tour in mill, found all workers in loading ramp, sterilizer area, hazardous warehouse area, workshop area and boiler area are used the PPE, and when interview with boiler operator they are also understood with OHS safety regulation in company, and they also has license as boiler operator.

The company also has a Sustainable Palm Oil Policy, signed by the President Director dated May 6, 2013, among which implement Health and Safety Management System (OHSAS 18001:2007) at each operating company. Procedures and work instructions related to Health and Safety has been created for the Laboratory area (AG-SMK-PL, AG-SMK-WI-L), process/plant (AG-SMK-PP, AG-SMK-WI-P), and workshop POM (SMKPW-AG, AG-SMK-WI-W). Health and safety related to work on plantations are listed on the Work Instruction Estate (AG-SMK-WI-E).

The company (mill and estate) has OHS Committee for ensuring the OHS implementation in work place. This OHS committee has been approved by Head of Labour and Transmigration Official of Tanjung Jabung Barat through decree number 560/2072/4.3/DSTKT, dated on December 20, 2010. During the 4 surveillance, there is no revised the OHS committee organization person in charge.

The OHS committee already carried out the periodically meeting in every month and reported to the Labour and Transmigration Official Government in quarterly. Example in 1st quarterly report for period of January – March by letter number 043/GM/BSP-JMB1/IV/2016. Report contained about periodically monthly OHS meeting, OHS implementation and workers welfare.

Mill and estate has record of risk assessment with document number Form No: AG-SM-FR-R-31 issued date on January 1, 2016. The risk assessment has identified all activity mill and estate, but this document not identified the harvesting activity in under electricity because found accident in April 2016 harvester worker in division I was exposed by electric during pruning activity. Based on accident record in 2015 and 2016 until May, the accident was very high, but in OHS work program for 2015 and 2016 there is no information about how to reduce the work accident, also in OHS minutes of meeting carried out in January, February, and March 2016 only mentioned “for all department should reduce the work accidents” but the implementation could not showed. Because on April – May the work accident still high. **This is raised as nonconformity (NCR RSPO00479).**

OHS committee has work program for 2016. This program contained about PPE evaluation, annual medical checkup, meeting periodically, OHS brief/socialization, emergency response simulation, OHS inspection, hazardous emergency response simulation, OHS internal audit and others. But this OHS program not complete with targets to improve the OHS work plan. This an observation to improve the OHS work plan.

Company has record work accident for 2016 until May. Based on work accident record, found 16 days lost

time, while the highest lost time found in January 2016 about 6 days. January records showed the accident majority was in harvesting activity. For this accident, the company has record accident investigation based on procedure number Form. No: AG-SM-P-S-03 Rev01 date issued on January 27, 2015. This procedure explained about person in charge will carry out the investigation, and also mentioned the investigation report will bring to periodically meeting OHS to discuss why, and how to mitigate and reduce the accident. While field assessment, in division IV and VI for harvesting activity, they did not used PPE as required. **This is raised as nonconformity again (same with last 3rd surveillance) (NCR RSPO00480).**

The Company has Procedure for Preparedness and Emergency Response, number AG-SM-R-23 Rev02 dated March 3, 2009 and Emergency drill already performed on March 14, 2016. Identified emergencies that may occur in the company is due to fires, accidents, pollution/Hazardous Material leaks, natural disasters (floods and earthquakes), and public demonstrations/riots. The emergency drill complete with attendant list and photograph of emergency drill.

Mill and estate has been done carry out the medical surveillance for all workers who work in high risk area such as chemical workers, boiler operator, engine room operator (high noisy area), in 2015. Based on medical surveillance record found 4 workers has moderate hearing loss, and based on medical surveillance record recommendation, that person should follow up to the medical specialist related. But, during the 4th surveillance audit there is no evidence that follow up already conducted by company. **This is raised as nonconformity (NCR RSPO00481).**

#### **CR 4.8**

The Company has a list of workers who will be prepared to follow the training that is the result of the identification of training needs for employees. Furthermore, the company also developed a training program in 2016 :

<b>Program</b>	<b>Participant</b>	<b>Plan</b>
Technical pesticide use	Spraying Foreman & sprayer	January
Leadership dan Harvesting	Assitant, Manager	January
SCCS 2014	Assistant, Manager, Clerk, Foreman	February
GHG Calculation	Assistant, Manager, Clerk, Foreman	February
Health and Safety	Assistant, Manager, Clerk, Foreman	February
ISO 9001-2015	Assistant, Manager, Clerk, Foreman	February
Forest Conservation	QHSE officer & Conservation Officer	March
HCV	Assistant, Clerk, Foreman, HCV officer	March
Leadership & Motivation	1 <sup>st</sup> Foreman,, Chief clerk, Coordinator	March
Lifting Equipment operator	Operator	April
Heavy Equipment operator	Operator	April
Spraying	Sprayer	Mei
Internal Auditor ISPO	ISPO Officer	Mei
ISO 14001-2014	Assistant, Manager, Clerk, Foreman	June
OHSAS 18001-2007	Assistant, Manager, Clerk, Foreman	June
Hazardous Waste Management	Assistant, Manager, Clerk, Foreman	June
RSPO 2013	Assistant, Manager, Clerk, Foreman	July
ISPO 2015	Assistant, Manager, Clerk, Foreman	July
Fire Fighter	Fire Fighter Team	August
IPM	Asisstant, 1 <sup>st</sup> Foreman, Foreman, IPM Officer	August
Emergency response to Chemical spills and Hazardous Materials	Asisstant, Workshop, Warehouse Sprayer, Mechanic	September
Safety officer	Assistant	September
Hyperkes	Medical Officer	October
Tax	Clerk	October
Electrical Officer	Clerk	April
First Aid	Mill Assistant , Assistant, Medical Officer, Foreman	November

The company has several training records in 2016:

- Pesticides use, at Estate Office dated January 15, 2016 was attended by 52 participants.
- ISO 9001: 2015, at Estate Office dated February 24, 2016 was attended by 49 participants.

- Reporting information system for BPJS data input at Jambi dated May 11, 2016 was attended 1 person participants.
- Negotiations technique in industrial relations at Jambi on May 11-13, 2016 was attended by 4 participants
- Risk management at Estate Office dated May 17, 2016 was attended by 28 participants.
- SCCS at Estate Office dated November 26, 2016 was attended by 31 participants.

**Compliance status: Non Compliance**

**NCR RSPO00475**

During verification to field at Mill, there is found some immature FFB at loading ramp and there is not found evidence that implementation of SOP harvesting already conducted very well and base on record of audit internal result in 2015, the company conducts internal audit only once in a year. This is not in accordance with SOP internal audit.

**NCR RSPO00476**

The company could not showed the procedure related third party FFB source mechanism.

**NCR RSPO00477**

Based on field assessment, not all peat land area measured for water level and subsidence level by management, based on subsidence level record, found the decrease of subsidence level about 0.98 cm per month or 41 cm in three years (2013 – 2016 during the 4th surveillance audit), and for this condition the company done carried out some effort but still not properly to maintain the subsidence level decrease.

**NCR RSPO00478**

There is 8 (four) pesticide operator is not still examd medical health. There is a difference in the amount of labor cholinestrase levels checked with a number of new workers related to chemicals.

**NCR RSPO00479**

The risk assessment not identified the harvesting activity in under electricity because found accident in April 2016 harvester worker in division I was exposed by electric during pruning activity.

**NCR RSPO00480**

During field assessment, found harvester in division IV and VI not used PPE as required during on duty.

**NCR RSPO00481**

Based on medical surveillance record found 4 workers has moderate hearing loss, and based on medical surveillance record recommendation, that person should follow up to the medical specialist related. But, during the 4th surveillance audit there is no evidence that follow up already conducted by company.

**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:**

**CR 5.1**

PT Agrowiyana Plantation has an environmental document such as EIA document where consist of (Kerangka Acuan Studi Analisis Dampak Lingkungan/KA-ANDAL, Studi Analisis Dampak Lingkungan/ANDAL and RKL-RPL) in 1996. In the document ANDAL has made a plan for monitoring and management of the impact from estate at pre construction, construction, operation and post operation.

PT Agro Mitra Madani has an environmental document such as Upaya Pengelolaan Lingkungan dan Upaya Pemantauan Lingkungan (UKL-UPL) in 2002 with a capacity of 60 tons/hour. In the document UKL-UPL has made a plan for monitoring and management of the impact from the mill at pre-construction, construction, operation and post-operation.

During 4th surveillance audit, reports on implementation of the RKL and RPL were available for Semester I

2015 (January to June 2015) and Semester II 2015 (July to December 2015) and both reports were sent to the environmental department,. Report on Implementation of RKL and RPL including utilization of water waste, installing signboard of chemist application is prohibited, create monitoring wells and the control wells, measurement waste water quality, measurement air quality etc.. Result of measurement for all parameter in the document is below requirement. The last Report on implementation of RPL and RKL has submitted to authorize office on date February 6, 2016.

However, the company did not conduct to review for environmental monitoring plan at least two years. **This is raised as nonconformity (NCR RSPO00482).**

#### CR 5.2

During the 4th surveillance, there is no revised the HCV assessment document of company, where the HCV document assessment identification carried out in November 2010 until January 2011 by CV Pollito. HCV Assessment conducted by a qualified assessor HCV and the assessor are registered and approved by the RSPO. Based on the HCV Identification report, that consultation involving many stakeholders including the government, the management unit, local communities, non-government organization. HCV assessment conducted by collecting secondary data on land cover, ecosystem mapping, the data species (IUCN, CITES, PP 7, 1999), the value of environmental services, social and cultural data and also collecting data primary on field verification land cover, slope conditions, the type of soil and water quality, vegetation survey and ecosystem types, aspect fauna (wildlife), survey of ecosystem services, social and cultural survey.

HCV assessment has identified the HCV area in company area, where the HCV type identified in Agrowiyana estate was HCV 1.1; 1.2; 1.3; 1.4, 2.3; and 4.1, with total HCV area about 611,27 Ha, located in:

1. Peat land more than 300 cm.
2. Riparian bufferzone river of Baung, Baung Cabang-1, Baung Cabang-2, Brasau Cabang-1, Brasau Cabang-2, Giring-Giring Cabang-1, Giring-Giring Cabang-2, Sianang, water reservoir in mill, canal, water spring.
3. Conservation forest.

Based on HCV assessment identification found RTE species in Agrowiyana estate, i.e.: *Presbytis melalophos*, *Lutra sumatrana*. And also others species under IUCN, CITES and National Regulation number 7/1999, i.e.: *Cynopterus brachyotis*, *Felis bengalensis*, *Hystrix crassispinis*, *Callosciurus nostatus*, *Macaca nemestrina*, *Macaca fascicularis*, *Paradoxurus hermaphroditus*, *Tragulus napu*, *Mydaus javanensis*, *Rattus tiomanicus*, *Sus scrofa*, *Treron oxyura*, *Psittacula longicauda*, *Otus refescens* and others, this is identified as Near Threatened under IUCN. The map of HCV area are available in place.

The company has record oh HCV management plan was prepared by consultant. This HCV management plan already covered for RTE species monitoring and protection, through the monitoring habitat, species, frequency, C/N ratio and others. Estate has carried out the HCV monitoring implementation in 2015, based on record HCV monitoring plan, found the estate has carried out the enrichment in riparian bufferzone, fauna monitoring (bird, mammal and reptilian) but this monitoring carried out in general, could not found RTE species monitoring (species, habitat and others). **This is raised as nonconformity (NCR RSPO00483).**

Until 4th surveillance, company only carried out brief/socialization about the HCV protection through the signboard installed in work area, but the company could not ensure how deep the all workers level and community understand and aware to participate together with company protect and enhance the HCV, especially for and to protect the habitat and species of RTE. **This is raised as nonconformity (NCR RSPO00484).**

Because the company not carried out yet the RTE species monitoring, so the outcomes monitoring fed back into the management plan could not showed. **This is raised as nonconformity (NCR RSPO00485).**

All of HCV area in company, there is not any set-asides with existing rights of local communities, so the company only need to communicate the HCV identified area to communities, so that the communities understand and aware to protect the HCV identified area together with company.

#### CR 5.3

The company has identified all sources of wastes from estate and mill activities including spraying, manuring, storehouse, pest management, etc. in their 2016 Environmental Aspects and Impacts Identification. Type of waste such as :

- a. Hazardous waste from engine room, water pump, and oil based
- b. Secondary spare parts and scrap metal from workshop
- c. Used batteries from engine room, water pump and workshop
- d. Office waste i.e. ink, lamp, cartridge, etc
- e. Secondary container from herbicide and pesticide
- f. Domestic waste from emplacement
- g. Emission and noise from engine room, generator set, water pump, and vehicle
- h. Dust from vehicle and fertilizer unloading



The company has SOP for storage of hazardous waste as determined in SOP for managing and temporary storage of hazardous waste, No. AG-SM-P-G-04, rev 00 Date issued on September 14, 2015.

During the 4th surveillance audit, the hazardous waste storage licensed in mill is still valid. PT AMM has a license of Hazardous Waste storage no. 660/678/VIII/BLHD/2013 issued by Head of Environmental office Tanjung Jabung Barat regency on August 19, 2013, valid for 5 years. For plantation, PT Agrowiyana Plantation has a license for hazardous waste storage by decree of head of environmental office, Tanjung Jabung Barat regency number 660/626/XII/BLHD/2014 on December 2014, valid for 5 years.

There is evidence that hazardous waste has managed and stored in hazardous waste storage before transporting process by PT Horas Miduk. Data of hazardous waste in log book on date November 16, 2015 such as :

- a. Used oil : 1.377 litres
- b. Used lamp : 57 pieces
- c. Oil filter : 37 pieces
- d. Used pesticide container : 64 pieces

PT Horas Miduk has the license from Decree of the State Minister of Environment No. 06.4.06/2014 as Hazardous waste transporter and collector company.

However, during verification audit in field, there is found for burning activity for some organic waste near head office. **This is raised as nonconformity (NCR RSPO00486).**

#### CR 5.4

Mill has record of energy used per tons process and per tons product for 2015. Energy used in 2015 came from fossil fuels and renewable energy (fiber and shell). During the 4th surveillance, energy used from fossil fuel and renewable energy record available in place, while shell used per tonne CPO was 0.15 tonne/CPO produced; fiber about 0.67 tonne/CPO and fossil fuel about 7.48 tonne/CPO. Then, for 2016, shell used per tonne CPO produce was 0.82 tonne/CPO; fiber about 0.82 tonne/CPO and fossil fuel about 3.73 tonne/CPO.

#### CR 5.5

The company has zero burning policy, not to use fire for preparing land for replanting. This policy signed by Mr. H. Zulsony Idial as General Manager dated on Oktober 20<sup>th</sup>, 2014 and still valid. Fire is not a choice for company in this matter. Procedure of emergency responses to land burning is available, (AG-SMK-WI-E-06) and company provide some appropriate equipment of fire extinguishers and facilities.

The company has no preparation for replanting yet.

#### CR 5.6

Mill and estate already identified the pollution, emission and greenhouse gases source from mill and activity. The pollution and emission came from POME, fertilizing, spraying and transport activity in mill and estate. Then, mill and estate has develop the work program to minimize the significant pollutand and greenhouse gases, but mill and estate could not showed the implementation of this work program. **This is raised as nonconformity (NCR RSPO00487).**

Mill and estate has carried out greenhouse gases calculation, but the tools was use not approve yet by the RSPO. **This is raised as nonconformity (NCR RSPO00489).**

#### Compliance status: Non Compliance

##### NCR RSPO00482

The company did not conduct to review for environmental monitoring plan at least two years.

##### NCR RSPO00483

Based on record HCV monitoring plan, found the estate has carried out the enrichment in riparian bufferzone, fauna monitoring (bird, mammal and reptilian) but this monitoring carried out in general, could not found RTE species monitoring (species, habitat and others).

##### NCR RSPO00484

The company could not ensure how deep the all workers level and community understand and aware to participate together with company protect and enhance the HCV, especially for and to protect the habitat and species of RTE.

##### NCR RSPO00485

Because the company not carried out yet the RTE species monitoring, so the outcomes monitoring fed back

into the management plan could not show.

**NCR RSPO00486**

During verification audit in field, there is found for burning activity for some organic waste near head office

**NCR RSPO00487**

Mill and estate could not show the implementation of work program to mitigate and reduce the significant emission, pollutant and greenhouse gases has identified by company.

**NCR RSPO00489**

The greenhouse gases calculation used by company not yet approved by RSPO.

**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, CR6.12, CR6.13**

**Criteria not assessed: -**

**Findings:**

**CR6.1**

Companies has provided copies of Social Impact Assessment Analyzes a document prepared in 2011 by the CV Quality Safety Environment. The SIA document are cover all of the potential impact factors, including: Access and use rights, Economic livelihoods (eg paid employment) and working conditions, Subsistence activities, Cultural and religious values, Health and education facilities, Other community values, the resulting from changes such as improved transport / communication or arrival of substantial migrant labor force.

SIA 2016 management plan does not include management and monitoring of the negative impacts associated with employment and land conflicts. The Company has not shown evidence of the document reviews the SIA management plan with the participation of the parties. **This is raised as nonconformity (NCR RSPO00490).**

The Company also has not shown evidence of the document reviews the social management plan carried out with the participation of the parties. **This is raised as nonconformity (NCR RSPO00492).**

Affected communities have been involved in the assessment document SIA. The village is affected parties are Tebing Tinggi Villlage, Brasau Village, Purwodadi Village, Suka Damai Village, Adijaya Village, Kelagian Village, Kuala Dasal Village, Suban Village, Kampung Baru Village, Pematang Paoh Village, and Badang Village.

The Company has a program to mitigate the social impact of the company activities in the 2016.

Program	Objectives	Locations	Execution Plan
Public Facilites	Strengthening the positive impact, increasing the benefits and that can be felt by society living alongside Agro plantations.	Villages surrounding company	June
Communnity Development	In order for farmers to save money so that capital for replanting sufficient and that farmers have access to quality seeds	Villages surrounding company	August
Job Opportunities	Reducing the number of unemployed in the vil-lage as well as minimizing the negative assessments of the company, without discriminating on the local labor force.	Villages surrounding company	September

Business Opportunities	Increased income community / village and as inspiration for the local population in order to meet basic needs and increase revenue.	Villages surrounding sur-company	November
Land Conflict	Treatment and monitoring conditions HGU peg to prevent land occupation	Villages surrounding sur-company	December

**CR6.2**

Mill and estate has SOP related to communication consultation and participation is SOP Participation and Communication, Document No. AD-SM-R-24 that issued January 30, 2015.

The SOP is a procedure for the implementation of communication, participation and consultation on environmental, K3, social and legal to the outside and inside the company. SOP aims to: Receive and provide information and feedback to stakeholders by using good language, easy to understand and be understood.

- Ensure communication, participation and consultation is not confusing and can be understood by all parties.

Company has set the officer responsible for the receipt of a complaint or a discrepancy of internal and external parties to coordinate with the relevant sections to find a solution and give answers to requests incoming information is part of the assistant HR and CA / CSR.

There are management personnel responsible for the delivery of information and feedback to stakeholders namely Public Relation Coordinator is Mr. Amirudin.

Companies key stakeholder's are: Outgrower, Village Government, Sub Distric Government, Distric Government, NGO, local community, Plasma Cooperation (7 Cooperation and 5 Sub Cooperation) and Plasma farmers.

**CR6.3**

There was system for grievance handling in internal and external communication SOP No : SOP.DIR.MR-06 valid since 1 April 2014. This SOP is media for internal and external. This SOP is covers electronic letter also. Beside this direct letter, communication also could be made by letter sent fo suggestion box. Subject to this communication are as

follow :

- Information regarding to quality management and company environment
- Grievance, objection, complaints and improvement suggestion on company's policy.
- Request for company's publicly available data.

Flow step for this SOP communication is described bellow :

- Once in a week the suggestion box will be open by HR Department or General Department.
- Suggestion, complaint or grievance letters, if any, will distribute to estate or mill manager for action taken needed.
- Evaluation and consideration on the incoming letter will be follow and responded by manager by approval from manager or director.
- All of incoming letters should be recorded by HR of General Department in the logbook.

The Company has a policy of protection against violations of the reporting (whistleblower) No. AG-SM-K-14 Rev-00 dated August 14, 2016. Protection as follows:

- The protection of confidentiality on the identity of the complainant.
- Protection of reprisal from the complainant.
- Protection from dismissal, demotion, postponement increase in grade, pressure, physical action.
- Protection adverse record in the personal data files.
- Information on the follow-up process is being carried out, this information is delivered confidentially to the complainant.

**CR6.4**

PT BSP has provided copies of Standard Operation Procedure (SOP) related to the identification of the legal rights of the community, namely "*SOP Identifikasi Pihak-Pihak yang Berhak Menerima Kompensasi*", Document No. AG-SM-P-S-01 Rev 01, that issued 27 Januari 2015. The SOP explanation aims to ensure that decisions, steps or actions in the process of acquiring land for the benefit of industrial oil palm plantations is done properly, appropriately and in accordance with prevailing regulations and meet the principles and criteria

of the RSPO, HCVF, and FPIC particularly for land-related interests of the community and communal land. Procedures related to the calculation of fair compensation (in money terms) has been carried out based on the prevailing custom in the community. For productive land will be taken into account the number and age of the existing productive plants.

**CR6.5**

Available workers monthly payroll document in June 2016 in accordance with the decision of the Governor of Jambi No. 515 / Kep.Gub / Dissosnakertrans / 2015 for Minimum Wages of Tanjung Jabung Barat District in 2016 amounted to IDR. 1.926.000.-

Memo No. 018.B / GM-BSP / AGW-AMM / JBI.I / I / 2016 dated January 22, 2016, concerning the adjustment of wages PT. Agrowiyana and PT. Agro Mitra Madani permanent worker / SKU IDR. 1.926.000, and daily paid worker IDR. 77. 040 / day.

Employment Agreement No. 98 B / GM / BSP-AGW / JB.1 / VII / 2015 dated July 29, 2015 an Sukiyah, as Officers Mess Jambi, working period August 1, 2015 - July 31, 2016, with a base salary adjusted to the minimum wage in the Tanjung Jabung Barat District. BPJS Health and Labour program are included in.

Proof of payment of wages / salary slip, example:

- Arianto Lubis SKU. 25 HK basic salary of IDR. 1.926.000 plus allowance for rice, Residential Care (PT AGW).
- Imam Fadhilah SKU 25 HK basic salary of IDR. 1.926.000 plus allowance for rice, Residential Care (PT AMM).

Collective Labor Agreement PT. Agrowiyana and PT Agro Mitra Madani 2016-2017 which describes the rights and obligations of workers such as working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, health and safety.

- Based verification and test in the field observation proved that PT BSP has provided facilities to employees :
- Estate and Mill

Facilities	Unit
G1 Housing	42
G2 Housing	286
Longhouse	40
Mosque	7
Health Care	1
Kindergarten	1
Elementary School	1
Jr High School	1
Bus	2
Water Tank	28
Football field	2
Badminton field	1
Volley ball	1

The Company has worker Cooperative it's provide household goods for workers and their families, and company allow the workers to sell household goods at worker housing. (Field Observation at workers housing) Local market near the company at Talang Makmur Village.

**CR6.6**

PT. BSP has a Corporate Policy Employee Protection which states that the Company provides recognition of freedom of association are attached to the walls of the office and in Bahasa Indonesia that is understood by employees.

As implementation, workers have Labour Organization SPPP SPSI PT AGW AMM. The organization structure approved. In accordance with decision of the chairman of the SP3 SPSI Council Jambi Province No.09/PD-F.SPPP-SPSI/JB/X/2014.

Organization Chart 2014 -2019:

- Chairman: Anwar Musyadat Harahap, SH,
- Vice Chairman: Palben Sirait,
- Treasury: Ahmad Sutomo Naibaho.

PT BSP provided copies of the following documents:

- Minutes of meeting on September 4, 2014 on the establishment of SPSI PT AGW-AMM
- Minutes of meetings with the company on June 24, 2015 concerning the bonus payment , holiday al-

lowance and salaries of employees

**CR6.7**

In company policy has been determined not to recruit and hire workers under 18 years old. Based on employees data, there was no workers under 18 years old, and the company did not any recruitment process since 2014 until 2016.

**CR6.8**

BSP Jambi has Sustainable Palm Oil Policy, Stated Every worker has an equal opportunity to obtain employment without discrimination and the right to equal treatment without discrimination from employers dated October 20, 2014.

Auditor took sampling that the company does not discriminate in the promotion and based on a fair assessment. Letter appointment was evidence of promotion:

Letter Appointment of Employee No. 001 / HR-BSP / JBI.1 / I / 2016 a.n Adi Nata as a harvester in Div V, and included in the Health and Labor BPJS program set 01 January 2016 enclosed with work appraisals and health recommendation No. 912/243 / PKM PWD / 2015 Puskesmas Purwodadi November 02, 2015.

Letter Appointment of Employee No. 115 / HR-BSP / JBI.1 / X / 2015 a.n Masrani as a harvester in Div V, and included in the Health and Labor BPJS program set for October 1, 2015 letter of health recommendation No. 821/36 / PKM.PB / 2015 Puskesmas Pijoan Baru dated January 24, 2015.

**CR6.9**

PT BSP Jambi has provided copies of the Sexual Harasment Policy, that which expressly prohibits all forms of sexual harassment. Based on interviews, that this policy has been understood by all workers, and they understand that severe sanctions of dismissal and filing in court if violated.

Companies policy related chemicals, ensuring that pregnant and lactating female worker are prohibited employed to deal with chemicals, either spraying, warehouse keeper, or other worker-related chemicals. Defined by General Manager.

Employment policies governing reproductive rights of workers are clearly stipulated in the PKB in Article 15, are :

- 1. About menstruation leave: Employees in the menstrual period pain are not obliged to work on the first day and the second time period.
- On maternity leave and abortion:
- To the pregnant employee is given the right breaks 1.5 months before and after maternity or abortion.
- Employee undergoing maternity leave are entitled to wages
- The days of rest give birth because abortion up to 1.5 months.
- Rest of childbirth can be extended up to 14 days with a doctor's suggested.

There is a Gender Committee established by the Decree of the General Manager through Memo No.04A / AH-BSPJBI / VII / 2014, dated July 5, 2014.

Company has set a gender committee structure with Chairman: Lidia Tanty, Vice Chairman: Nur Asni, Elia, Magda, Secretary: Riasih, Vera Vebrianti.

Dissemination conducted on November 20, 2015 at office meeting room attended by 38 female workers and during ASA-04 there was no record related female workers issues.

Gender committee 2016 program :

<b>Program</b>	<b>Plan</b>
Gender Socialization	July
Gymnastics	Every 2 weeks, on Tuesday-Thursday
Pengajian / wiridan	Every week on Friday
Religious activities	Maulid/Prophet day
Posyandu	Every month

The Company has a policy of protection against violations of the reporting (whistleblower) No. AG-SM-K-14 Rev-00 dated August 14, 2016. Protection as follows:

- The protection of confidentiality on the identity of the complainant.
- Protection of reprisal from the complainant.
- Protection from dismissal, demotion, postponement increase in grade, pressure, physical action.

- Protection adverse record in the personal data files.
- Information on the follow-up process is being carried out, this information is delivered confidentially to the complainant.

**CR6.10**

FFB price determination made by the commission established at the provincial level with the member company FFB supplier, Mill, and the Department of Agriculture and Plantation Jambi Province. Prices are valid for one month and published via email from Disbun Jambi then informed by AMM Mill for which can be accessed by the public.

- o Non Plasma/ Supplier
  - FFB previous pricing information (June 3-9, 2016) IDR 1,799.06,/kg. (June 10-16 2016) IDR 1,704/kg. FFB pricing information for non-plasma farmers delivered via text/SMS to the supplier by the Marketing Division. FFB basic pricing (Non Plasma/Supplier) . Mechanism : Head Office trading price collecting than comparing information to various companies based on global CPO prices, the composition of the price : cost production, cost of the road, loading, estimated yield, and others.
- o Plasma/Smallholder
  - Disbun previous price (May 27 – June 01, 2016) IDR 1,713.09/kg , present (June 03-09 2016) IDR 1,689.06/kg. FFB Pricing is not the authority of the palm oil companies, but the collective decision of the commission of the Provincial level. The Company provides information to stakeholders based on the FFB pricing at the provincial level.

It was agreement between company and KUD on August 27, 2015. It stated that FFB payment is lower than the price Disbun because the yield is still below standard, and the agreement was witnessed by representatives Disbun Tanjung Jabung Barat Subdistrict and Jambi Province.

All parties have to understand the purchase contract agreement FFB agreed in the memorandum of MoU / agreement purchase Fresh Fruit Bunches (FFB) with Delivery Order.

The number of suppliers FFB:

- 23 suplayer
- Plasma 12 KUD (5 PirTrans and 7 KKPA)
- Agrowiyana Plantation (BSP group)

For example, Auditee has provided copies:

- Payments to FFB suppliers Group Farmers (June 13-15, 2015) total 15,166.2 kg, payment via Bank BRI amounted to IDR. 25,843,188. FFB agreed payment has been paid on time by PT BSP.
- Payment KUD Sawit Makmur June 03-09, 2016 total FFB 6,760.8 kg, payment via Bank BRI amounted to IDR. 11,419,312. TBS agreed payment has been paid on time by PT BSP.

**CR6.11**

Records of contributions to local development in 2016, based on consultation with the community such as:

- Operational Assistance for pesantren Pematang Pauh Village, Talang Makmur village June 2016.
- Funds for Rural farmer groups activities at Brasau village on January-February, 2016.
- Financial aid for fish farmer groups activities at Taman Raja village on January-February, 2016.
- Mosquitoes fogging to 500 resident at Talang Makmur village and Brasau village on February 2016.
- Blood Donor Event, producing 150 bags to be delivered to the Red Cross on May 2016.
- Financial aid for youth organizations sporting activities at Tebing Tinggi District, Tungkal Ulu District, Batang Asam District on March, April, May 2016.
- Green activity on barren land in Tanjung Jabung Barat June 2016.
- Forest Conservation management activities in June 2016.
- Road maintenance activities for smallholders from January to June, 2016.

Group Farmers (*plasma*) have been managing his own plantation and has not managed by the company because credit already paid. The company's efforts to improve the quality by locates 11 employees (foreman and assistant) to keep track of activities of plasma at the same time maintaining the quality of FFB production which will be sent to the mill.

**CR6.12**

The company (mill and estate) has policy for force labour and labour trafficked. During workers interviewed with harvesters and chemical workers there is no issued raised by workers about force labour. Based on employee data, there is no migrant worker working in the company, and most of the employees are from outside the Jambi province (Java, Riau,) and during field observation to the Division, auditor found no migrant/ foreign workers.

**CR6.13**

Company has Human Rights Policy No. AG-SM-K-June 13, 2015. PT BSP unit Jambi 1 is a company that manages oil palm plantations and palm oil mills considers it important that each person has human right and comply with laws and regulations, government regulations and other requirements relating to human rights. Briefing has been done since the publication of this policy, for example, every morning master policy delivered by an assistant to the workers.

**Compliance status: Non Compliance**

**NCR RSPO00490**

The Company has not shown evidence of the document reviews the SIA management plan with the participation of the parties.

**NCR RSPO00492**

The Company also has not shown evidence of the document reviews the social management plan carried out with the participation of the parties.

**Principle 7. Responsible development of new plantings**

**Criteria assessed: CR7.1, CR7.2, CR7.3, CR7.4, CR7.5, CR7.6, CR7.7, CR7.8**

**Criteria not assessed: -**

**Findings:**

Based on hectare statement information for 2016, the youngest planted in the company was in 2005, with the oldest was 1993. There is no any new planting area developed by the company. The planted in 2005 was not carry out in November. The SEIA, HCV document covered all company land use rights. During field assessment in HCV area, riparian bufferzone area and peat land area, all area was maintained well by company.

**Compliance status: Not implemented**

**Principle 8. Commitment to continuous improvement in key area of activity**

**Criteria assessed: CR8.1**

**Criteria not assessed: -**

**Findings:**

During 4th surveillance assessment, the company showed the effort for commitment to continuous improvement. Example to minimize the chemical fertilizer used, the company use EFB and POME for fertilizer. For IPM management implementation, the company still commitment use biological control to minimize the pesticed use. Cover crop implementation also use by company to minimize the soil erosion in some undulating area in compane concession area. In environmental management there is no significant continous improvement, the company only implemented requirement in enviornmental management and monitoring plant.

**Compliance status: Full Compliance**

**3.2 Status of Previously 3rd Surveillance Identified Non-conformances against RSPO P&C Requirements, Corrective Actions Taken and Auditors Conclusions**

During the 3rd surveillance audit, a total of 15 nonconformances were identified. These consisted of 10 major non-conformities and 5 minor non-conformities. For the major non-conformances, the company has taken the necessary corrective action to close these non-conformances within 60 days of completion of the assessment, and this was verified by the audit team through document that 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:

#### **4.2.3 RSPO Certification System Requirement**

##### **NCR No. 2015 – 01 of 15**

The company has not been able to provide evidence that 100% of the farmers and smallholders are RSPO certified within 3 years since receiving the certificate.

##### **Correction:**

The management of PT Agrowiyana has issued letter related to changes in the status of smallholder farmers become independent farmers and since August 18, 2015 the FFB price from smallholder based on the market price (not the price of the estate agencies).

##### **Corrective Action:**

Company has revised the time bond plan, and monitor.

##### **Auditor Conclusions: Closed**

##### **Verification result;**

The management of PT Agrowiyana has issued letter related to changes in the status of smallholder farmers become independent farmers and since August 18, 2015 the FFB price from smallholder based on the market price (not the price of the estate agencies) so that the farmers do not have the attachment in supplying FFB to Agrowiyana mill. Thus no obligation of PT Agrowiyana to involve small holders into the scope of its RSPO Certification.

**Date of closure: September 01, 2015.**

#### **Criteria 1.3.1 (Minor) 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 – 02 of 15**

The company has not had a written policy committing to a code of ethical conduct and integrity in all operations and transactions. The policy must be communicated to all levels of employees and operational.

##### **Correction:**

Implement a policy of integrity and ethical code in the BSP Group and disseminate to all employees.

##### **Corrective Action taken:**

The company monitor policy of integrity and ethical behavior periodically.

##### **Verification result:**

Contained in the Sustainability Report Bakrie Sumatera Plantation on Ethics and Integrity that "Under any circumstances the employee is not allowed to receive gifts that are not reasonable whether they are real or potential in the form of valuables, cash, or offer of payment for its services". Socialization of policies in the form of installation of sign boards Prohibited provide tips in the form of cash goods to the security guards, sorting, weighing, mill staff and workers.

##### **Auditor Conclusions: Closed**

**Date of closure: June 14, 2016**

#### **Criteria 2.1.1 (Major) Evidence of compliance with relevant legal requirements shall be available**



**NCR No. 2015 – 03 of 15**

The Company has not fully provide PPE in accordance with the Regulation of the Minister of Manpower No. 8 of 2010 on Personal Protective Equipment.

**Correction:**

The company provides PPE based on the location of the work and activities undertaken.

**Corrective Action:**

Monitor and evaluate the use of PPE through a checklist.

**Verification result:**

The Company has submitted some evidences for correction, which are:

1. The identification of requirements and availability of PPE for harvesting, sower empty bunch, spraying and fogging, dated August 19, 2015.
2. Slip of demand and consumption of PPE on August 26 and 27, 2015,
3. Proof of receipt of PPE to Division I until V

**Auditor Conclusions: closed**

**Date of closure : September 2, 2015**

**Criteria 4.1.1 (Major) Standard Operating Procedure (SOPs) for estate and mills shall be documented**

**NCR No. 2015 – 04 of 15**

- a. During field visits in Division I Block B-7, Year planted 1993 known plant crop rotation is 25 days after Eid, the rotation before Eid is 12 days and the rotation on June 2015 is 15 days. This is not comply with the work instructions about the Implementation of harvesting, document number AG-SM-WI-03 E-23 revision 03 dated January 27, 2015, where the crop rotation is 5/7.
- b. The Company has not been optimized in the production process where the factory condition often suffer damage and delays in the repair so that the throughput is not yet optimal. As an example: during a visit to the boiler station is seen that the cover of boiler in a state of perforated so that the combustion process does not go well.

**Correction:**

1. The company made plans for normalization of crop rotation and prevented its realization according to plan, by adding harvesters and conduct harvesting activity in the holidays.
2. The company has repaired of boiler cover

**Corrective Action:**

1. Conducted monitoring crop rotation normalization plan strictly, so that the plan can be realized.
2. Carry out maintenance on schedule

**Verification result:**

1. The company has submitted the plans for normalization of crop rotation for September 2015 and harvested daily report for division I dated 28 August 2015 by adding harvesters
2. The company sent a picture as an evidence that boiler cover have repaired.

**Auditor Conclusions: Closed**

**Date of closure : September 2, 2015**

**Criteria 4.1.3 (Minor) Records of monitoring and any actions taken shall be maintained and available, as appropriate.**

**NCR No.2015 – 05 of 15**

The Company has not completed the findings of the internal audit management system in 2015, that in the form of discrepancy reports AG-SM-FR-R-09 revision 3 has not been furnished with proof of completion to the findings (in the procedure of internal audit AG-SM-R-05 revision 4 date January 30, 2015 set a maximum completion time is 3 months after the audit) and there has been no analysis on the cause analysis, correction, corrective action, the effectiveness of corrective actions and verification of auditor.

**Correction:**

Verification has been carried out by the auditors relating to the justification of these findings, whether it has been closed or still open.

**Corrective Action:**

Ensure that the internal audit procedures have been run in accordance with the procedure.

**Verification result:**

During 4th surveillance audit, the company has carried out the internal audit. Based on internal audit result found non-conformance, while this non-conformance was follow up accordance to the company procedure, not exceed more than 3 months.

**Auditor Conclusions: Closed**

**Date of closure: June 14, 2016**

**Criteria 4.2.3 (Minor) There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.**

**NCR No.2015 – 06 of 15**

The Company does not have procedures for taking soil samples.

**Correction:**

The Company has established procedures for sampling soil, and have been applied in the Company.

**Corrective Action:**

Ensure that the soil sampling conducted in accordance with the procedure.

**Verification result:**

During the 4th surveillance, the company has established the procedure for soil sampling. This soil sampling accordance to the work instruction No.AG-SM-WI-E-33.

**Auditor Conclusions: Closed**

**Date of closure: June 14, 2016**

**Criteria 4.5.1 (Major) Implementation of Integrated Pest Management (IPM) plans shall be monitored**

**NCR No. 2015 – 07 of 15**

The company has not followed up the result of ganoderma census in accordance with work instruction document number AG-SM-WI-E-46.

**Correction:**

Ganoderma control has been carried out in accordance with the work instruction, with digging the plants identified ganoderma attacked.

**Corrective Action:**

The Company ensures that the control of ganoderma in accordance with WI.

**Verification result:**

The company has submitted some pictures of digging plants identified ganoderma attack.

**Auditor Conclusions: Closed**

**Date of closure : September 2, 2015**

**Criteria 4.7.1 (Major) A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored**

**NCR No. 2015 – 08 of 15**

Completeness of fire-fighting equipment (hydrants) incomplete / inadequate, from 8 point hydrants only serves three, and also found that the hydrant network is not equipped with nozzle.

**Correction:**

The company has been repairing hydrants were not functioning.

**Corrective Action:**

The Company periodically monitors the condition of the hydrant, through a check list

**Verification result:**

The company has submitted some pictures of 8 point hydrant network that has functioned.

**Auditor Conclusions: Closed**

**Date of closure : September 2, 2015**

**Criteria 4.7.3 (Major) (Major) 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 – 09 of 15**

During field visits found evidence that:

- PPE of harvester and sower empty bunch (shoes) are not provided by the company.
- Some workers did not use the required PPE (eg in the boiler room)
- Officers HPT sprayers are not equipped with PPE apron.

**Correction:**

PPE has been provided by the company.

**Corrective Action:**

Monitoring and evaluation of the use of PPE through a checklist

**Verification result:**

The company has submitted some pictures on the use of PPE in the boiler room and spraying officer, and a letter of request for the procurement of PPE shoes for harvester and EFB sower.

**Auditor Conclusions: Closed. Evidence of corrective action plan accepted. Effectiveness of implementation to be verified at next audit**

**Date of closure : September 2, 2015**

**Criteria 4.8.2 (Minor) Records of training for each employee shall be maintained.**

**NCR No.2015 – 10 of 15**

- a. The company could not demonstrate the identification of training needs for employees in each department / estate as stated in the procedure document number AG-SMM-PH-01 revision 05, dated September 30, 2013.
- b. The Company can not provide records of evaluation of employee training and proof of training reports made by employee training as specified in the procedure document number AG-SMM-PH-01 revised 05 September 30, 2013.

**Correction:**

- a. The company has been identification of training needs in accordance with training procedures.
- b. Employees who have been trained have made training reports, and has evaluated the effectiveness of the training.

**Corrective Action:**

The Company conducted the identification of the training needs of employees according to the procedure and updating the training and evaluation training reports periodically.

**Verification result:**

The Company has a training need analysis document, training programs and record training activities in 2015 as well as evidence for evaluation of each trainee.

**Auditor Conclusions: Closed**

**Date of closure: June 14, 2016**

**Criterion 5.3.2 (Major) All chemicals and their containers shall be disposed of responsibly.**

**NCR No. 2015 – 11 of 15**

There is no record of the return of used jerrycans supretox in April to July 2015, while according to the data in the warehouse Bin Card, supretox expenditure chemicals in large numbers..

**Correction:**

The Company has recorded a return of packaging of chemicals supretox and put into bin card and waste balance.

**Corrective Action:**

Always record the return of packaging of toxic waste in accordance with procedures.

**Verification result:**

The company has submitted evidence to the return of used packaging supretox to hazardous waste warehouse in the form of a recapitulation of packaging recovery and balance sheet until July 2015

**Auditor Conclusions: Closed**

**Date of closure : September 2, 2015**

**Criterion 6.3.1 (Major) The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.**

**NCR No. 2015 – 12 of 15**

There is no company policy related to "Whistle Blowing Policy" that are specifically related to the settlement of disputes appropriate for all communities affected by and guarantee of confidentiality (anonymity) of rappor-

teur or whistleblower.

**Correction:**

Develop and implement a policy of "Whistle Blowing Policy" BSP Group and socialize to Employees.

**Corrective Action:**

Monitor policy "Whistle Blowing Policy" periodically.

**Verification result:**

The company has submitted evidences, which are:

1. Whistle Blowing Policy for BSP Unit Jambi I (AG-SM-K-14) date issued August 14, 2015.
2. Memo to all staffs and employees about new whistle blowing policy, dated September 3, 2015
3. Pictures of dissemination on bulletin board in mill and estate.

**Auditor Conclusions: Closed**

**Date of closure : September 3, 2015**

**Criterion 6.9.2 (Major) A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.**

**NCR No. 2015 – 13 of 15**

Duties and functions of the Gender Committee has not been widely understood by the workers, it is known based on interviews with some workers that she did not know the existence of the Gender Committee.

**Correction:**

The company has develop a new organization structure of gender committee and re-socialization has been done regarding gender committee function in company.

**Corrective Action:**

The Company provides support to gender Committee can run as expected.

**Verification result:**

The company has submitted evidence which are:

1. A new organization structure of the gender committee, August 2015.
2. Re-socialize procedures for handling complaints of women workers (gender committee) on August 2015.

**Date of closure : September 2, 2015**

**3.3 Identified Non-conformances against RSPO P&C Requirements, Corrective Actions Taken and Auditors Conclusions.**

During the 4th surveillance audit, a total of 20 nonconformances were identified. These consisted of 11 major non-conformities and 9 minor non-conformities. For the major non-conformances, the company has taken the necessary corrective action to close these non-conformances within 60 days of completion of the assessment, and this was verified by the audit team through document that 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 Certification System 4.2.3 (Major)**

**NCR RSPO00471**

The company could not show the smallholder workprogram to certification process, because found some

smallholder member not paid yet the bank load and also the was stated in agreement letter between company and smallholder, that smallholder should deliver the FFB to the PT AMM palm oil mill in 25 years.

**Correction:**

With the end the agreement letter between smallholders and company, and the smallholder was agree with the company not sell/deliver they FFB produce to the AMM mill, so the company has not responsible to include the smallholders into timebond plan certification.

**Corrective Action taken:**

Ensure and make agreement that smallholder will allow to sell/deliver they FFB to another mill and not engage again with AMM mill.

**Verification result:**

The company submitted:

1. Statement letter dated on August 30, 2016 issued by Agrowiyana Director. This letter explained that the smallholders was not under company engagement and the smallholders was deliver/sell they FFB produce to anothers mill, and the company allowed this.
2. Paid loan information condition of smallholders, from total 4,607 person or 7,700.89 Ha total area of smallholders, about 99% or 4560 person and 7,631.24 Ha was off debt, and only 1%, or 47 person still in payment process.
3. Minutes of meeting land certificate handover of smallholders on June 13, 2011 about 122 certificate.

**Auditor Conclusions: Closed**

**Date of closure: September 06, 2016**

**Criteria 2.1.1 (Major) Evidence of compliance with relevant legal requirements shall be available.**

**NCR RSPO00472**

The company list law and regulation still not complete, because not all law and regulation should be comply by the company, not listed in the law and regulation book list, example Government regulation number 41/1999, Environmental ministry decree number 28 and 29/2003, Labour and Transmigration ministry decree number 13/2011 and others.

**Correction :**

Revise the document list law and regulation with added new information about new regulation No.41/1999; No. 28-29/2003; No.13/2011 and Cartagena convention ratification, and others law and regulation related if still not include in list law regulation document.

**Corrective Action taken :**

Update the law and regulation list every once year accordance to the company procedure.

**Verification result:**

The company submitted the new document of list and regulation, whereas this document already complete with law and regulation was not include before, with document No.AG-SM-R-26 issue date on July 28, 2015.

**Auditor Conclusions : Closed**

**Date of closure: July 17, 2016**

**Criteria 2.1.3 (Minor) A mechanism for ensuring compliance shall be implemented.**

**NCR RSPO00473**

Found in list law and regulation, regulation number 51/1999 about physic and chemical limit in work place was not valid, because this regulation has been revised by related ministry number into regulation No. 13/2011.

**Correction :**

Revise the company procedure with complete the procedure with timeline, update process and evaluation time.

The company submitted the new procedure Form. No.AG-SM-R-26 Rev02 date issued on July 12, 2016. This procedure was complete with information about time line, update process and evaluation time to ensure the law and regulation compliance.

**Corrective Action taken :**

Ensure the law and regulation update time and process periodically accordance to the company procedure.

**Auditor Conclusions: Evidence of correction/corrective action will be verified during next audit.**

**Criteria 2.1.4 (Minor) A system for tracking any changes in the law shall be implemented.**

**NCR RSPO00474**

Procedure number AG-SM-R-26 Rev01, still not set about mechanism to update and chemical for ensuring the law and regulation compliance and system for tracking any changes in the law such as methodology updating and frequency for update.

**Correction :**

Revise the company procedure with complete the procedure with timeline, update process and evaluation time.

The company submitted the new procedure Form. No.AG-SM-R-26 Rev02 date issued on July 12, 2016. This procedure was complete with information about time line, update process and evaluation time to ensure the law and regulation compliance.

**Corrective Action taken :**

Ensure the law and regulation update time and process periodically accordance to the company procedure.

**Auditor Conclusions: Evidence of correction/corrective action will be verified during next audit.**

**Criteria 4.1.2 (Minor) A mechanism to check consistent implementation of procedures shall be in place.**

**NCR RSPO00475**

During verification to field at Mill, there is found some immature FFB at loading ramp and there is not found evidence that implementation of SOP harvesting already conducted very well and base on record of audit internal result in 2015, the company conducts internal audit only once in a year. This is not in accordance with SOP internal audit.

**Correction :**

1. Carry out revision of internal audit procedure, where the internal audit will carry out every once year by qualified person.
2. Carry out evaluation for harvesting procedure, and add new procedure to complete the harvesting procedure i.e.: harvesting inspection procedure.

**Corrective Action taken :**

1. Ensure the internal audit will carry out every once year as required in company procedure, and make work program for internal audit.
2. Carry out harvesting briefing to the harvester in every morning (morning briefing) to ensure the harvester and to remind the harvester about harvesting procedure mechanism.

**Auditor Conclusions: Evidence of correction/corrective action will be verified during next audit.**

**Criteria 4.1.4 (Major) The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).**

**NCR RSPO00476**

The company could not showed the procedure related third party FFB source mechanism.

**Correction :**

Develop new procedure related third party FFB source also complete with evaluation flowchart for third party FFB source.

**Corrective Action:**

Ensure every third party FFB candidat source will selection based on new procedure and ensure third party FFB source will evaluation periodically.

**Verification result:**

The company submit new procedure related FFB third party source document No.AG-SM-P-T-01 Rev01, date issued on August 4, 2016. In section 5.7 in the procedure mentioned "the company will search FFB third party source from outgrowers that does not contradict with law and regulation.

**Auditor Conclusions : Closed**

**Date of closure: July 17, 2016**

**Criteria 4.3.4 (Major) Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.**

**NCR RSPO00477**

Based on field assessment, not all peat land area measured for water level and subsidence level by management, based on subsidence level record, found the decrease of subsidence level about 0.98 cm per month or 41 cm in three years (2013 – 2016 during the 4th surveillance audit), and for this condition the company done carried out some effort but still not properly to maintain the subsidence level decrease.

**Correction :**

Complete the water level tools and subsidence in all peat land depth from depth < 1 meter until > 3 meter, and measure periodically, also carry out checking for water gate to ensure the water management system in peat land area run properly.

**Corrective Action taken :**

Ensure all peat land level will measure the water level and subsidence level periodically, and documented the measurement result.

**Verification result:**

The company submit the evidence:

1. Photograph of water level and subsidence level installment in every peat land level depth.
2. Map of pizzo meter (water level) distribution in all peat land area depth.
3. Record realization of water management system through the drainage cleaning until April 2016.
4. Map of water managemeny system (water gate). This map describe about water flow in peat land area.
5. Plan for drainage cleaning in collection drain and main drain in 2016 for July up.

**Auditor Conclusions: Closed**

**Date of closure: July 17, 2016**



**Criteria 4.6.11 (Major) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.**

**NCR RSPO00478**

There is 8 (four) pesticide operator is not still examd medical health. There is a difference in the amount of labor cholinestrse levels checked with a number of new workers related to chemicals.

**Correction :**

Carry out the medical surveillance for chemical workers.

**Corrective Action taken :**

Ensure all chemical workers will get the medical surveillance every year.

**Verification result:**

The company submit the result of medical checkup (Cholinestrse test result) for all chemical workers. Based on medical checkup result, the chemical workers was in good condition.

**Auditor Conclusions: Closed**

**Date of closure: July 17, 2016**

**Criteria 4.7.2 (Major) All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.**

**NCR RSPO00479**

The risk assessment not identified the harvesting activity in under electricity because found accident in April 2016 harvester worker in division I was exposed by electric during pruning activity.

**Correction :**

Update and revise the HIRARC documeny with added new risk assessment activity i.e.: harvesting under electricity line, and also make OHS work program to minimize the work accident.

**Corrective Action taken :**

Ensure the HIRARC document will cover all activity in mill and estate and will carry out review every once year.

**Verification result:**

The company submit evidence:

1. Work instruction for harvesting activity under electricity line, with document No.AG-SM-WI-E-58 Rev00 date issued on July 20, 2016
2. HIRARC document No.AG-SM-FR-R-31 Rev01 date issued on July 20, 2016. This risk assessment was complete with harvesting activity under electricity line.
3. Risk assessment control and handling document No.AG-SM-FR-R-32 date issued on July 20, 2016. This document has mentioned how to control and handling work accident from harvesting under electricity line.
4. Work program to minimize work accident for 2016.
5. Minutes of meeting of OHS committee (P2K3) on June 8, 2016. This minutes of meeting was discussed about how to handling and minimize the work accident, PPE issue, review for last month OHS committee meeting, and OHS revision program to minimize and reduce the potential work accident.

**Auditor Conclusions: Closed**

**Date of closure: July 17, 2016**

**Criteria 4.7.3 (Major) 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 RSPO00480**

During field assessment, found harvester in division IV and VI not used PPE as required during on duty.

**Correction :**

Obligate all harvester using complete PPE during on duty.

**Corrective Action taken :**

Ensure all harvesters using complete PPE during on duty as required in PPE matrix need. Also ensure in every morning briefing all harvester will complete their PPE.

**Verification result:**

The company submit the evidence:

1. Harvesting work instruction document No.AG-SM-WI-E-23 Rev04 date issued on July 23, 2016. Where this work instruction was obligated to the all harvesters use their complete PPE during on duty.
2. PPE briefing in field before harvesting process and photograph of harvesting process was used complete PPE.
3. Internal memo No.558/EM/INT/VIII/2016 date on August 04, 2016. This internal memo obligated for all harvesters to use their complete PPE without exception.

**Auditor Conclusions: Closed**

**Date of closure: July 17, 2016**

**Criteria 4.7.6 (Minor) All workers shall be provided with medical care, and covered by accident insurance.**

**NCR RSPO00481**

Based on medical surveillance record found 4 workers have moderate hearing loss, and based on medical surveillance record recommendation, that person should follow up to the medical specialist related. But, during the 4th surveillance audit there is no evidence that follow up already conducted by company.

**Correction :**

Follow up the medical checkup result especially for 4 workers has been recommended by the medical test result to continue the medication process to ensure the condition.

**Corrective Action taken :**

Ensure all medical result checkup will be evaluated to ensure there is no medical result need to follow up. But if any medical checkup result need to follow up, the company will follow up immediately accordance to recommendation.

**Auditor Conclusions: Evidence of correction/corrective action will be verified during next audit.**

**Criteria 5.1.3 (Minor) This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.**

**NCR RSPO00482**

The company did not conduct to review for environmental monitoring plan at least two years.

**Correction :**

Carry out review to the management and monitoring of environmental impact assessment matrix plan by qualified person.

**Corrective Action taken :**

Ensure the EIA management and monitoring plan will review every two years, by qualified person.

**Auditor Conclusions: Evidence of correction/corrective action will be verified during next audit.**

**Criteria 5.2.2 (Major) 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 RSPO00483**

Based on record HCV monitoring plan, found the estate has carried out the enrichment in riparian bufferzone, fauna monitoring (bird, mammal and reptilian) but this monitoring carried out in general, could not found RTE species monitoring (species, habitat and others).

**Correction :**

Make the RTE species monitoring report and habitat disturbance if any.

**Corrective Action taken :**

Ensure the RTE species and the habitat will monitor periodically every once year and documented the monitoring result

**Verification result:**

The company submit evidence:

1. Report of RTE monitoring species in 2016. Example based on RET species monitoring result, found the RTE species (*Lutra sumatrana*) in division 4 field number F02, F17 and E01 about 8 individual. Summary of the RTE species (*Lutra sumatrana*) based on monitoring result found in division 4, 2, 5. This monitoring result complete with location found information, total individual found. The RTE species record also carried out to RTE species (*Presbytis melalophose*), found in conservation area in field number B01- B03.
2. Decree letter form General Manager No.004/GM/BSP-JMB/VII/2016 date on July 23, 2016. This letter mentioned about every person not allow to take, cut down, keep, destroy, catch and trade every species (flora and fauna) from PT AGW and PT AMM concession area in life or die condition without exception. If find any person break the decree letter, person in concerned will be penalty accordance to the law and regulation.
3. Recapitulation record of monitoring species, complete with location found information, amount of species/individual.

**Auditor Conclusions: Closed**

**Date of closure: July 17, 2016**

**Criteria 5.2.3 (Minor) There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.**

**NCR RSPO00484**

The company could not ensure how deep the all workers level and community understand and aware to participate together with company protect and enhance the HCV, especially for and to protect the habitat and species of RTE.

**Correction :**

Carry out briefing to all level workers to manage and protect together the RTE species found in company concession area.

**Corrective Action taken :**

Ensure the briefing will attractive, communication and efficient also discipline enforcement againts to RTE species protection.

**Auditor Conclusions: Evidence of correction/corrective action will be verified during next audit.**

**Criteria 5.2.4 (Minor) Where a management plan has been created there shall be ongoing monitoring**

**NCR RSPO00485**

Because the company carried out yet the RTE species monitoring, so the outcomes monitoring fed back into the management plan could not show.

**Correction :**

Carry out RTE monitoring species to ensure the RTE species and the habitat protect well

**Corrective Action taken :**

Ensure the RTE species monitoring carry out periodically and the monitoring result will feedback to management plan, and documented the result.

**Auditor Conclusions: Evidence of correction/corrective action will be verified during next audit.**

**Criteria 5.3.3 (Minor) A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.**

**NCR RSPO00486**

During verification audit in field, there is found for burning activity for some organic waste near head office

**Correction :**

Carry out waste management through the separate between organic and organic waste and disposed to the land fill

**Corrective Action taken :**

Ensure the domestic waste produce from the mill, estate and housing activity are disposed to the land fill and manage well to reduce the waste pollution.

**Verification result:**

The company submit the evidence:

1. Company policy about domestic waste management, document No.Ag-SM-K-16 date issued on 04 August 2016. Company policy mentioned the company will commit to manage the domestic waste through the separate the organic and anorganic waste from the housing, office and others emplacement, and will manage accordance to the company procedure.
2. Internal memo No.105/GM-BSP/JMB/VIII/2016 date on August 11, 2016. This internal memo obligate to all division to manage the domestic waste accordance to the company procedure.
3. Procedure No.AG-SM-R-28 Rev00 date issued on August 02, 2016 about waste management for organic and anorganic waste.
4. Record of domestic waste management through the domestic waste transport/disposed to te land fill.

**Auditor Conclusions : Closed**

**Date of closure: July 17, 2016**

**Criteria 5.6.2 (Major) Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.**

**NCR RSPO00487**

Mill and estate could not showed the implementation of work program to mitigate and reduce the significant emission, pollutant and greenhouse gases has identified by company.

**Correction :**

Carry out the implementation of work program to mitigate and reduce the significant pollutant, emission and greenhouse gases accordance to the greenhouse gases identification and calculation.

**Corrective Action taken :**

Ensure the work program will implemented accordance to the greenhouse gases calculation and documented the implementation.

**Verification result:**

The company submit evidence:

1. GHG calculation record based on GHG tool RSPO new version (Version 2.0.1), based on GHG calculation result, the significant pollutant and emission came from POME, peat oxidation, and land conversion, and submit the GHG calculation result to the RSPO.
2. Records of energy used per ton product from 2015 and 2016.
3. Records of fertilizer and chemical used per ton FFB production from 2015 and 2016.

**Auditor Conclusions : Closed**

**Date of closure: July 17, 2016**

**Criteria 5.6.3 (Minor) A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.**

**NCR RSPO00489**

The greenhouse gases calculation used by company not yet approved by RSPO.

**Correction :**

Carry out RSPO calculation accordance to the RSPO GHG Tools new version (Version 2.0.1).

**Corrective Action taken :**

Ensure RSPO calculation will carry out periodically accordance to the RSPO GHG Tools new version, documented the result and submit the result to the RSPO.

**Auditor Conclusions: Evidence of correction/corrective action will be verified during next audit.**

**Criteria 6.1.3 (Major) Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.**

**NCR RSPO00490**

The Company has not shown evidence of the document reviews the SIA management plan with the participation of the parties.

**Correction :**

Develop the SIA management plan, where the SIA management plan should cover about impact management and monitoring (positive and negative) with involved the parties through the public consultation process.

**Corrective Action taken :**

Ensure the SIA management plan will cover all impact will appear from mill and estate activity, and documented the SIA management plan implementation, and ensure the SIA management plan will review every two years.

**Verification result:**

The company submit the evidence, i.e.: SIA management plan for 2016, SIA management plan implementation schedule and result of SIA management plan evaluation for 2015. The SIA management report for 2016, was identified every activity from mill and estate will appear the negative or positive impact and plan to mitigate or manage the impact. Also complete with time line and location for implementation.

**Auditor Conclusions : Closed**

**Date of closure: July 17, 2016**

**Criteria 6.1.4 (Minor) 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 RSPO00492**

The Company also has not shown evidence of the document reviews the social management plan carried out with the participation of the involve parties.

**Correction :**

Develop the SIA management plan with involve the affected parties.

**Corrective Action taken :**

Ensure the SIA management plan develop with involved the affected parties and will review every two years.

**Auditor Conclusions: Evidence of correction/corrective action will be verified during next audit.**

**3.4 Description of RSPO Supply Chain Management System November 2014.**

**E.1 Definition**

**Findings:**

The organization (Agro Mitra Madani mill – PT BSP Jambi) is implementing the RSPO-SCCS Mass Balance model. 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 own company (PT Agrowiyana). Whereas, uncertified FFB is come from suppliers/traders.

Based on Table 3 above that Agro Mitra Madani mill has received certified FFB year 2015 is approximately 95,852.135 mt of FFB (45.20 % from the total of FFB received in once year) and uncertified FFB is approximately 146,250.793 mt (54.80 %). Whereas, in year 2016 (January to May) was received certified FFB are 22,632 mt (35.7 %) and uncertified FFB are 22,385 mt (64.3 %). Agro Mitra Madani Mill produced Crude Palm Oil (CPO) and Palm Kernel (PK).

Mass balance record also showed the certified product. In year 2015 that certified CPO are 18,991 mt and uncertified CPO are 29,405 mt. Whereas, certified PK are 4,755 tons (30.3%) and uncertified PK are 10,919 tons (69.7%). In year 2016 until January - March (3 monthly basis) that certified CPO are 1,089 mt and uncertified CPO are 1,106 mt. Whereas, certified PK are 200 mt and uncertified PK are 180 mt.

Until during the certification assessment process, Agro Mitra Madani (AMM) palm mill did not claimed any certified product sold under RSPO IT platform (E-trace).

**Compliance status : Full Compliance**

**E.2 Explanation**

**Findings:**

Realization production certified and uncertified product in 2015 of AMM mill for certified CPO about 19,675.150 tons, and PK certified about 4,592.615 tons. While, projection of certified FFB production year 2016 from PT Agrowiyana about 19,777 tons CPO certified and 4,045 tons PK certified.

The complete production record for 2015 and projection 2016 presented in Table 4 in RSPO P&C Summary report.

During the 4th surveillance, mill has registered in RSPO IT Platform, i.e.: in e-Trace system and GreenPalm. With registered number in e-Trace RSPO\_PO1000000884 and registered number in GreenPalm GP00000941. But based on e-Trace and GreenPalm transaction record, there is no sales activity done by company.

**Compliance status : Full Compliance**

### **E.3 Documented Procedures**

#### **Findings:**

During the 4th surveillance audit, there is no revised about company procedure's (Agro Mitra Madani Mill – PT BSP Jambi) has recorded and documentation owned procedure and work instructions to ensure the implementation of RSPO SCCS Mass Balance. That procedures such as:

- AG-SMM-P-L-01 rev. 05 issued date January 27, 2015 about unit transport checking to ensure the contamination
- AG-SMM-P-L-07 issued date January 27, 2015 about information confirmation to certification body for over production
- AG-SMM-FC-L-01 issued date January 27, 2015 about flowchart inspection on incoming material
- AG-SMM-WI-L-25 issued date January 27, 2015 about work instruction for FFB certified and uncertified verification
- AG-SMM-FR-P-01 issued date January 27, 2015 about delivery order
- AG-SMM-FR-P-11 issued date January 27, 2015 about daily report
- AG-SMM-FR-P-13 issued date January 27, 2015 about production report and delivery
- AG-SMM-FR-P-14 issued date January 27, 2015 about weighing slip
- AG-SMM-FR-P-15 issued date January 27, 2015 about dispatch slip
- AG-SMM-FR-P-16 issued date January 27, 2015 about "*nota timbang kosong*" and delivery sampling

Based on field observation, person in charge in weighbridge understood for handling and received raw material/FFB certified and non-certified. Also in loading ramp area, grading officer also knowing about handling raw material certified by the marking (stamp) on FFB received slip.

PT AMM Mill assigned person who responsible with SCCS implementation by letter number 109.B/AH-BSP/JBI/VIII/2012 issued by Area Head on August 31, 2012. On the letter also mentioned about duties and responsibilities of SCCS Management Representative, such as: to control of procedure and SCCS implementation; coordinate with CB about over production, and others.

PT AMM Mill has documented procedure for receiving and processing certified and uncertified FFB's through the delivery slip from home grown will be stamp by CSPO stamp, and for others (except) home grown the slip deliver will not use stamp. This is was explained in organization procedure, i.e.:

- Form.No.AG-SMM-FC-L-01 Rev04 date issued July 20, 2013 about checking on FFB receiving in mill. On the flowchart of receiving FFB mentioned QC Asst and clerk weighing responsible for verification of FFB certified and uncertified through the "*weighing slip*" weighing slip of FFB transport (AG-SMM-FR-E-25). Also, they are responsible for daily report of FFB certified and uncertified (AG-SMM-FR-P-11).
- Form.No.AG-SMM-WI-L-25 Rev00 date issued July 20, 2013 about "work instruction for uncertified and certified FFB verification". Work instruction mentioned about: every incoming material should be check of delivery notes/slip to ensure that all of delivery slip there is a stamp or not; split of delivery slip with stamp and non-stamp.

That procedure above was implemented properly by mill, evidence with FFB incoming weighing slip in January 2016 example. FFB incoming slip between certified and uncertified was clearly different by SCCS stamp, and only owned estate will stamp SCCS by weighing oprator.

PT AMM mill has training procedure and annual training program year 2016 for their employees including training refreshment of SCCS will program in February 2016 for all related employee but during the surveillance assessment that the company conducted yet refreshment training related SCCS. This is because the refreshment will carry out in the end of 2016.

**Compliance status : Full Compliance**

#### E.4 Purchasing and goods in

**Findings:**

PT AMM Mill has documented receiving FFB certified and non certified and documented all of FFB certified from incoming material process, grading in loading ramp process and recorded in daily report every day. Also, mill has mechanism to inform the certification body about over production projection through the procedure AG-SMM-P-L-07 about information for OER production. Until the 4th surveillance audit, there is no over projection based on record of production in 2015, also the mill has decides will implemented of Mass Balance model for RSPO SCCS. And during the surveillance audit, the mill has no claimed yet any palm oil as RSPO SCCS certified.

**Compliance status : Full Compliance**

#### E.5 Record keeping

**Findings:**

Based on mass balance record template for 2015 and 2016 until May, AMM mill has recorded and balance receipts if RSPO certified and uncertified in to mass balance record and also for palm oil production such as CPO and PK with basis three months and evaluated in every month. During assessment, found in data discrepancy between data production record with mass balance record, i.e.: discrepancy FFB process, CPO production and certified and uncertified product sold. Because there is no any certified transaction record in RSPO e-Trace and greenpalm. **This is raised as nonconformity (NCR RSPO00493).**

**Compliance status: Non Compliance**

**NCR RSPO00493**

Found some discrepancy between data production record with mass balance record for FFB process, CPO production and certified uncertified product sold. Because there is no any certified transaction record in RSPO e-Trace and greenpalm.

### 3.5 Status Previously 3rd Surveillance Non-conformances against RSPO SCCS Requirements, Corrective Actions Taken and Auditors Conclusions.

#### E.2 : Explanation

**Non-conformance SCCS No.2015-01 of 02 (Major non-conformity)**

Information of trade transaction by Green Palm and eTrace and evidence of registration to eTrace and green palm are not provided.

**Correction:**

Auditee provides information about registration of member and trade transaction on Green Palm and eTrace.

**Corrective Action:**

Auditee will be share information of trade transaction on green palm and eTrace to mill or estate

**Auditor Conclusions: Closed.**

**Verification result :**

Auditee has provided registration on green palm and eTrace as trading platform for RSPO product. Greenpalm member no.GP00000941 and eTrace member ID no. RSPO\_PO1000000884 where it has joined since November 2014 (GreenPalm) and August 2013 (eTrace). Auditee has RSPO member since May 22, 2007 and no. 0036-07-000-00045-07(O). Based on trade transaction in eTrace and GreenPalm there were no transactions through eTrace and GreenPalm.



Date of closure : September 02, 2015

### E.3 : Documented procedures

#### Non-conformance SCCS No.2015-02 of 02 (Major non-conformity)

Auditee has not been carried out training/awareness/refreshment/update of information to related employee about new SC standard.

#### Correction:

- Revision of SCCS training program where it has included SCCS training
- Auditee conducting SCCS awareness/refreshment/update/training

#### Corrective Action:

To ensure all relevant employees has understood and implemented regarding new SC standard

**Auditor Conclusions: Closed.**

#### Verification result :

The company has provided training program year 2015 where it has included supply chain training/awareness/re-socialization/updating which will be carry out in September 2015. The company already held a SCCS training on Augus 26, 2015 evidenced by list of attendance, followed by 31 participants and some pictures of training activity.

Date of closure : September 2, 2015

### 3.6 Identified Non-conformances against RSPO SCCS Requirements, Corrective Actions Taken and Auditors Conclusions.

During the certification assessment audit, there are found 1 (one) major non-conformities found against to the RSPO Supply Chain Certification System November 2014. A summary of all identified non-conformances, corrective actions taken and auditor conclusions is as below:

### E.5 Record keeping

#### NCR RSPO00493

Found some discrepancy between data production record with mass balance record for FFB process, CPO production and certified uncertified product sold. Because there is no any certified transaction record in RSPO e-Trace and greenpalm.

#### Correction:

Carry out re-check again between production record and mass balance data record.

#### Corrective Action:

Ensure the data input will accordance to the data real, and ensure while data input process do re-check again to minimize the potential data discrepancy, and the data input will be based to the mass balance record.

**Auditor Conclusions: Closed.**

#### Verification result :

The company submit the evidence, i.e.: new mass balance record revision from 2015. While in the new mass balance record met with data production record. The discrepancy happened because has mistake during data input. And the AMM mill claimed any certified product. AMM mill not carry out sales activity for certified product.

Date of closure : July 17, 2016

**3.7 Noteworthy Positive Components**

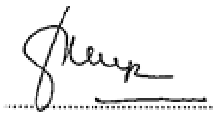
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#### **4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**

##### **4.1 Acknowledgements of Internal Responsibility and Formal Sign-Off by Client**

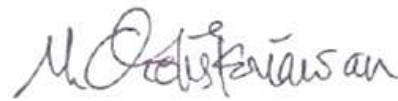
It is acknowledged that the assessment visit was carried out as described in this report and we accept the assessment findings and report content.

Signed on behalf of PT Bakrie Sumatra Plan-  
tation – Unit Jambi



Efdy Ruzali  
Management Representative  
Date : November 16, 2016

Signed on behalf of TUV Rheinland Indonesia



.....  
Mhd Fundy C Kurniawan  
Lead Auditor  
Date : November 16, 2016

APPENDICES


Appendix 1: Details of Certificate

**Certificate**

Standard : RSPO Principles & Criteria for Sustainable Palm Oil Production; Generic Standard year 2013 and RSPO Supply Chain Certification Systems: 2014

Certificate Registr. No. : 824 502 14018

Certificate Holder : PT TUV Rheinland Indonesia certifies :  
**PT Agro Mitra Madani (Mill)**  
Talang Makmur Village, Tebing Tinggi Subdistrict,  
Tanjung Jabung Barat District,  
Jambi Province, Indonesia  
Phone: (0741) 64724; Fax: (0741) 64870



and its company owned estates according to the annex

RSPO number : -

Scope : Palm Oil Production and Plantation Management System

Validity: An audit was performed, Report No. ASAA\_14018. Proof has been furnished that the requirements according to RSPO Principles & Criteria for Sustainable Palm Oil Production; Generic Standard year 2013, and RSPO Supply Chain Certification System November 2014 are fulfilled.

The due date for all future surveillance audits is 28.06 (dd.mm).

The certificate is valid from 28-08-2012 until 27-08-2017.


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 company\* : PT Bakrie Sumatera Plantations Tbk  
(RSPO Member No. : 1-0036-07-000-00)

\* Name of the RSPO registered member company of which the certificate holder is a subsidiary (if applicable)

Date of first certificate : 28 August 2012

Indonesia, 22-11-2016



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.

100011-100012-01 - TÜV Rheinland TÜV and registration information, including and application information

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# Annex to certificate

Standard : **RSPO Principles & Criteria for Sustainable Palm Oil Production; Generic Standard year 2013 and RSPO Supply Chain Certification Systems: 2014**

Certificate Registr. No.: 824 502 14018

Location: **PT Agro Mitra Madani (Mill)**  
Address : Talang Makmur Village, Tebing Tinggi Subdistrict,  
Tanjung Jabung Barat District,  
Jambi Province, Indonesia  
Phone: (0741) 64724; Fax: (0741) 64670



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

Name of mill / estate	Location	GPS locations	
		Latitude	Longitude
PT Agro Mitra Madani Mill	Talang Makmur Village, Tebing Tinggi Subdistrict, Tanjung Jabung Barat District, Jambi Province, Indonesia	1.04°S-1.12°S	103.08°E-103.12°E
PT Agrowiyana Estate	Jambi Province, Indonesia	1.04°S-1.12°S	103.08°E-103.12°E

CPO Tonnage Total Production: 63,175.72 tonnes  
PK Tonnage Total Production: 13,737.87 tonnes  
Company Estates FFB Tonnes: 89,896.00 tonnes  
FFB Tonnes from other sources: 218,128.00 tonnes  
CPO Tonnage claimed for certification: 18,437.67 tonnes  
PK Tonnage claimed for certification: 4,009.36 tonnes

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, 22-11-2018

PT TÜV Rheinland Indonesia  
Director

Issued by PT TÜV Rheinland Indonesia

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**Appendix 2: List of Abbreviations**

AMDAL	<i>Analisis Dampak Lingkungan &amp; Sosial</i> (Social & Environmental Impacts Assessment)
BPN	Land used Agency (Badan Pertanahan nasional)
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
CSPO	Certified Sustainable Palm Oil
EIA	Environmental Impact Assessment
ERTs	Endangered, Rare & Threatened species
ESH	Environmental Safety & Health
FFB	Fresh Fruit Bunches
EFB	Empty Fruit Bunches
GHG	Green Houses Gases
HCV	High Conservation Value
HGU	Hak Guna Usaha (Land Use Rights)
HIRARC	Hazard Identification, Risk Assessment and Risk Control
HPL	Land Manage Right (Hak Pengelolaan Lahan)
IPM	Integrated Pest Management
IK	<i>Instruksi Kerja</i> (Work Instruction)
LTA	Lost Time Accident
MSDS	Material Safety Data Sheets
MB	Mass Balance
NGO	Non-Government Organization
NIB	Building Identification Number (Nomor Identifikasi Bangunan)
OSH	Occupational Safety & Health
PKO	Palm Kernel Oil
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
PPKS	<i>Pusat Penelitian Kepala Sawit</i> (Oil Palm Research Institute)
RKL	<i>Rencana Pengelolaan Lingkungan</i> (Environmental Management Plan)
RPL	<i>Rencana Pemantauan Lingkungan</i> (Environmental Monitoring Plan)
SIA	Social Impact Assessment
SMK3	<i>Sistem Manajemen Kesehatan dan Keselamatan Kerja</i> (Occupational Safety & Health Management System)
SOP	Standard Operating Procedure
SPBUN	<i>Serikat Pekerja Perkebunan</i> (Estate Workers Union)
UKL	<i>Upaya Pengelolaan Lingkungan</i> (Environmental Management Efforts)
UPL	<i>Upaya Pemantauan Lingkungan</i> (Environmental Monitoring Efforts)

**Appendix 3: List of Stakeholders Interviewed and Contacted**

No.	Name of Stakeholder	Institution - Address	Remark
<b>Stakeholders Interviewed On-Site</b>			
1.	Aprianto	Sustainability Department/	
2.	Hartanto	Sustainability Department	
3.	Ade Susanto	Divisi V/Assistant	
4.	Sahar	Divisi V/Harvest foreman	
5.	Nayan	Divisi V/Harvester	
6.	Munawardi	PT BSP Jambi/ Ware house officer	
7.	Fauzan	PT BSP/Soil and Agronomy officer	
8.	Ahmad Fuad	PT Agrowiyana/ Estate Assistant	
9.	Sabarudin	Harvester	
10.	Ruwiyati	Upkeep	
11.	Giman	Genset operator	
12.	Lidia Tanty	Gender Committe	
13.	Sudarno	Talang Makmur Head village	

**Appendix 4: Observations and Opportunities for Improvement**

No.	Observations / Opportunities for Improvement	Criteria
1.	-	
2.	-	