

**RSPO – 4<sup>th</sup> ANNUAL SURVEILLANCE AUDIT**

<b>PT. AGRO MUKO</b>
<b>MUKOMUKO DISTRICT, BENGKULU PROVINCE INDONESIA</b>

**Section 1      Scope of the Certification Assessment**

1. Company Details			
<b>RSPO Membership Number</b>	1-0021-05-000-00	<b>Date</b>	7 <sup>th</sup> December 2005
<b>Company Name</b>	PT. Agro Muko		
<b>Address</b>	Head Office: Gedung Bank Sumut Lt. 17 Jln. Imam Bonjol No. 18 Medan, North Sumatera, Indonesia  Location Address: Mukomuko District, Bengkulu Province - Indonesia		
<b>Subsidiary of (if applicable)</b>	Sipef Group		
<b>Contact Name</b>	Mr. Olivier Tichit		
<b>Website</b>	www.tolantiga.co.id	<b>E-mail</b>	ortichit@sipef.com
<b>Telephone</b>	+ 62 61 415 2043	<b>Facsimile</b>	+62 61 452 0908

2. Certification Information			
<b>Certificate Number</b>	SPO 556042	<b>Date</b>	22/02/2011 – 21/02/2016
<b>Scope of Certification</b>	<p>Production of CPO and PK at:</p> <ol style="list-style-type: none"> <li>Mukomuko Mill and 7 estates as supply base, namely: Muko Muko estate, Sei Betung estate, Tanah Rekah estate, Talang Petai estate, Sei Kiang estate, and 1 (one) additional estate PT. Muko Muko Agro Sejahtera (Air Manjunto estate) as well as KMD.</li> <li>Bunga Tanjung Mill and 3 estates as supply base, namely: Bunga Tanjung estate, Air Bikuk estate and Air Buluh estate, and 1 (one) additional estate PT. Muko Muko Agro Sejahtera (Malin Deman Estate), Plasma MDE (Koperasi Perkebunan Sejahtera Bersama &amp; Koperasi Perkebunan Desa Air Buluh) as well as KMD.</li> </ol> <p>During this surveillance, there are additional scopes of supply base from PT. Muko Muko Agro Sejahtera, consist 2 estates (Air Majunto Estate and Malin Deman Estate) and one Plasma Malin Deman Estate (Koperasi Perkebunan Sejahtera Bersama &amp; Koperasi Perkebunan Desa Air Buluh).</p> <p>KMD is owned by villages and fully managed by company and Plasma KKPA is owned by individual farmer, and then incorporated in cooperative; plasma KKPA is also fully managed by the company.</p> <p>Mill capacity of Muko Muko POM is 60 MT FFB/hour and Bunga Tanjung POM is 60 MT FFB/hour.</p>		

RSPO NPP for PT. Muko Muko Agro Sejahtera completed and Public announcement in RSPO website on 06 March 2012.			
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
01 100 106313	ISO 9001:2008	TUV Rheinland GmbH	21.06.2013-13.06.2016
01 104 106313	ISO 14001:2004	TUV Rheinland GmbH	21.06.2013-13.06.2016

3.Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
A. Mukomuko POM	Desa Teruntung, Kec. Teras Tterunjam, Kab. Mukomuko, Provinsi Bengkulu, Indonesia	E101°16'00"	S02°36'00"
1. Muko Muko estate	Desa Air Dikit, Desa Pondok Lunang, Desa Air Kasai, Desa Dusun Baru, Sari Bulan, Sumber, Teruntung, Talang Kuning Kec. Air Dikit dan Kec. Teras Terunjam Kab. Mukomuko, Provinsi Bengkulu, Indonesia	E101°11'41" E101°20'3"	S02°33'58" S02°41'10"
2. Sei Betung estate	Desa Sidomylyuyo, Penarik, Lubuk Sahung, Talang Medan, Suryan Bungkal, Sei Jerinjing, Talang Buai Kec. Penarik dan Selagan Raya Kab. Mukomuko, Provinsi Bengkulu, Indonesia	E101°19'24" E101°25'31"	S02°32'13" S02°38'26"
3. Tanah Rekah estate	Desa Tanah Harapan, Tanah Rekah, Air Dikit, Setia Budi/SP-IV, Kec. Kota Mukomuko, Air dikit dan teras Terunjam. Kab. Mukomuko, Provisni Bengkulu, Indonesia	E101° 7' 5" E101° 15' 3"	S02° 34' 48" S02° 41' 10"
4. Talang Petai estate	Desa Talang Petai, Talang Sepakat, Talang Sakti, Sungai Lintang, Sungai Rengas, Tunggal Jaya Kec. V-Koto dan Kec. Teras terunjam Kab. Mukomuko, Provinsi Bengkulu, Indonesia	E101° 13' 30" E101° 20' 29"	S02° 24' 46" S02° 32' 37"
5. Sei Kiang estate	Desa Lubuk Cabau, Kec. V-koto, Kab. Mukomuko, Provisni Bengkulu, Indonesia	E101° 10' 11" E101° 18' 9"	S02° 22' 18" S02° 27' 31"
6. Air Manjunto estate*	Desa Talang Petai dan Desa Talang Sepakat, Kec. V-koto, Kab. Mukomuko, Provinsi Bengkulu, Indonesia	E101° 15' 1" E101° 20' 32"	S02° 23' 27" S02° 28' 2"
7. KMD (Managed by PT. Agro Muko)	Kabupaten Mukomuko; Propinsi Bengkulu; Indonesia	E101° 8' 31" E101° 21' 49"	S02° 23' 16" S02° 41' 28"
B. Bunga Tanjung POM	Desa Brangan Mulia, Kec. Teramang Jaya, Kab. Mukomuko, Prov. Bengkulu, Indonesia	E101° 22' 00"	S02° 43' 00"

1. Bunga Tanjung estate	Desa Bunga Tanjung, Kec. Teramang Jaya, Kab. Mukomuko, Provinsi Bengkulu, Indonesia	E101° 20' 40" E101° 28' 52"	S02° 39' 30" S02° 44' 50"
2. Air Bikuk estate	Desa Air Bikuk, Lubuk Bento, Air Berau, Kec. Pondok Suguh, Kab. Mukomuko, Provinsi Bengkulu, Indonesia	E101° 23' 48" E101° 28' 01"	S02° 42' 24" S02° 48' 22"
3. Air Buluh estate	Desa Air Buluh, Semundang, Tanjung Jaya, Talang Baru, Talang Arah, Kec. Malin Deman an Kec. Ipuh, Kab. Mukomuko, Provinsi Bengkulu, Indonesia	E101° 30' 20" E101° 36' 24"	S02° 57' 05" S03° 04' 31"
4. KMD	Kabupaten Mukomuko; Propinsi Bengkulu; Indonesia	E101° 8' 31" E101° 21' 49"	S02° 23' 16" S02° 41' 28"
5. Malin Deman estate*	Desa Air Merah, Talang Arah, dan Talang Baru, Kec. Malin Deman, Kab. Mukomuko, Provinsi Bengkulu, Indonesia	E101° 26' 54" E101° 38' 54"	S02° 56' 55" S03° 05' 44"
6. Plasma KKPA MDE (Koperasi Perkebunan Sejahtera Bersama & Koperasi Perkebunan Desa Air Buluh)*	Desa Air Merah, Air Buluh, Kecamatan Malin Deman, Ipuh; Kabupaten Mukomuko, Propinsi Bengkulu	E101° 26' 54" E101° 38' 54"	S02° 56' 55" S03° 05' 44"

*\*) Additional supply base*

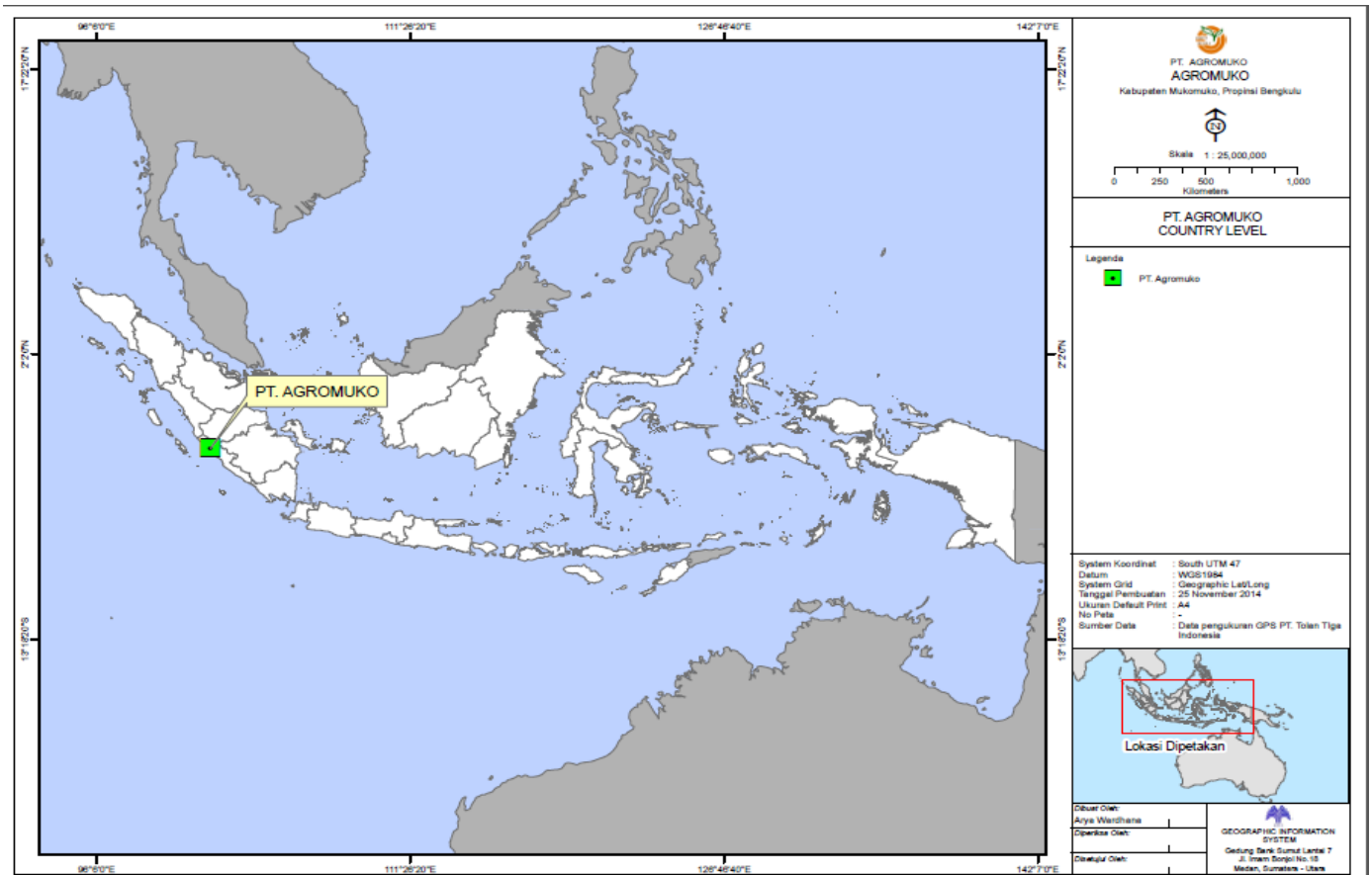


Figure 1. Location of PT. Agro Muko in Indonesia

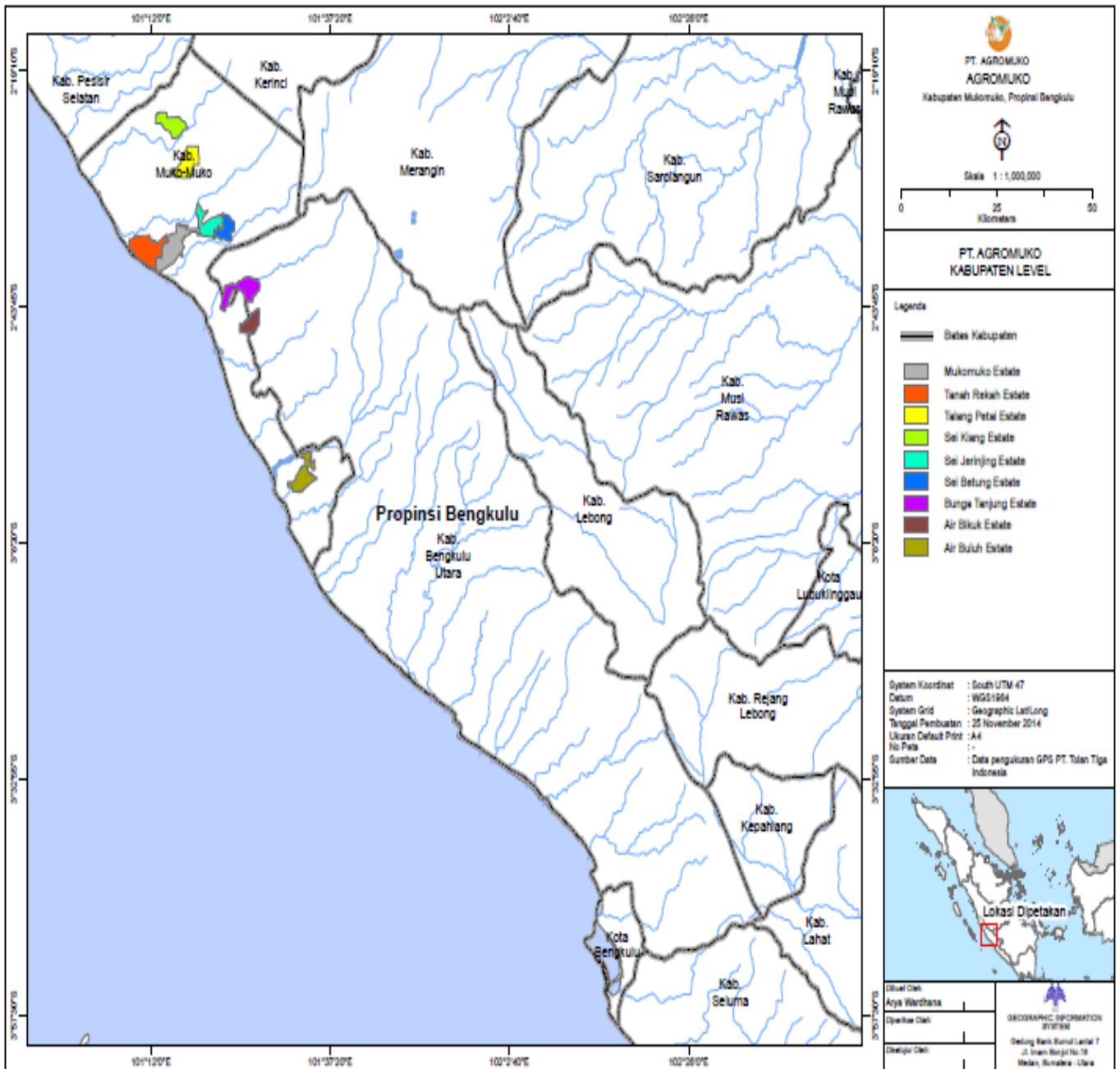


Figure 2. Location of PT. Agro Muko in Bengkulu Province, Indonesia

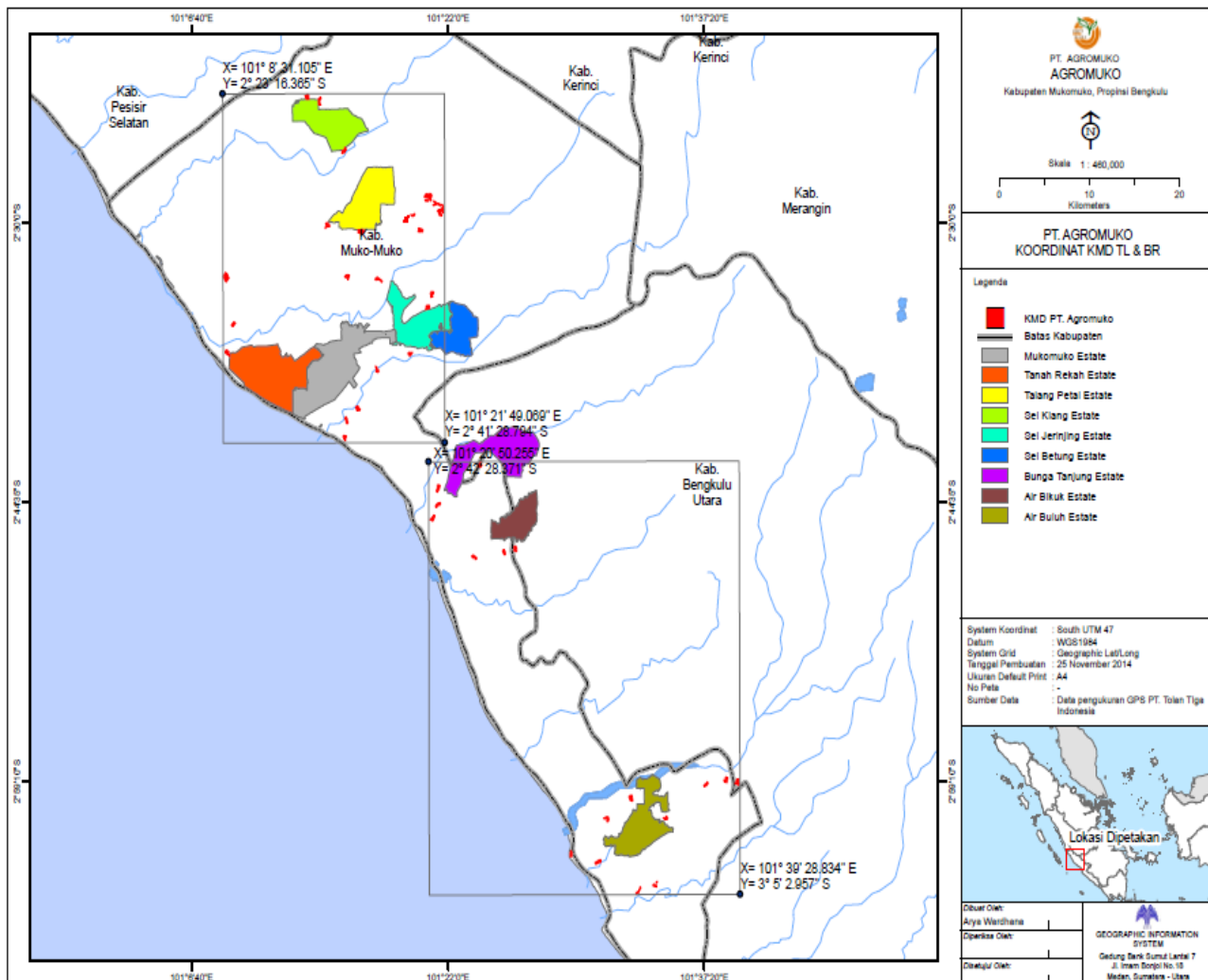


Figure 3. location of PT. Agro Muko and supply base.

4. Description of Supply Base						
Estate	Mature (ha)	Immature (ha)	Infrastructure & Other (ha)	Total Planted (ha)	Total Hectarage	% of Planted
<b>MUKOMUKO POM</b>						
1. Muko Muko estate	2,109.01	1,577.27	414.92	3,686.28	4,101.20	23.33
2. Sungai Betung estate	478.24	813.92	317.96	1,292.16	1,610.12	8.18
3. Tanah Rekah estate	2,985.98	74.37	788.65	3,060.35	3,849.00	19.37
4. Talang Petai estate	2,103.00	12.00	155.00	2,115.00	2,270.00	13.38
5. Sungai Kiang estate	1,926.99	29.69	214.35	1,956.68	2,171.03	12.38
6. Air Majunto estate *)	290.00	252.00	1,258.00	542.00	1,800.00	3.43
<i>Sub Total</i>	<i>9,893.22</i>	<i>2,759.25</i>	<i>3,148.88</i>	<i>12,652.47</i>	<i>15,801.35</i>	<i>80.07</i>
7. KMD	281.00	119.00	-	400.00	400.00	100.00
<b>Total</b>	<b>10,174.00</b>	<b>2,878.25</b>	<b>3,148.88</b>	<b>13,052.47</b>	<b>16,201.35</b>	
<b>BUNGA TANJUNG POM</b>						
1. Bunga Tanjung estate	2,313.34	-	589.66	2,313.34	2,903.00	28.99
2. Air Bikuk estate	1,232.99	-	177.01	1,232.99	1,410.00	15.45
3. Air Buluh estate	2,140.94	7.95	351.11	2,148.89	2,500.00	26.93
4. Malin Deman estate *)	373.00	164.00	630.00	537.00	1,167.00	6.73
<i>Sub Total</i>	<i>6,060.27</i>	<i>171.95</i>	<i>1,747.78</i>	<i>6,232.22</i>	<i>7,980.00</i>	<i>77.56</i>
5. KMD	220.00	-	-	220.00	220.00	100.00
6. Plasma KKPA	229.00	69.00	-	298.00	298.00	100.00
<i>Sub Total</i>	<i>449.00</i>	<i>69.00</i>	<i>-</i>	<i>518.00</i>	<i>518.00</i>	
<b>Total</b>	<b>6,509.27</b>	<b>240.95</b>	<b>1,747.78</b>	<b>6,750.22</b>	<b>8,498.00</b>	

\*) Additional estate as supply base



5. Plantings & Cycle								
Estate	Age (Years)					FFB Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (Previous Year)	Actual (This Year)	Forecast (Next Year)
<b>MUKOMUKO POM</b>								
1. Muko Muko estate	1,577.27	24.68	635.15	1,414.24	34.94	47,235	49,607	38,312
2. Sungai Betung estate	813.92	201.69	276.55	-	-	9,883	11,025	10,830
3. Tanah Rekah estate	74.37	9.89	712.69	1,892.15	371.25	76,615	76,006	72,759
4. Talang Petai estate	38.00	1,144.00	933.00	-	-	35,703	36,518	42,308
5. Sungai Kiang estate	29.69	712.53	1,214.46	-	-	33,152	35,762	36,707
6. Air Majunto estate	542.00	-	-	-	-	-	-	1,166
<i>Sub Total</i>	<i>3,075.25</i>	<i>2,092.79</i>	<i>3,771.85</i>	<i>3,306.39</i>	<i>406.19</i>	<i>202,588</i>	<i>208,918</i>	<i>202,082</i>
7. KMD	119.00	160.00	121.00	-	-	4,689	4,425	4,889
<b>Total</b>	<b>3,194.25</b>	<b>2,252.79</b>	<b>3,892.85</b>	<b>3,306.39</b>	<b>406.19</b>	<b>207,277</b>	<b>213,343</b>	<b>206,971</b>
<b>BUNGA TANJUNG POM</b>								
1. Bunga Tanjung estate	-	687.38	1,625.96	-	-	51,284	53,402	52,480
2. Air Bikuk estate	-	40.83	1,128.05	63.53	-	27,746	27,899	27,369
3. Air Buluh estate	7.95	369.60	1,771.34	-	-	47,884	54,735	51,734
4. Malin Deman estate	537.00	-	-	-	-	-	-	1,480
<i>Sub Total</i>	<i>544.95</i>	<i>1,098.39</i>	<i>4,525.35</i>	<i>63.53</i>	<i>-</i>	<i>126,914</i>	<i>136,036</i>	<i>133,063</i>
5. KMD	-	56.00	164.00	-	-	4,556	4,094	5,321
6. Plasma KKPA	298.00	-	-	-	-	-	-	828
<i>Sub Total</i>	<i>298.00</i>	<i>56.00</i>	<i>164.00</i>	<i>-</i>	<i>-</i>	<i>4,556</i>	<i>4,174</i>	<i>6,149</i>
<b>Total</b>	<b>842.95</b>	<b>1,154.39</b>	<b>4,689.35</b>	<b>63.53</b>	<b>-</b>	<b>131,470</b>	<b>140,130</b>	<b>139,212</b>

6.Certified Tonnage									
Mill	Estimated (Previous Year)			Actual (This Year)			Forecast (Next Year)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
<b>Muko Muko</b>	207,277	47,255	11,039	212,102	47,712	10,960	206,971	47,686	10,574
<b>Bunga Tanjung</b>	131,470	30,448	7,035	138,391	31,930	7,172	139,212	32,503	7,132
<b>Total</b>	<b>338,747</b>	<b>77,703</b>	<b>18,074</b>	<b>350,493</b>	<b>79,642</b>	<b>18,132</b>	<b>346,183</b>	<b>80,189</b>	<b>17,706</b>

**Section 2      Assessment Process**

**Certification Body: PT BSI Group Indonesia**  
**Accreditation Certificate No. RSPO- ACC– 019**  
Menara Bidakara 2  
17th Floor, Unit 5  
Jl. Jend. Gatot Subroto Kav. 71-73  
Komplek Bidakara, Pancoran  
Jakarta Selatan 12870 - Indonesia  
Tel: +62 21 8379 3174 - 77 Fax: +62 21 8379 3287  
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The approach to the audit was to treat each mill and its supply base as an RSPO Certification Unit. The mill was audited together with the plantations of its supply base. A range of environmental and social factors were covered. These included consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families, review of documentation and monitoring data. Checklists was used to guide the collection of information. The comments made by external stakeholders were also taken into account in the assessment.

No nonconformities that was identified during this 4<sup>th</sup> surveillance audit and there are 5 observation will be checked in the next surveillance.

The following table would be used to identify the locations to be audited each year in the 5 year cycle

<b>1. Assessment Program</b>					
<b>Name (Mill / Supply Base)</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>MUKOMUKO POM</b>	X	X	X	X	X
1. Muko Muko estate	X	X		X	
2. Sungai Betung estate	X			X	
3. Tanah Rekah estate	X	X	X		
4. Talang Petai estate	X		X		X
5. Sungai Kiang estate	X	X	X		X
6. Malin Deman estate					X
7. KMD					X
<b>BUNGA TANJUNG POM</b>	X	X	X	X	X
1. Bunga Tanjung estate	X	X	X		X
2. Air Bikuk estate	X				
3. Air Buluh estate		X		X	X
4. Air Majunto estate					X
5. KMD					X
6. Plasma					X

**Tentative Date of Next Visit (Re-Certification):** 01/11/2015

**Total No. of Mandays:** 20 Mandays

**BSI Assessment Team:**

**Haeruddin – Assessor (Lead Auditor)**

He holds Bachelor Degree in Forest Management, graduated from Hasanuddin University on 1994. He has 16 years of work experience in forest concession, forestry industry and the latest is within Oil Palm Plantation in Indonesia. He experiences as auditor for several sustainability standard including FSC, UTZ, Organic Farming, 4C, ISPO and RSPO. He completed the ISO 9001 Lead Auditor Course; ISPO Lead Auditor endorsed Course, RSPO Lead Auditor Course, and also completed ISCC, RSPO SCCS, RSPO RED course, etc. He had been involved in RSPO auditing since November 2010 in more than various companies in Malaysia, Thailand and Indonesia. During this assessment, he assessed on the aspects of legal, estate and mill best practices, mill operation, and RSPO SCCS.

**Pratama Agung Sedayu – Team Member**

He graduated from University of Jenderal Soedirman on 2008, majoring in Social Economic of Agriculture. He involved in RSPO certification since 2009 as a team member covering assessment against RSPO P&C in Indonesia and Malaysia. He completed the ISO 9001, OHSAS 18001 Lead Auditor Course, HCV Identification and ...making excellence a habit.™

Management; ISPO Lead Auditor endorsed Course and RSPO Lead Auditor Course. During this assessment, he assessed on the aspects estate best practices, Health and Safety, HCV, Environmental and RSPO SCCS in Bulking station.

**Nanang Muallib - Team member**

He graduated from Bogor Agriculture University on 1999, Forestry Faculty. He involved in RSPO certification since 2010 as a team member covering assessment against RSPO P&C in Indonesia. He completed the ISO 9001 Lead Auditor Course, Technical Training of HCV Assessment; ISPO Lead Auditor endorsed Course. During this assessment, he assessed on the aspects of social, stakeholder consultation and smallholders.

**Accompanying Persons:**

This summary report was reviewed by Mr. Aryo Gustomo. He is one of the BSI RSPO internal reviewer.

**Section 3      Assessment Findings**

**3.1 Details of audit results are provided in the following Appendix:**

Criterion / Indicator	Assessment Findings	Compliance	
<b>PRINCIPLE 1: COMMITMENT TO TRANSPARENCY</b>			
<b>Criterion 1.1:</b> Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	<p>There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.</p> <p>- Minor compliance -</p>	<p>The company has provided information related to the environmental, social and legal. This information is publicly, such as: Izin Usaha Budidaya Perkebunan (<i>Operational Plantation Permit</i>), Izin Lokasi (<i>Location Permit</i>), HGU (<i>Land Title Rights</i>), Dokumen Lingkungan/AMDAL (<i>SEIA</i>), Program Keselamatan dan Kesehatan Kerja (<i>OHS</i>), Laporan Pelaksanaan RKL/RPL (<i>Environmental Management and Monitoring Report</i>), Penilaian Nilai Konservasi Tinggi (<i>HCV</i>), Prosedur Ganti Rugi Lahan (<i>Land Compensation Mechanism</i>), Rencana Pengelolaan Limbah (<i>Waste Management Plan</i>), complaint and grienaceis from internal dan exsternal parties, and continous improvement.</p>	Yes
1.1.2	<p>Records of requests for information and responses shall be maintained.</p> <p>- Major compliance -</p>	<p>The company has established procedure related information request in No. ENC/SOP/08 tanggal 20 Desember 2013. Request informations were recorded in log book "Permintaan Informasi". It was noted 3 request informations in GMO's office and 8 request informations in PT. MMAS, e.g. request information from Mrs. Imah (Local community from SP 2, Maju Makmur Village) related job vacancies in PT. Agro Muko on 02 July 2014 and Mr. Yasriadi related to the transparency of project tender in PT. Agro Muko.</p> <p>Based on document review, it was seen that all request information has been responded timely manner and appropriately.</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance	
<b>Criterion 1.2:</b> Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			
1.2.1	Publicly available documents shall include, but are not necessarily limited to: <ul style="list-style-type: none"> <li>• Land titles/user rights (Criterion 2.2);</li> <li>• Occupational health and safety plans (Criterion 4.7);</li> <li>• Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);</li> <li>• HCV documentation (Criteria 5.2 and 7.3);</li> <li>• Pollution prevention and reduction plans (Criterion 5.6);</li> <li>• Details of complaints and grievances (Criterion 6.3);</li> <li>• Negotiation procedures (Criterion 6.4);</li> <li>• Continual improvement plans (Criterion 8.1);</li> <li>• Public summary of certification assessment report;</li> <li>• Human Rights Policy (Criterion 6.13).</li> </ul> <p>- Major compliance -</p>	The company has determined 25 documents related to land permit (Izin Lokasi, Izin Usaha Perkebunan, Land title rights), RKL/RPL, SIA, policies, HCV, OSH, CSR programmes, complaint documents, etc are publicly available for stakeholders.	Yes
<b>Criterion 1.3:</b> Growers and millers commit to ethical conduct in all business operations and transactions.			

Criterion / Indicator		Assessment Findings	Compliance
1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.  - Minor compliance -	The company has established code of ethical business conduct, dated 17 November 2014 and the company has socialized this code of conduct to the workers, e.g. on 25 November 2014, attended 66 workers (attendance list and photograph as evidence)	Yes
<b>PRINCIPLE 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS</b>			
<b>Criterion 2.1</b>			
There is compliance with all applicable local, national and ratified international laws and regulations.			



Criterion / Indicator		Assessment Findings	Compliance
2.1.1	<p>Evidence of compliance with relevant legal requirements shall be available.</p> <p>- Major compliance –</p>	<p>The company documented all relevant legal requirements, it was reviewed and comply with regulation, such as:</p> <p><b>1. PT. Agro Muko</b></p> <p>a. Izin Lokasi (Location permit).</p> <ul style="list-style-type: none"> <li>- No. 245, dated 7<sup>th</sup> July 1989 from Bengkulu Governor for <math>\pm 10,000</math> ha.</li> <li>- No. 156, dated 23<sup>rd</sup> April 1991 from Bengkulu Governor for <math>\pm 3,740</math> ha.</li> <li>- No. 199, dated 12<sup>th</sup> June 1989 from Bengkulu Governor for <math>\pm 6,000</math> ha.</li> <li>- No. 347/II/ BKPM/1990, dated 30<sup>th</sup> January 1990 from Bengkulu Governor for <math>\pm 2,500</math> ha.</li> </ul> <p>b. Izin Usaha Perkebunan (Operational Plantation Permit).</p> <ul style="list-style-type: none"> <li>- No HK 350/E.4.900/11.89, dated 8<sup>th</sup> November 1989 for <math>\pm 10,000</math> ha.</li> <li>- No.HK. 350/E.4.247/06.88, dated 7<sup>th</sup> June 1988, for <math>\pm 5,500</math> ha.</li> <li>- No. HK. 350/E.4.447/07.92, dated 10 July 1992 for <math>\pm 2,000</math> ha for oil palm plantation and <math>\pm 1.800</math> ha for rubber plantation.</li> <li>- No. HK. 350/E.4.297/06.88, dated 7<sup>th</sup> June 1988 for <math>\pm 3,600</math> ha untuk perkebunan kelapa sawit dari Dirjen Perkebunan.</li> <li>- Revised SPUP No. 571/T/ Pertanian/1996, dated 17 September 1996 for mill capacity 40,000 ton CPO and No.709/2012, dated 13<sup>th</sup> December 2012 from Bupati Mukomuko for <math>\pm 22,914</math> ha and mill capacity 60 ton FFB/hour.</li> </ul>	Yes

Criterion / Indicator	Assessment Findings	Compliance
	<p>c. Based on over-lapping with "Rencana Tata Ruang Wilayah Kabupaten Muko – Muko tahun 2012 – 2032" location of PT. Agro Muko and PT. MMAS in plantation purpose areas.</p> <p>d. HGU (Land Title Rights):</p> <ul style="list-style-type: none"> <li>- No. 31/HGU/BPN/89, dated 27<sup>th</sup> June 1989 (10,000 ha)</li> <li>- No. 4/HGU/BPN 1994, dated 2<sup>nd</sup> February 1994 (4,313 ha)</li> <li>- No. 09/HGU/BPN/93, dated 8<sup>th</sup> March 1993 (5,786.03 ha)</li> <li>- No. 07/HGU/1990, dated 03<sup>rd</sup> May 1990 (2,500 ha).</li> <li>- Hak Guna Bangunan No. 02/HG/BPN-RI/2011, dated 26<sup>th</sup> April 2011 (seluas 315 ha) for mill.</li> <li>- IMB No. FP. 015/5/13/C/TBS- 04, dated 30<sup>th</sup> November 2004.</li> <li>- Ijin Bulking Station from Pelindo No. HK-56/2/12/ CTBS-2002 for 25 years.</li> </ul> <p>e. Izin AMDAL (SEIA) No. AMDAL document is available and approved by Governor of Bengkulu no. 425, year 2005</p>	
	<p><b>2. PT. MMAS</b></p> <p>a. Izin prinsip (Principle permit) for PT. MMAS and Plasma KKPA from Bupati Mukomuko:</p> <ul style="list-style-type: none"> <li>- No. 154, dated 30<sup>th</sup> April 2010 (<math>\pm</math> 2,783 ha).</li> <li>- No. 171, dated 4<sup>th</sup> May 2010 (<math>\pm</math> 3,656 ha).</li> <li>- No. 172, dated 4<sup>th</sup> May 2010 (<math>\pm</math> 1,613 ha)</li> </ul>	

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>b. Renewal Izin Lokasi (Location permit) for PT. MMAS and Plasma KKPA from Bupati Mukomuko:               <ul style="list-style-type: none"> <li>- Renewal Izin lokasi No. 700-212, dated 18<sup>th</sup> March 2014 (<math>\pm</math> 1,800 ha) for "Inti"</li> <li>- Renewal Izin Lokasi No. 700-2124, dated 18<sup>th</sup> March 2014 (<math>\pm</math> 1,167 ha) for "Inti".</li> <li>- No. 700-215, dated 18<sup>th</sup> March 2014 (<math>\pm</math> 656 ha) for Plasma KKPA</li> <li>- No. 700-213, dated 18<sup>th</sup> March 2014 (<math>\pm</math> 291 ha) for Plasma KKPA.</li> </ul> </li> <li>c. Izin Usaha Perkebunan – IUP (Plantation Operational permit) from Bupati Mukomuko:               <ul style="list-style-type: none"> <li>- No. 525/535/D.7/VIII/2014, dated 7<sup>th</sup> December 2011 (<math>\pm</math> 1,464 ha and <math>\pm</math> 1,167 ha).</li> <li>- Renewal IUP No.. 503/2/KPTSP/IUP/IX/2014, dated 15 September 2014 (Location I: <math>\pm</math> 1,800 ha and Location II: <math>\pm</math> 1,167 ha) for "Inti".</li> <li>- No. 374, dated 7<sup>th</sup> December 2011 (<math>\pm</math> 656 ha) for Plasma KKPA.</li> <li>- No. 375, dated 7<sup>th</sup> December 2011 (<math>\pm</math> 291 ha) for Plasma KKPA.</li> </ul> </li> <li>d. Izin Lingkungan (SEIA Permit) No. M.288, dated 09<sup>th</sup> September 2011, included Plasma (Scheme Smallholders)</li> </ul>	
2.1.2	<p>A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>- Minor compliance –</p>	<p>The company has updated the regulations that must be complied provided in Indonesian Legislation relating RSPO Principles and its ratification. This document was updated on April 2014, e.g. regulations relating to estates and mill have been identified which covers Presidential Instruction No.10 of 2011, PP. 60 of 2012, Act No. 18 of 2004.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
2.1.3	A mechanism for ensuring compliance shall be implemented.  - Minor compliance –	A mechanism to ensure to track the changes in law is available and the company has updated evaluation of regulation which must comply with regularly.	Yes
2.1.4	A system for tracking any changes in the law shall be implemented.  - Minor compliance –	The company has established mechanism to track if any change of regulation and evaluation will be made accordingly.	Yes
<b>Criterion 2.2</b>			
The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.			
2.2.1	Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.  - Major compliance -	The company has land title rights (see 2.1.1)	Yes
2.2.2	Legal boundaries shall be clearly demarcated and visibly maintained.  - Minor compliance –	PT Agro Muko and PT Mukomuko Agro Sejahtera carried out monitoring of boundary poles on regular basis. Talang Petai Estate has monitored the boundary poles on 6-monthly basis and reported under "Laporan Hasil Pemeriksaan Patok HGU" dated 22 <sup>nd</sup> March 2014 – 28 boundary poles found to be in good condition. Based on field visit, the boundary poles No.26 and No.28 found to be in good condition and visibly maintained, the boundary identity is also clear.  Based on field visit to Bunga Tanjung Estate, the boundary pole No.18A and No.18 are in good condition and maintained.	Yes

Criterion / Indicator		Assessment Findings	Compliance
2.2.3	<p>Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).</p> <p>- Minor compliance –</p>	<p>Based on document review and stakeholder consultation, there is no land dispute in PT Agro Muko plantation area. Example: In Talang Petai Estate, based on document review "Summary of Area Statement for Fiscal Year 2014 – period 10" shows no land dispute status noted in Talang Petai Estate.</p> <p>In Bunga Tanjung Estate, based on document review "Summary of Area Statement for Fiscal Year 2014 – period 10" shows no land dispute status noted in Bunga Tanjung Estate. However, there are areas under HGU that are not for sale by the owner. Company has proposed compensation on 21<sup>st</sup> October 2014, but there was no response from landowner to date. Company has identified all relevant parties with areas under company HGU – 15 individuals with total 67.33 Ha and has been indicted in Estate's operational map with scale of 1:10,000.</p>	Yes
2.2.4	<p>There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.</p> <p>- Major compliance –</p>	<p>Based on document review, there is no land dispute in Talang Petai Estate and Bunga Tanjung Estate, as explained under indicator 2.2.3.</p>	Yes
2.2.5	<p>For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable).</p> <p>- Minor compliance –</p>	<p>Based on document review, there is no land dispute in Talang Petai Estate and Bunga Tanjung Estate, as explained under indicator 2.2.3. Company has identified all relevant parties with areas under company HGU – 15 individuals with total 67.33 Ha and has been indicted in Estate's operational map with scale of 1:10,000. Further, during public stakeholder consultation with local village heads, they states company has a policy not to force the landowner to sell their land.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
2.2.6	<p>To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p> <p>- Major compliance -</p>	<p>PT Agro Muko and PT Mukomuko Agro Sejahtera does not instigate violence in maintaining peace and order for current and planned operation. All complaint, grievance, dispute are resolved through meeting and mediation.</p> <p>Based on interview with local community of Nelan Indah village, there has never been conflict with company. The relationship between company and local community is in good condition.</p>	Yes
<p><b>Criterion 2.3</b> Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p>			
2.3.1	<p>Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p> <p>- Major compliance -</p>	<p>Based on document review, there is no land dispute in Talang Petai Estate and Bunga Tanjung Estate, as explained under indicator 2.2.3. Company has identified all relevant parties with areas under company HGU – 15 individuals with total 67.33 Ha and has been indicted in Estate’s operational map with scale of 1:10,000. Company has proposed compensation on 21<sup>st</sup> October 2014, but there was no response from landowner to date. Further, during public stakeholder consultation with local village heads, they states company has a policy not to force the landowner to sell their land.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
2.3.2	<p>Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p> <ul style="list-style-type: none"> <li>a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</li> <li>b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</li> <li>c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</li> </ul> <p>- Minor compliance –</p>	<p>Company has communicates and proposed compensation on 21<sup>st</sup> October 2014. The communication carried out by company officer on individual meeting, however there was no response from landowner to date – and company respects their decision.</p> <p>The socialization on oil palm plantation development generally carried out during process for AMDAL, including compay's legal aspect and company's economic-social and environmental management plan.</p>	Yes
2.3.3	<p>All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>- Minor compliance –</p>	<p>All information related to oil palm development, social-economic and environmental impact assessment, HCV assessment and procedure for land compensation is available in Bahasa Indonesia.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.  - Major compliance -	PT Agro Muko is able to demonstrate that local communities are represented and participated during the meeting with stakeholder, discussing the social-economic and environmental planning. The meeting involving all relevant stakeholders, institution and representative of surrounding communities. For example, local communities are participating during meeting to communicate company's plan to propose land compensation on 21 <sup>st</sup> October 2014.	Yes
<b>PRINCIPLE 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY</b>			
Criterion 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.			



Criterion / Indicator		Assessment Findings	Compliance
3.1.1	<p>A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.</p> <p>- Major compliance -</p>	<p>The company has prepared budget plan for 4 year (2013 – 2017) and reviewed annually. Budget plan is consist of FFB Production OER, KER, cost, expenditure.</p> <p>Monitoring of yield and expenses for 2013 and 2014 is available. Muko Muko Mill and its supply base</p> <p>2013:</p> <ul style="list-style-type: none"> <li>- Estimated FFB received: 215,418 tonnes (actual: 222,883 tonnes).</li> <li>- OER: 23.30 % (actual 22.22 %)</li> <li>- KER: 5.10 %, (actual 5.09 %)</li> </ul> <p>2014:</p> <ul style="list-style-type: none"> <li>- Estimated FFB received: 209,235 tonnes (actual up to October 2014 180,320 tonnes).</li> <li>- OER: 23.00 (actual: 22.90 %)</li> <li>- KER: 5.10 % (actual 5.17 %)</li> </ul> <p>Projected:</p> <p>2015: FFB (205,292 MT), OER (23.00%), KER (5.10%) 2016: FFB (218,530 MT), OER (23.37 %), KER (5.10 %) 2017: FFB (229,648 MT), OER (23.37%), KER (5.10%)</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>Muko Muko Mill and its supply base</p> <p>2013:</p> <ul style="list-style-type: none"> <li>- Estimated FFB received: 125,357 tonnes (actual: 131,564 tonnes).</li> <li>- OER: 23.50 % (actual 22.92 %)</li> <li>- KER: 5.10 %, (actual 5.38 %)</li> </ul> <p>2014:</p> <ul style="list-style-type: none"> <li>- Estimated FFB received: 130,161 tonnes (actual up to October 2014: 116,840 tonnes).</li> <li>- OER: 23.25 % (actual 22.91 %)</li> <li>- KER: 5.10 %, (actual 5.22 %)</li> <li>-</li> </ul> <p>2015: FFB (137,559 MT), OER (23.19%), KER (5.09%)            2016: FFB (130,762 MT), OER (23.37 %), KER (5.10 %)            2017: FFB (126,600 MT), OER (23.37%), KER (5.10%)</p>	
3.1.2	<p>An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.</p> <p>- Minor compliance –</p>	<p>A replanting programme for each year is available under "Ringkasasn Data Program Replanting/New Planting tahun 2010-2036. No replanting program in the near future in Talang Petai, Sei Kiang Estate and Air Majunta Estate.</p>	Yes
<b>PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS</b>			
<p>Criterion 4.1            Operating procedures are appropriately documented, consistently implemented and monitored.</p>			

Criterion / Indicator		Assessment Findings	Compliance
4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented.  - Major compliance -	The procedures documented in "Agricultural Manual Oil Palm", where it contains all sub section of the process, such as: Nursery, land clearing, planting in peat soil and mineral soil with zero burning, planting legume cover crops, terracing, upkeep, water level management, harvesting, replanting and FFB transport.  There is an additional procedure for Biogas Plant (CDM Project) and CDM Laboratory No. AMPOM—WI/BP01 – AMPOM-WI/BP014.	Yes
4.1.2	A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance –	The company conduct internal audit and regular inspection by Agronomist to monitoring Operational performance, e.g. Visit Report on 19 <sup>th</sup> November 2014 as documented in QC AM.	Yes
4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate.  - Minor compliance –	The company has recorded operational activities based on procedures in computerized system, namely: LMD – Lintra Max Director, covering: FFB received, CPO and PK production, Dispatch CPO and PK, Mill throughput, employment, FFB processed, FFB Grading, FFB and Shell usage, OER. KER.  LMD computerized system is implementation of paper less company policy.	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.1.4	<p>The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).</p> <p>- Major compliance -</p>	<p>Record of incoming FFB from KMD (Kebun Masyarakat Desa) is recorded daily basis and summarized monthly as documented in "Detailed of FFB Received from Estate", e.g FFB received from KMD in:</p> <ul style="list-style-type: none"> <li>- January 2014 (358.51 tonnes)</li> <li>- February 2014 (344.86 tonnes)</li> <li>- March 2014 (329.76 tonnes),</li> <li>- April 2014 (324.44 tonnes)</li> <li>- May 2014 (351.87 tonnes)</li> <li>- June 2014 (456.97 tonnes)</li> <li>- July 2014 (364.80 tonnes)</li> <li>- August 2014 (477.27 tonnes)</li> <li>- September 2014 (364.17 tonnes) and</li> <li>- October 2014 (340.86 tonnes)</li> </ul>	Yes
<b>Criterion 4.2</b>			
Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			
4.2.1	<p>There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible.</p> <p>- Minor compliance -</p>	<p>PT Agro Muko and PT Mukomuko Agro Sejahtera have a procedure for good agriculture practices to maintain soil fertility, as available under SOP Fertilizer Placement and Frond Pruning.</p> <p>The procedures consist of manual fertilizer application, fertilizer application with spreader, compost application, bunch ash application, EFB application and POME application (Land Application), frond pruning. Based on field visit to Talang Petai Estate and Sungai Kiang Estate – PT Agro Muko and Air Majunto Estate as well as Malin Deman Estate – PT Mukomuko Agro Sejahter, fertilizer application for year 2014 has completed. The inorganic fertilizer applied based on fertilizer recommendation.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.2.2	<p>Records of fertiliser inputs shall be maintained.</p> <p>- Minor compliance –</p>	<p>Each estate maintains a complete record of fertilizer inputs – both organic and in-organic. The fertilizer application based on annual fertilizer recommendation, cascaded and detailed up to nutrition requirement (and fertilizer type per planting year, per palm) per plantation block for each semester. Sample taken: Fertilizer recommendation for oil palm semester II year 2014 – Talang Petai Estate; block 99I04; 7.7 Ha - 637 palm, dosage NPK 3 kg, total 1,911 kg; the NPK fertilizer was applied on 9<sup>th</sup> September 2014.</p> <p>Monthly manuring programme for oil palm semester II year 2014 – Air Bikuk. Planning for block 98H02 and 98H03, dosage per palm for NPK is 3 kg, for Urea is 0.5 kg and for Dolomite is 1.5 kg; Actual fertilizer application is on July and September 2014.</p> <p>Monthly manuring programme for oil palm semester II 2014 – Malin Deman Estate for block 12F02, mineral soil of total 24.50Ha, progeny Costa Rica dosage MOP sets at 0,75kg/palm; Total MOP applied 2,300kg.</p>	Yes
4.2.3	<p>There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.</p> <p>- Minor compliance –</p>	<p>PT. Agro Muko shows record of leaf sampling under “Rekomendasi pemupkan tahun 2014/2015 oleh MJ Redshaw” and soil survey result under “Semi detail soil survey report PT Agro Muko” dated back March and June 2010. The records shows result of analysis for each estate.</p> <p>PT Mukomuko Agro Sejahtera has not performed periodic tissue sampling. Fertilizer application based on recommendation under “Immature oil palm fertilizer schedules”. Soil suitability study at early stage prior to land clearing.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.2.4	<p>A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting.</p> <p>- Minor compliance –</p>	<p>Nutrient recycling strategy is present. PT Agro Muko and PT Mukomuok Agro Sejahtera is using all palm by-products for soil nutrient. For estates located near to palm oil mill, EFB is applied to palm, frond stacking and application of compost.</p>	Yes
<b>Criterion 4.3</b>			
Practices minimise and control erosion and degradation of soils.			
4.3.1	<p>Maps of any fragile soils shall be available.</p> <p>- Major compliance -</p>	<p>PT Agro Muko has a semi detail soil map with scale 1:60.000. The map consists of different information such as soil type, soil texture identification, elevation and slope percentage; for each estate. The soil map indicates areas with steep slope and peat soil.</p> <p>PT Mukomuko Agro Sejahtera is able to presented map, consist of information related to soil type and topographic condition of Air Majunto Estate and Malin Deman Estate. Based on identified soil type, the plantation located on mineral soil – limiting factor iddentified steep slope.</p>	Yes
4.3.2	<p>A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific).</p> <p>- Minor compliance –</p>	<p>It is a company policy to stop land clearing for area with slope more than 25<sup>0</sup>. Based on field visit and document review, the current management for area with slope up to 25<sup>0</sup> is to apply terrace contour, platform. Management strategy for replanting plan is to take into consideration the current planting map, soil type map, topographic map, HCV map, rainfall data and activity schedule.</p> <p>PT Mukomuko Agro Sejahtera is not opening up area with slope more than 25<sup>0</sup>.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.3.3	<p>A road maintenance programme shall be in place.</p> <p>- Minor compliance –</p>	<p>PT Agro Muko able to demonstrate a road maintenance programme – along with the progress. For example: In Talang Petai Estate - Upkeep collection roads manual, Divisi I, block T – planting year 2003 of 37Ha, road maintenance planned for 1,046 meters, implemented 300 meters back in January 2014. Road stoning – of 8,175 meters.</p> <p>PT Mukomuko Agro Sejahtera is able to shows “Program dan Realisasi Perawatan Jalan 2014” for upkeep main &amp; collection road at Air Majunto Estate and Malin Deman Estate. Example: Air Majunto Estate planning 5,678 meter on July 2014, actual 4,814 meter; Malin Deman Estate planning 5,744 meter in April 2014, actual 4,600 meter.</p>	Yes
4.3.4	<p>Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.</p> <p>- Major compliance –</p>	<p>PT Agro Muko and PT Mukomuko Agro Sejahtera has a set of procedure for water management (for peat soil), in line with Indonesia’s guideline for peat management.</p> <p>For estate with peat soil, water management is in place with establishment of main drain, collection drain, field drain and controlled through watergate. Water level pole is available to monitor the water level; piezometer is in place to monitor the peat subsidence.</p> <p>As for the estates sampled; Talang Petai, Air Bikuk and Sungai Kiang Estate – based on soil map, no peat soil. As for estates under PT Mukomuko Agro Sejahtera – Air Majunto Estate and Malin Deman Estate – based on soil map, no peat soil.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.3.5	<p>Drainability assessments shall be required prior to replanting on peat to determine the longterm viability of the necessary drainage for oil palm growing.</p> <p>- Minor compliance –</p>	<p>A replanting review is carried out prior to replanting, taking into consideration the FFB production trends, soil suitability, HCV assessment, etc. The soil suitability (for area with peat soil) does cover peat soil best practices, in line with company procedures.</p> <p>The area of Talang Petai Estate, Air Bikuk Estate and Sungai Kiang Estate of PT Agro Muko; and Air Majunto and Malin Deman Estate of PT Mukomuko Agro Sejahtera is located on mineral soil.</p>	Yes
4.3.6	<p>A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).</p> <p>- Minor compliance –</p>	<p>PT Agro Muko has prepares all necessary procedures to maintain area with fragile soil. These procedures and guidelines then implemented on the field. Talang Petai Estate implementing terrace contour, planting Mucuna bracteata and maintains the conservation forest for area with steep slope. Additionally, Talang Petai Estate plant Vertiver grass on location with water crossing and river buffer zone – to minimize erosion. Air Bikuk Estate planted 500 polybags of Mucuna b. for Division I and 470 polybags of Mucuna b. for Division II.</p> <p>In order to protect the drainage ditch, PT Mukomuko Agro Sejahtera – Malin Deman Estate plant 978 vertiver grass at water crossing, nursery and pre-nursery.</p>	Yes
<p>Criterion 4.4 Practices maintain the quality and availability of surface and ground water.</p>			



Criterion / Indicator		Assessment Findings	Compliance
4.4.1	<p>An implemented water management plan shall be in place.</p> <p>- Minor compliance -</p>	<p>PT Agro Muko is implementing good agriculture practices through minimizing management in river riparian, planning Vertizer grass to minimize erosion and protecting water source in plantation. PT Agro Muko maintains the permit for ground water and regularly monitors the water quality. Water quality tests performed for upstream and downstream of Buluh river, Masad river, Mayan river, Rengas river, Bungin river, Bikuk river, Bantal river, Kiang river, Sako river and Bahan river.</p> <p>Water management plan for Malin Deman Estate and Air Majunto Estate is following the AMDAL Document. Implemented water management to date is performing Upkeep main drain and upkeep collection drain.</p>	Yes
4.4.2	<p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated.</p> <p>- Major compliance -</p>	<p>PT Agro Muko and PT Mukomuko Agro Sejahtera is maintaining and protecting the water courses. Management has sets aside the area for river buffer zone, in line with requirement written in ANDAL and government regulation. This is implemented on the field; In Talang Petai Estate, Air Bikuk Estate, Sungai Kiang Estate, Air Majuntoi Estate and Malin Deman Estate; management does not apply agrochemical for palm located near river/water course, management also planted Mucuna bracteata to minimize surface run-off.</p>	Yes
4.4.3	<p>Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6).</p> <p>- Minor compliance -</p>	<p>The company discharge effluent to water course, water sampling is taken regularly every month by independent third party, e.g. water sample in "Effluent Final Dscharge Pond" by Binalab in October 2014 (BOD level 63.2 mg/L), BOD level standard less than 100 mg/L as regulated in Kepmen LH No. 51/LH/10/1995.</p> <p>Record shown BOD level in September 2014 (72.7 mg/L), August 2014 (71.8 mg/L), July 2014 (68.6 mg/L), June 2014 (66.2 mg/L). it was found no BOD level more than 100 mg/L.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance –	<p>Mukomuko Mill: Record of water consumption for processing in Muko Muko Mill is updated monthly, record in 2013 is shown that average water usage is 0.96 MT/ton FFB processed and 0.98 MT/ton FFB processed in 2014.</p> <p>Water consumption is monitored monthly in the "Pemakaian Air and HSD Oil"</p> <p>Bunga Tanjung Mill: Recrd of water consumption in Bunga Tanjung Mill is updated monthly, record in 2013 seen 1.10 MT/ton FFB and 1.07 MT/ton FFB in 2014. Water consumption is monitored monthly in the "Pemakaian Air and HSD Oil Untuk Electrical"</p>	Yes
<p><b>Criterion 4.5</b> Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>			

Criterion / Indicator		Assessment Findings	Compliance
4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	<p>PT Agro Muko and PT Mukomuko Agro Sejahtera are able to demonstrate Integrated Pest Management under "Program Pengendalian Hama Terpadu 2014". These plans comprise of biological, physical and chemical treatment to control pest attack.</p> <p>PT Agro Muko and PT Mukomuko Agro Sejahtera were implementing early warning system through regular pest monitoring (and census) for rat and boar attack, leaf eating pest, etc. Reports are produced and maintained. Chemical (pesticide) will only used if the pests attack above the economic threshold. Once implemented, management performs monitoring to re-check the program effectiveness.</p> <p>Specific for PT MMAS, the oldest palm planted in 2012. The main pest in Air Majunto and Malin Deman Estate currently is wild boar. PT Mukomuko Agro Sejahtera is applying zinc plate as pig protection for the young palm. 2684 zinc plate of pig protection applied for area of 21.4 Ha. Furthermore, PT MMAS planted Turnera subulata and Cassia tora as host plant for natural predator.</p>	Yes
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	PT Agro Muko and PT Mukomuko Agro Sejahtera train all workers and supervisors involved in IPM implementation, this covers the pest census officer, sprayer gang, supervisors and field assistant. Record seen: "Pelatihan Pengendalian Hama Terpadu PT Agro Muko dated 26 <sup>th</sup> February 2014", attended by census officer. The training covers barn owl box monitoring, identification of bag worm and leaf eating caterpillar, boar trap, etc.	Yes
<b>Criterion 4.6</b> Pesticides are used in ways that do not endanger health or the environment.			

Criterion / Indicator		Assessment Findings	Compliance
4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	The use of pesticide is under strict requirement, only in the case of pest attack past the economic threshold. The justification of pesticide used is explained under Agricultural Manual General Section 12 Pest and Disease – and use of herbicide under Section 17 Weed Controls. The procedures explain the identification of target species, agrochemical to be used, and dosage and area per application in general. A further dosage reduction controlled through budget.  Visit to chemical store and record review shows company chemical product for specific target species (weed).	Yes
4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -	PT Agro Muko and PT Mukomuko Agro Sejahtera is not applying pesticide currently. Records of herbicide use are available and maintained at each Estate. The records shows the total chemical used (in kg and/or liters), the active ingredients used, total area treated (in Ha), and active ingredients used per area treated and per ton FFB produced.	Yes
4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines.  - Major compliance -	There is no used of prophylactic use of pesticides throughout PT Agro Muko and PT Mukomuko Agro Sejahtera. In general there is no use of pesticide to control pest in PT Agro Muko and PT Mukomuko Agro Sejahtera.	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.6.4	<p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p>- Minor compliance -</p>	<p>The use of paraquat is not prohibited in Indonesia. Based on record review, the use of paraquat is decreasing over time. Example:</p> <p>In Talang Petai Estate the use of paraquat in 2012 is 1,548 liters, in 2013 is 742 liters, and in 2014 (as of November 2014) is 620 liters; In Air Bikuk Estate the use of paraquat in 2013 is 680 liters and in 2014 (as of November 2014) is 264 liters;</p>	Yes
4.6.5	<p>Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>- Major compliance -</p>	<p>Agcochemical are only handled, used and applied by trained personnel. Based on field visit to chemical store, and interview with the storekeeper, they admit to have proper training. The chemical store equipped with MSDS, appropriate PPE (face shield, respirator, apron, gloves and rubber boot) and emergency equipment – in the case of spillage or exposure. Based on record review, Mr. S – chemical storekeeper in Talang Petai Estate; Mr. S, Ms. S, Ms. M, Ms. Y, Mr.IS, Mr.S, Mr.FH and Mr.G – Sprayer gang in Air Bikuk Estate participated in “Pelatihan Pestisida Terbatas” dated 6-7<sup>th</sup> May 2014.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -	The storage for all pesticide is in good condition. A standard storage system appears to be implemented across PT AM. Double lock storage dedicated for WHO II chemical is available. The storage is equipped with sufficient air ventilation to provide air circulation. Hazard signs, emergency shower, second containment, spill kit, appropriate PPE (face shield, permeable gloves, apron and mask) is available and ready for use. Working instruction for pre-mixing, stacking and storing pesticide is current, MSDS is also readily available.  Empty pesticide container was triple rinsed before sent for temporary hazardous waste storage.	Yes
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance –	There is no application of pesticide throughout PT Agro Muko and PT Mukomuko Agro Sejahtera in 2014.	Yes
4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.  - Major compliance -	There is no aerial application of pesticide throughout PT Agro Muko and PT Mukomuko Agro Sejahtera.	Yes
4.6.9	Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated; including provision of appropriate information materials (see Criterion 4.8).  - Minor compliance –	Company is providing training for pesticide storekeepers in limited pesticide use, MSDS and emergency procedures. Mr.S – chemical storekeeper has been trained with limited pesticide use and understands the procedure for emergency situation such as leak and spillage. MSDS is available at premise.  Based on record review: Mr. S, Ms. S, Ms. M, Ms. Y, Mr.IS, Mr.S, Mr.FH and Mr.G – Sprayer gang in Air Bikuk Estate participated in "Pelatihan Pestisida Terbatas" dated 6-7 <sup>th</sup> May 2014.	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).  - Minor compliance –	Chemical storekeeper in Talang Petai Estate, Air Bikuk Estate and Sungai Kiang Estate understood the procedure and re-use of ex-chemical empty container. The empty containers are triple rinsed before sent to hazardous waste storage and/or re-use as pre-mixed water container to the field.	Yes
4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.  - Major compliance -	PT Agro Muko is able to demonstrate programmed medical checkup for chemical storekeeper, spraying mandors, sprayer gangs, fertilizer mandors and fertilizer applicators. The medical checkup provided covers blood test, urine test and spirometric test. Record seen: In Talang Petai Estate "Rekapitulasi Pemeriksaan Medis – Pekerja Pemakai Pestisida" for 5 mandors and 32 sprayers dated 29 <sup>th</sup> September 2014. Mr.S, chemical storekeeper received medical checkup on 5 <sup>th</sup> June 2014. Mr.S, Ms.S, Ms.M, Ms.Juli, Mr.G, Mr.S received medical checkup on 5 <sup>th</sup> June 2014.  Based on record review on sampled workers, doctor concluded there is no worker with signs of intoxication detected.	Yes
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women.  - Major compliance –	Monthly absence under "Absensi Tenaga Spraying dan Manuring per bulan", records the interview with female worker to verify they are not pregnant and/or breast-feeding before conducting agrochemical work.	Yes
<p><b>Criterion 4.7</b> An occupational health and safety plan is documented, effectively communicated and implemented.</p> <p><i>Specific Guidance for 4.7.7: The National Interpretation will define the metrics for LTA. For countries where there are no national interpretations, the growers will determine their own metrics.</i></p>			

Criterion / Indicator		Assessment Findings	Compliance
4.7.1	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. - Major compliance -	PT Agro Muko and PT Mukomuko Agro Sejahtera have an Occupational Health and Safety Policy, signed by President Director 1 <sup>st</sup> March 2013. PT Agro Muko has a safety committee with annual health and safety program, monitored on regular basis through internal audit.	Yes
4.7.2	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. - Major compliance -	The safety committee at each Estate and Mill produced a HIRADC register, regularly reviewed and update as necessary. Air Bikuk Estate is able to demonstrate a risk assessment for all estate operations, latest review 1 <sup>st</sup> August 2014.	Yes
4.7.3	All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. - Major compliance -	PT Agro Muko and PT Mukomuko Agro Sjahtera provides safe working practices training for all workers at estates and mills, including sprayer gangs, fertilizer applicators, harvesters, FFB loading crew and upkeep workers. Company provided adequate and appropriate protective equipment for all workers at place of works, in line with the risk assessment. Example: sprayer gangs using goggles, respirators, apron, overall suit, gloves, rubber boot; engine room operator wears helmet, ear plugs, mask, and safety shoes.	Yes



Criterion / Indicator		Assessment Findings	Compliance
4.7.4	<p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>- Major compliance -</p>	<p>PT Agro Muko and PT Mukomuko Agro Sejahtera has a safety committee and Safety officer at each Estate and Mill. The committee holds a monthly meeting to discuss the health and safety performance, including health and safety programme, monthly performance, accident records and investigation, as well as risk assessment review. Example: In Air Bikuk Estate the safety committee acknowledged by local manpower office, Safety officer Mr. Marwin – appointed by local manpower office. Safety meeting dated 11<sup>th</sup> November 2014 – recorded and submitted along with three-monthly report to local manpower office.</p>	Yes
4.7.5	<p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>- Minor compliance –</p>	<p>PT Agro Muko and PT Mukomuko Agro Sejahtera have a set of emergency procedures for FFB transport/car accident, pesticide/herbicide spill, fire, earthquake, tsunami, etc. The procedures have been communicated to all level of workforce.</p> <p>PT Agro Muko and PT Mukomuko Agro Sejahtera has also appointed trained first aider in the case of accident. Example: Training of first aider in Air Bikuk Estate dated 13<sup>th</sup> October 2014, Mr. Saiful - mandor, participated in the training.</p> <p>Records of accident is available and reviewed during safety committee meeting</p>	Yes
4.7.6	<p>All workers shall be provided with medical care, and covered by accident insurance.</p> <p>- Minor compliance –</p>	<p>PT Agro Muko and PT Mukomuko Agro Sejahtera have provided clinic for all workers. Referrl are made to nearest hospital should the case is severe. The company also providing social and accident insurance in form of Jamsostek – for all workers.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. - Minor compliance –	The accident records are compiled under “Rekapitulasi Laporan Kehilangan Waktu” on monthly basis, indicating the Lost Time Accident information. Example: In Air Bikuk Estate, for October 2014, 3 accidents occurred with total LTA 8 man-days. The accident investigation reports are available and maintained.	Yes
<b>Criterion 4.8</b>			
All staff, workers, smallholders and contract workers are appropriately trained.			
4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme.  - Major compliance –	PT Agro Muko and PT Mukomuko Agro Sejahtera are able to demonstrate a training programme, for Estate and Mill. The training programme is prepared with consideration of training need assessment – tailored to meet regulation, audit reports, competence level and career path.	Yes
4.8.2	Records of training for each employee shall be maintained. - Minor compliance –	PT Agro Muko and PT Mukomuko Agro Sejahter are able to demonstrate records of training for each employee.	Yes
<b>PRINCIPLE 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY</b>			
<b>Criterion 5.1</b>			
Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			
5.1.1	An environmental impact assessment (EIA) shall be documented.  - Major compliance -	AMDAL document is available and approved by Bengkulu Governor No. no. 425, year 2005 for PT. Agro Muko and Izin Lingkungan (SEIA Permit) No. M.288, dated 09 <sup>th</sup> September 2011, included Plasma (Scheme Smallholders) for PT. MMAS.	Yes

Criterion / Indicator		Assessment Findings	Compliance
5.1.2	<p>Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons.</p> <p>- Minor compliance –</p>	No any changes of SEIA document.	Yes
5.1.3	<p>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.</p> <p>- Minor compliance –</p>	Company has prepared report on Environmental Management and Monitoring implementation (Laporan RKL-RPL) and sent report every 6 month to local government, e.g RKL-RPL report semester I 2014 (Period January - June 2014), acceptance letter by local government officer as evidence,	Yes
<p><b>Criterion 5.2</b> The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>			

Criterion / Indicator		Assessment Findings	Compliance
5.2.1	<p>Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>- Major compliance -</p>	<p>PT. Agro Muko: HCV Identification was conducted by "Yayasan Kelapa Sawit Berkelanjutan" in January 2010. Total HCV areas was identified is 2,170.82 ha, consist of HCV 1, HCV 3, HCV 4 (2,169.47 ha) and HCV 6 (1.56 ha)</p> <p>PT. MMAS: HCV Identification was conducted by "Yayasan Kelapa Sawit Berkelanjutan" in January 2010. Total HCV areas was identified is 196.09 ha, consist of HCV 1, HCV 3, and HCV 4.</p> <p>Those HCV identification assessments were consulted to the the stakeholders, such as: public consultation in sub-district V-Koto on 9<sup>th</sup> July 2010, attended 49 stakeholders.</p>	Yes
5.2.2	<p>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.</p> <p>- Major compliance -</p>	<p>Management plans and monitoring plan as documented in "Program pengelolaan dan pemantauan Areal Nilai Konservasi Tinggi-2014". Its developed based on the HCV recommendations and review regularly.</p> <p>The management and monitoring plan, covering monitoring of HCV area, socialization to the internal and local communities, restoration and displayed sign board.</p> <p>Record of monitoring activities is recorded, e.g. monitoring HCV on 24<sup>th</sup> March 2014 and 9<sup>th</sup> September 2014, socialization to the local communities Air Buluh Villages, attended 9 local communities representative and socialization to the internal on 15 April 2014, attended 18 workers (Attendance list and photograph asevidence).</p> <p>Responsible person to HCV monitoring under Ranger Department, e.g. Mr. Sasriandi (Ranger member) as appointment letter on 01 October 2014.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
5.2.3	<p>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.</p> <p>- Minor compliance –</p>	<p>It was not found RTEs species captured, harmed, collected and killed by workers, the company has conducted socialization of RTEs, e.g. socialization to the workers related HCV on 15<sup>th</sup> August 2014, attended 33 workers and socialization to the local communities was conducted on 29<sup>th</sup> May 2014, attended 9 local community representatives (Attendance list, socialization material and photograph as evidence)</p> <p>The company has policy forbid capture, harm, collect and kill RTE's species as regulated in the Company's Memorandum dated 08<sup>th</sup> February 2013.</p>	Yes
5.2.4	<p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> <li>• The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>• Outcomes of monitoring shall be fed back into the management plan.</li> </ul> <p>- Minor compliance –</p>	<p>The company has conducted monitoring of HCV, i.e. monitoring of wild animal / RTEs regularly, such as.</p> <ol style="list-style-type: none"> <li>1. Monitoring of HCV regularly, e.g. report of monitoring on 12<sup>th</sup> July 2014 and 12<sup>th</sup> November 2014.</li> <li>2. Monitoring of HCV signboard.</li> <li>3. Monitoring of conservation area on 17<sup>th</sup> November 2014.</li> </ol> <p>The company usage computerized system for recording monitoring of HCV, namely "SMART – Spatial Monitoring and Tools program" and also installed camera-trap.</p>	Yes
5.2.5	<p>Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>- Minor compliance –</p>	<p>It was not found this case during audit.</p>	Yes
<p><b>Criterion 5.3</b> Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>			

Criterion / Indicator		Assessment Findings	Compliance
5.3.1	All waste products and sources of pollution shall be identified and documented.  - Major compliance –	The company has a waste management plan, identifying type and source of waste which documented in "Daftar Aspek dan Pengaruh Lingkungan",	Yes
5.3.2	All chemicals and their containers shall be disposed of responsibly.  - Major compliance -	The company store hazardous waste in temporary storage with permit, The hazardous waste is sent to the registered collector which approved by Environmental Ministry, namely CV. Amindy Barokah.  Talang Petai estate: The company has sent the hazardous waste regularly to the registered collector, e.g. the last Manifest hazardous waste on 30 September 2014 to CV. Amindy barokah, consist of used oil (854 litre), used filter (61 kg) and empty container pesticide (165 kg).  In Malin Deman estate: the last sent hazardous waste to the approval collector on 29 <sup>th</sup> September 2014, consist of used oil (20 liter), used oil filter (9 drums) dan empty chemical pesticides (8 drums).  The last sent hazardous waste in Bunga Tanjung Mill on 24 <sup>th</sup> September 2014, consists of used oil (780 liter), used oil filter (79.2 kg), toner (2.4 kg), cartridge (4 kg) dan chemical empty container (223.6 kg) as documented in manifest "Dokumen Limbah B3"	Yes
		Hazardous waste balancing stock is monitored and recorded, e.g. the last stock Used Oil per 31 October 2014 is 185 liter and Empty Chemical container 2 pcs in Bunga Tanjung Mill and empty chemical container (12 pcs) in Malin Deman estate.	Yes

Criterion / Indicator		Assessment Findings	Compliance
5.3.3	<p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>- Minor compliance –</p>	<p>Waste management plan is documented in "Rencana pengelolaan Limbah". Waste management consists of medical waste, domestic waste, and hazardous waste to reduce pollution to the environment.</p>	Yes
<p><b>Criterion 5.4</b> Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>			
5.4.1	<p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>- Minor compliance –</p>	<p>Mukomuko Mill: Using Methane Capture for boiler. Total renewable energy use/ton CPO from Biogas plant is recorded monthly, the average total energy usage in 2014 (till October 2014) is 61.7 Kcal/ton CPO.</p> <p>EFB Fibre, FFB Fibre and shell also use for boiler is recorded in "Pengolahan dan Pemanfaatan Limbah Padat untuk bahan bakar". The record is Monthly basis. E.g October 2014 FFB process: 16,141 ton, Fibre: 1,936 ton, shell: 807 ton and EFB 1,065 ton. Fibre using in October 2014 is equivalent 12,987,468 Kcal and shell is equivalent 3,292,768 Kcal, total 16,280,237 Kcal equivalent 1,550,000 liter Kcal/ton Fossil fuel.</p> <p>Bunga Tanjung Mill: Bunga Tanjung Mill has fossil fuel efficiency plan with substitute using Fibre and shell for boiler. Fibre and shell use is recorded in "Rekaman Monitoring Penggunaan Energi Terbarukan". The record is monthly basis. E.g October 2014 FFB process: 11.817 ton, Fibre: 1,536 ton, shell: 709,066 ton. Fibre and shell used in October 2014 is equivalent 5,944,338 which equivalent 566,127 liter Fossil fuel.</p>	Yes
<p><b>Criterion 5.5</b> Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>			

Criterion / Indicator		Assessment Findings	Compliance
5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -	No open burning was noted during field visit and interviewed with local communities and workers	Yes
5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.  - Minor compliance -	No any open burning was noted for land preparation	Yes
<b>Criterion 5.6</b>			
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions; particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	The company has conducted assessment of polluting activities as documented in "Mitigasi GRK"	Yes
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance -	Identification of pollutant and GHG, such as: usage of anorganic fertilizer, pesticide, fossil fuel usage, peat land, and POME.  The company also has minimized pollutant and GHG through using EFB as organic fertilizer, implementing IPM to reduce pesticides usage, monitoring water level and subsidence in peat area, using fibre and sell for boiler, and biogas plant.	Yes



Criterion / Indicator		Assessment Findings	Compliance
5.6.3	<p>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.</p> <p>- Minor compliance –</p>	<p>The company has prepared a strategy in effort to reduce and mitigate pollution and emission. Monitoring of pollution and emission quality for plantation has been planned and implemented, e.g. monitoring water level and subsidence in pet area, air quality ambient for boiler and Genset, water quality test for surface and groun water, effluent water quality, etc.</p>	<p>Yes</p>
<b>PRINCIPLE 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLERS</b>			

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 6.1</b>			
Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	<p>The social impact study is available under environmental document, consist of:</p> <ul style="list-style-type: none"> <li>a. Analisis Dampak Lingkungan (AMDAL) document, complete with the environment management and monitoring plan for plantation and palm oil mill and rubber factory in Kecamatan Mukomuko Utara, kecamatan Lubuk Pinang, Kecamatan Teras Terunjam and Kecamatan Pondok Suguh, Kabupaten Mukomuko, Propinsi Bengkulu – year 2005.</li> <li>b. PT Agro Muko manages more than 3,000 Ha of oil palm plantation. The Dokumen Pengelolaan Lingkungan Hidup (DPLH) for Air Buluh Estate (2,500 Ha) in Desa Semundam, Talang Baru, Talang Arah and Tanjung Jaya, Kecamatan Malin Deman and Kecamatan Ipuh, Kabupaten Mukomuko – year 2011. The approval for DPLH based on letter No.660/237.2/F.4/IX/2011 dated 29<sup>th</sup> September 2011.</li> <li>c. PT Agro Muko appointed Yayasan Sawit Berkelanjutan Indonesia (YASBI) for Social Impact Assessment exercise on 2010, comprise of 15 villages around company premises, including the impact on development of 524 Ha Kebun Masyarakat Desa for 38 surrounding villages.</li> </ul> <p>PT MMAS has AMDAL document where social parameter has been assessed and reviewed. Company has also carried out Social Impact Assessment, in cooperation with Yayasan Sawit Berkelanjutan Indonesia (YASBI) for Social Impact Assessment exercise on 2010. The process was involving various stakeholders including impact on plasma development.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties.. - Major compliance -	PT MMAS has AMDAL document where social parameter has been assessed and reviewed. Company has also carried out Social Impact Assessment, in cooperation with Yayasan Sawit Berkelanjutan Indonesia (YASBI) for Social Impact Assessment exercise on 2010. The process was involving various stakeholders including impact on plasma development. During the process for the document and social impact management actively involving community participation through interview and questionnaires.	Yes
6.1.3	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. - Major compliance -	Within the AMDAL and SIA document, the negative and positive impact of oil palm development has been explained. The environmental management and monitoring plan document has lined out effort that company should carry out in order to minimize negative impact and promote positive impact from oil palm development.  The Social Impact Assessment document has explained the recommendation that could be done by company to minimize negative impact and promote positive impact from social impact management.	Yes
6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.  - Minor compliance -	Company has carried out social impact evaluation on annual basis through social survey. The survey was conducted by ENC-AM and being part of environment management and monitoring report - "Laporan Pelaksanaan RKL-RPL". PT Agro Muko has a form for interview with community to capture social aspects, dated 2 <sup>nd</sup> January 2012. The social survey carried out based on procedure called Interview with community for social survey, dated 1 <sup>st</sup> August 2011.  In 2014, social survey carried out on 30 <sup>th</sup> June – 5 <sup>th</sup> July 2014 for 23 villages around PT Agro Muko, with 5 respondents from each village.	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).  - Minor compliance –	PT Agro Muko appointed Yayasan Sawit Berkelanjutan Indonesia (YASBI) for Social Impact Assessment exercise on 2010, comprise of 15 villages around company premises, including the impact on development of 524 Ha Kebun Masyarakat Desa for 38 surrounding villages.  PT MMAS has AMDAL document where social parameter has been assessed and reviewed. Company has also carried out Social Impact Assessment, in cooperation with Yayasan Sawit Berkelanjutan Indonesia (YASBI) for Social Impact Assessment exercise on 2010. The process was involving various stakeholders including impact on plasma development.	Yes
<b>Criterion 6.2</b> There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.			
6.2.1	Consultation and communication procedures shall be documented. - Major compliance -	Company has prepared a Procedure to respond for information request No.ENC/SOP/08 dated 20 <sup>th</sup> December 2013. This procedure used as a guideline in providing response upon information/data request from relevant stakeholder. As per indicator 1.2.1, the information available such as: Health and Safety Plan, Laporan Pelaksanaan pengelolaan dan Pemantauan RKL-RPL, HCV report, Pollution mitigation and prevention plan, Continuous Improvement Plan, Certification Body Public Summary Report, and all company policy.  The retention time for those records sets as "Ongoing/continuous".	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.2.2	A management official responsible for these issues shall be nominated. - Minor compliance -	PT Agro Muko has appointed officers responsible to carried out communication and consultation with local communities, for instance: a. Mukomuko Estate is the estate manager, field head assistant and office assistant; b. Sungai Betung Estate is the acting estate manager, field head assistant and office assistant;  PT MMAS: Based on the job description, the roles and responsibilities for each position in the structure – person responsible for communication and consultation with local community is estate manager, field head assistant and office assistant.	Yes
6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance -	PT Agro Muko is able to show list of stakeholders. Records of communication with stakeholders are available. Example: Back in 2013, in Air Buluh Estate a letter from Badan Pusat Statistik Kabupaten Mukomuko No.17.063.013 dated 25 <sup>th</sup> January 2013. Company recorded the information request. Company responed by sending the filled form on the same date.  PT MMAS documented the communication and consultation under “Permintaan Informasi” document. Example: inquiry from people of Desa SP2 (Maju Makmur) on 2 <sup>nd</sup> July 2014 – asking for job vacancy, responded by company by asking the inquirer to prepare job application letter. In Air Majunto Estate, a letter from Mr.Y dated 17 <sup>th</sup> May 2014, inquired to be involved in building construction for PT MMAS. Company provides response that all construction project processed through auction.	Yes
<b>Criterion 6.3</b> There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.			

Criterion / Indicator		Assessment Findings	Compliance
6.3.1	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. - Major compliance -	Company has a mechanism to convey complaint, guarantee the confidentiality and anonymity of complainants and whistleblower. The mechanism has also regulates the time frame for responses and person in charge to provide response.	Yes
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance -	Company is recording each complaint and response provided in the Logbook.	Yes
<b>Criterion 6.4</b> Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions..			
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.  - Major compliance –	PT Agro Muko and PT MMAS has a procedure for land compensation No.SOP/CA/02 dated 1 <sup>st</sup> July 2012 – as a guideline to identify legal, customary or user rights for land. As well as act as a guideline for land compensation. The steps in the procedures: FPIC through socialization, document and proof of rights over land-survey, field survey and measurement of land, mapping review, compensation negotiation process, completing the compensation documentation, compensation payment.  The same procedure regulates (and applicable for) the compensation for claimed land within legal company's HGU.	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.4.2	<p>A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.</p> <p>- Minor compliance -</p>	<p>PT Agro Muko and PT MMAS has a procedure for land compensation No.SOP/CA/02 dated 1<sup>st</sup> July 2012 – as a guideline to identify legal, customary or user rights for land. As well as act as a guideline for land compensation. The steps in the procedures: FPIC through socialization, document and proof of rights over land-survey, field survey and measurement of land, mapping review, compensation negotiation process, completing the compensation documentation, compensation payment.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
6.4.3	<p>The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.</p> <p>- Major compliance –</p>	<p>PT Agro Muko and PT MMAS are documenting each stage in negotiation process to resolve land compensation. Example: Negotiation process between company and Mr.J, people from Desa Penarik, whose land located in conservation area of Sungai Betung Estate. The record completed with all relevant information (meeting minutes, statement letters, etc.)</p> <p>For PT MMAS: the land compensation for traditional owner within Izin lokasi in 2010 for 514 individuals, totaling 1102.72 Ha; in 2011 for 101 individuals, totalling 167.90 Ha; in 2012 for 181 individuals, totaling 285.93 Ha; in 2013 for 151 individuals, totaling 232.5 Ha; up to August 2014 for 1225 individuals, totaling 2142.29 Ha. Process is documented – compensation to Mr.Z, people of Desa Talang Baru, Kecamatan Malin Deman, for land of 20,000 m<sup>2</sup> and 2,000 m<sup>2</sup> completed with “Surat Keterangan Tanah” issued by village head. Another documents consist of “Surat Pernyataan Penguasaan Fisik Tanah”; “Peta Lokasi Lahan” – map; “Surat Keterangan Ganti Rugi Tanah Garapan” signed by Mr.Z and PT MMAS, with witnesses and acknowledge village head of Desa Air Merah dated 20<sup>th</sup> March 2013; “Surat Pelepasan Hak Menggarap atas Tanah Garapan” signed by Mr.Z and PT MMAS; “Tanda Terima Pembayaran Ganti Rugi” received by Mr.Z dated 20<sup>th</sup> March 2013. Each compensation documents completed with photograph of the process.</p>	Yes
<p><b>Criterion 6.5</b> Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>			



Criterion / Indicator		Assessment Findings	Compliance
6.5.1	Documentation of pay and conditions shall be available. - Major compliance -	<p>The company determines minimum wages as regulated by Government every year, minimum wages in 2014 as "Surat keputusan Gubernur of Bengkulu No. T.107.XIV Tahun 2014, tanggal 29 Januari 2014 untuk UMS Prov. Bengkulu (Rp. 1.431.000) and agreement with Labour Union on 14 March 2014, the minimum wages in 2013 is Rp. 1.445.000,-</p> <p>Based on review of payments slip, there are no worker's salary below minimum wages, e.g. payment slip for Mr. Hadijan in October 2014 is Rp. 1.445.000 plus rice allowance 15 kg and Mr. martim in July 2014 is Rp. 1,614,029.</p>	Yes
6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. - Major compliance -	<p>Worker Agreement (PKB) between company and labour union is referred in working regulation, Worker Agreement was approved by Dinas tenaga kerja dan transmigrasi kab. Muko muko, dated 06 November 2014, valid until November 2016 and contract between company and each worker are available.</p> <p>Based on document review, it was noted that all workers has signed contract, e.g. contract of Destu Afrengki Saputra, dated 01 June 2014, during interview was noted that the employee understood the contract. The contract including remuneration, salary, tax, special allowance, facilities received, leave on, working hours, etc.</p> <p>For PT. MMAS, the company has established union agreement as known "Peraturan Perusahaan" dated 02<sup>nd</sup> June 2014 (valid until 02<sup>nd</sup> June 2016), approved by Gubernur of Bengkulu no. 503/8.g/023/KP2T/2014, dated 17<sup>th</sup> June 2014.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.  - Minor compliance –	The company has prepared facilities for their workers, such as: housing, policlinic, mosque, sport facilities, electricity and water supply.	Yes
6.5.4	Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.  - Minor compliance –	The employees able to access traditional market and also there is cooperative in each estate to providing affordable food.	Yes
<b>Criterion 6.6</b> The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.			
6.6.1	A published statement in local languages recognising freedom of association shall be available. - Major compliance –	Recognizing of freedom association in "Kebebasan Berserikat", dated 01 March 2013 which stated the company recognizes the role of lawful and independent workers and employees representative organization in creating a constructive working environment.	Yes
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented.  - Minor compliance –	Meeting with the company and labour union is conducted regularly, the last meeting was conducted on 06 October 2014, attended 13 representatif of the company and labour union (attendance list, minutes meeting and photograph are available). The result of meeting: electrical supply to Division 2, readiness of bus school and transport for workers.	Yes
<b>Criterion 6.7</b> Children are not employed or exploited.			

Criterion / Indicator		Assessment Findings	Compliance
6.7.1	There shall be documentary evidence that minimum age requirements are met. - Major compliance –	Based on document review of list of worker-October 2014, it was not found workers hired by company less than 18 years old, the youngest worker in Air Majunto estate is Destu Afengki Saputra (20 years, 2 months) and Slamet Apriadi (19 years, 10 months)	Yes
<b>Criterion 6.8</b> Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.			
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance –	The company has policy for equal opportunities, dated 01 march 2013 which stated that “Tidak akan mendiskriminasikan siapapun dalam hal penerimaan pekerja atau dalam kegiatan usahanya”	Yes
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance –	No discriminated was noted during audit, the company has implemented equal opportunity policy.	Yes
6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.  - Minor compliance –	The company has procedure hiring workers, dated 25 April 2007, regulated that hiring and promotion of workers based on: 1. Skill 2. Work experiences 3. Interview/evaluation 4. Medical check up  The company is conduct evaluation of workers annually, e.g. promotion Mr. Hasanuddin (from temporary worker/PKWT become permanent workers) as regulated in Head Office memo no. 481/JWB-MMAS/IX/12, dated 13 <sup>th</sup> September 2012.	Yes
<b>Criterion 6.9</b> There is no harassment or abuse in the work place, and reproductive rights are protected.			

Criterion / Indicator		Assessment Findings	Compliance
6.9.1	A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.  - Major compliance –	Policy to prevent sexual harassment and reproduction right, dated 1 March 2013, stated that “The company commitment to prevent sexual harassment and reproductive rights as regulated in Indonesia law.	Yes
6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.  - Major compliance –	Policy to prevent sexual harassment and reproduction right, dated 1 March 2013, stated that “The company commitment to prevent sexual harassment and reproductive rights as regulated in Indonesia law.  The company has established “Gender Committee” to prevent and resolve sexual harassment (if any), So far, no any sexual harassment was noted.	Yes
6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.  - Minor compliance –	A Procedures of sexual harassment by identifying type of harassment & report to Gender committee and investigation will be conducted by management team & if found guilty, disciplinary action will be taken	Yes
<b>Criterion 6.10</b>			
Growers and millers deal fairly and transparently with smallholders and other local businesses.			
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.  - Minor compliance –	The company has informed the FFB price to management of “Kebun Masyarakat Desa” –KMD, every week; recorded in expedition book “Tanda Terima Harga TBS” – FFB price receipt. Example: The FFB purchasing price period of 29 <sup>th</sup> September – 5 <sup>th</sup> October 2014: Category A: Rp.1328/kg – Category B: Rp.1313/kg – Category C: Rp.1298/kg.	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation) - Major compliance -	The price agreement for FFB coming from "Kebun Masyarakat Desa" – KMD regulated under MoU between "Pengurus Kebun Masyarakat". For example: MoU between KMD Desa Nelan Indah with PT Agro Muko available under "Perjanjian Kerjasama pembangunan dan Pemeliharaan Kebun Kelapa Sawit di Desa Nelan Indah" dated 7 <sup>th</sup> October 2014 – chapter 12 related to sales of FFB harvest with market price during receiving of FFB and loose fruit.	Yes
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	Based on interview with local contractors confirmed that contract understood by them and made fairly, legal and transparent.	Yes
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	Evidence of payment is reviewed and it was seen paid timely manner.	Yes
<b>Criterion 6.11</b>			
Growers and millers contribute to local sustainable development where appropriate			
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.  - Minor compliance –	In 2014 company has completed the CSR programme in form of aid to surrounding village: a. Construction of water drainage and building of pre-school in Desa Pondok Baru back in February 2014; b. Construction of pre-school building in Desa Batu Ejung back in March 2014; c. Road maintenance in Desa Berangan Mulya on October 2014;  Company is also cooperating with local contractor as effort for local economy empowerment. Example: involving local contractor from Desa Pondok Baru, for culvert manufacturing in Bunga Tanjung Estate – Contract is available, dated 21 <sup>st</sup> March 2014.	Yes

Criterion / Indicator		Assessment Findings	Compliance
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity.  - Minor compliance –	In order to improve productivity of “Kebun Masyarakat Desa” – KMD, PT Agro Muko is fully managing the oil palm plantation, supervised by a mandor KMD for each estate. For example, Bunga Tanjung Estate has 1 Mandor, responsible for management of 5 KMD located in Bunga Tanjung Estate totalling 71.54 Ha in Desa Bantal, Desa Pondok baru, Desa Neggalo, Desa Bunga Tanjung and Desa Nelan Indah.	Yes
<b>Criterion 6.12</b> No forms of forced or trafficked labour are used.			
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used.  - Major compliance -	The company has established “Forced and trafficked labour” policy, dated 01 <sup>st</sup> March 2014 which stated commitment the company is not hiring forced and trafficked labour.	Yes
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred.  - Major compliance –	Based on document review and interview with workers and labour union, confirmed that no contract substitution was noted.	Yes
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented.  - Minor compliance –	The agreement for temporary workers is available and signed by workers.	Yes
<b>Criterion 6.13</b> <b>Growers and millers respect human rights</b>			

Criterion / Indicator		Assessment Findings	Compliance
6.13.1	<p>A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1).</p> <p>- Major compliance -</p>	The company has established human rights policy, dated 01 <sup>st</sup> March 2014, stated that the company endorse implementation of human rights and ILO declaration regarding human rights principle.	Yes
<b>PRINCIPLE 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS</b>			
<b>Criterion 7.1</b>			
A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.			
7.1.1	<p>An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented.</p> <p>- Major compliance –</p>	AMDAL document is available and approved by Bengkulu Governor No. no. M.288, dated 09 <sup>th</sup> September 2011, included Plasma KKPA scheme for PT. MMAS.	Yes
7.1.2	<p>Appropriating and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts.</p> <p>- Minor compliance –</p>	The company has developed procedures of SEIA identification potential negative impact and implemented.	Yes
7.1.3	<p>Where the development includes an outgrower scheme, the impacts of the scheme and the implications of the way it is managed shall be given particular attention.</p> <p>- Minor compliance -</p>	The SEIA included outgrower scheme (KMD and Plasma KKPA scheme)	Yes

Criterion / Indicator	Assessment Findings	Compliance	
<b>Criterion 7.2</b>			
Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.			
7.2.1	Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations. - Major compliance –	PT Mukomuko Agro Sejahtera is able to presented map, consist of information related to soil type and topographic condition of Air Majunto Estate and Malin Deman Estate. Based on identified soil type, the plantation located on mineral soil – limiting factor identified steep slope.	Yes
7.2.2	Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available and taken into account in plans and operations. - Minor compliance -	It is a company policy to stop land clearing for area with slope more than 25°. Based on field visit and document review, the current management for area with slope up to 25° is to apply terrace contour, platform. Management strategy for replanting plan is to take into consideration the current planting map, soil type map, topographic map, HCV map, rainfall data and activity schedule.  Based on field visit, there is no opening up area with slope more than 25°.	Yes
<b>Criterion 7.3</b>			
New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.			
7.3.1	There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2). - Major compliance –	HCV Identification was conducted by “Yayasan Kelapa Sawit Berkelanjutan” in January 2010. No any planting have replaced primary forest or HCV areas was noted during field visit.	Yes



Criterion / Indicator		Assessment Findings	Compliance
7.3.2	A comprehensive HCV assessment, including stakeholder consultation, shall be conducted prior to any conversion or new planting. This shall include a land use change analysis to determine changes to the vegetation since November 2005. This analysis shall be used, with proxies, to indicate changes to HCV status. - Major compliance –	HCV Identification was conducted by “Yayasan Kelapa Sawit Berkelanjutan” in January 2010. Total HCV areas was identified is 196.09 ha, consist of HCV 1, HCV 3, and HCV 4.  Those HCV identification assessments were consulted to the the stakeholders, such as: public consultation in sub-district V-Koto on 9 <sup>th</sup> July 2010, attended 49 stakeholders.	Yes
7.3.3	Dates of land preparation and commencement shall be recorded.  - Minor compliance –	Record of land clearing and planting areas are available	Yes
7.3.4	An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower’s relevant operational procedures (see Criterion 5.2).  - Major compliance –	The company has conducted monitoring of HCV, i.e. monitoring of wild animal / RTEs regularly, such as. 4. Monitoring of HCV regularly, e.g. report of monitoring on 12 <sup>th</sup> July 2014 and 12 <sup>th</sup> November 2014. 5. Monitoring of HCV signboard. 6. Monitoring of conservation area on 17 <sup>th</sup> November 2014.  The company usage computerized system for recording monitoring of HCV, namely “SMART – Spatial Monitoring and Tools program” and also installed camera-trap.	Yes

Criterion / Indicator		Assessment Findings	Compliance
7.3.5	<p>Areas required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from proposed operations, shall be identified in consultation with the communities and incorporated into HCV assessments and management plans (see Criterion 5.2).</p> <p>- Minor compliance –</p>	<p>HCV Identification was conducted by “Yayasan Kelapa Sawit Berkelanjutan” in January 2010. Total HCV areas was identified is 196.09 ha, consist of HCV 1, HCV 3, and HCV 4.</p> <p>Those HCV identification assessments were consulted to the the stakeholders, such as: public consultation in sub-district V-Koto on 9<sup>th</sup> July 2010, attended 49 stakeholders.</p>	Yes
<p><b>Criterion 7.4</b> Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.</p>			
7.4.1	<p>Maps identifying marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided.</p> <p>- Minor compliance –</p>	No fragile soil and peat land was noted in PT. MMAS area.	Yes
7.4.2	<p>Where limited planting on fragile and marginal soils, including peat, is proposed, plans shall be developed and implemented to protect them without incurring adverse impacts.</p> <p>- Major compliance –</p>	No fragile soil and peat land was noted in PT. MMAS area.	Yes
<p><b>Criterion 7.5</b> No new plantings are established on local peoples’ land where it can b demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.</p>			

Criterion / Indicator		Assessment Findings	Compliance
7.5.1	Evidence shall be available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the grower/miller is signed and ratified by these local peoples. - Major compliance –	PT MMAS has a procedure for land compensation No.SOP/CA/02 dated 1 <sup>st</sup> July 2012 – as a guideline to identify legal, customary or user rights for land. As well as act as a guideline for land compensation. The steps in the procedures: FPIC through socialization, document and proof of rights over land-survey, field survey and measurement of land, mapping review, compensation negotiation process, completing the compensation documentation, compensation payment.  The same procedure regulates (and applicable for) the compensation for claimed land within legal company's HGU.  No any land dispute was noted during audit, the company has implemented FPIC prior planting.	Yes
<b>Criterion 7.6</b>			
Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.			
7.6.1	Documented identification and assessment of demonstrable legal, customary and user rights shall be available. - Major compliance –	PT MMAS has a procedure for land compensation No.SOP/CA/02 dated 1 <sup>st</sup> July 2012 – as a guideline to identify legal, customary or user rights for land. As well as act as a guideline for land compensation. The steps in the procedures: FPIC through socialization, document and proof of rights over land-survey, field survey and measurement of land, mapping review, compensation negotiation process, completing the compensation documentation, compensation payment.	Yes

Criterion / Indicator		Assessment Findings	Compliance
7.6.2	<p>A system for identifying people entitled to compensation shall be in place.</p> <p>- Major compliance –</p>	<p>PT MMAS has a procedure for land compensation No.SOP/CA/02 dated 1<sup>st</sup> July 2012 – as a guideline to identify legal, customary or user rights for land. As well as act as a guideline for land compensation. The steps in the procedures: FPIC through socialization, document and proof of rights over land-survey, field survey and measurement of land, mapping review, compensation negotiation process, completing the compensation documentation, compensation payment.</p> <p>The same procedure regulates (and applicable for) the compensation for claimed land within legal company's HGU.</p>	Yes
7.6.3	<p>A system for calculating and distributing fair compensation (monetary or otherwise) shall be in place.</p> <p>- Major compliance –</p>	<p>PT MMAS has a procedure for land compensation No.SOP/CA/02 dated 1<sup>st</sup> July 2012 – as a guideline to identify legal, customary or user rights for land. As well as act as a guideline for land compensation. The steps in the procedures: FPIC through socialization, document and proof of rights over land-survey, field survey and measurement of land, mapping review, compensation negotiation process, completing the compensation documentation, compensation payment.</p>	Yes
7.6.4	<p>Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development.</p> <p>- Minor compliance –</p>	<p>The company has developed KMD and Plasma KKPA scheme for local communities.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
7.6.5	The process and outcome of any compensation claims shall be documented and made publicly available. - Minor compliance –	The land compensation for traditional owner within Izin lokasi in 2010 for 514 individuals, totaling 1102.72 Ha; in 2011 for 101 individuals, totalling 167.90 Ha; in 2012 for 181 individuals, totaling 285.93 Ha; in 2013 for 151 individuals, totaling 232.5 Ha; up to August 2014 for 1225 individuals, totaling 2142.29 Ha. Process is documented – compensation to Mr.Z, people of Desa Talang Baru, Kecamatan Malin Deman, for land of 20,000 m <sup>2</sup> and 2,000 m <sup>2</sup> completed with “Surat Keterangan Tanah” issued by village head. Another documents consist of “Surat Pernyataan Penguasaan Fisik Tanah”; “Peta Lokasi Lahan” – map; “Surat Keterangan Ganti Rugi Tanah Garapan” signed by Mr.Z and PT MMAS, with witnesses and acknowledge village head of Desa Air Merah dated 20 <sup>th</sup> March 2013; “Surat Pelepasan Hak Menggarap atas Tanah Garapan” signed by Mr.Z and PT MMAS; “Tanda Terima Pembayaran Ganti Rugi” received by Mr.Z dated 20 <sup>th</sup> March 2013. Each compensation documents completed with photograph of the process	Yes
7.6.6	Evidence shall be available that the affected communities and rights holders have access to information and advice, that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands. - Minor compliance –	The company has developed KMD and Plasma KKPA scheme, where involving the local communities.	Yes
<b>Criterion 7.7</b>			
No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice			
7.7.1	There shall be no land preparation by burning, other than in specific situations, as identified in the ‘Guidelines for the Implementation of the ASEAN Policy on Zero Burning’ 2003, or comparable guidelines in other regions. - Major compliance –	No open burning was noted during audit.	Yes

Criterion / Indicator		Assessment Findings	Compliance
7.7.2	In exceptional cases where fire has to be used for preparing land for planting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance –	No open burning was noted during audit.	Yes
<b>Criterion 7.8</b> New plantation developments are designed to minimise net greenhouse gas emissions.			
<b>For National Interpretation:</b> National Interpretation will provide guidance within the national context for national requirements (e.g. high and low carbon stock lands or emission reduction requirements).			
7.8.1	The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated.  - Major compliance –	The company has identified and estimated of GHG and the company has gone through NPP process in 2010.	Yes

Criterion / Indicator		Assessment Findings	Compliance
7.8.2	<p>There shall be a plan to minimise net GHG emissions which takes into account avoidance of land areas with high carbon stocks and/or sequestration options.</p> <p>- Minor compliance –</p>	No any planting in high carbon stock area, the company has gone through New Planting procedures	Yes
<b>PRINCIPLE 8: COMMITMENT TO CONTINUAL IMPROVEMENT IN KEY AREAS OF ACTIVITY</b>			
<b>Criterion 8.1</b>			
Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			
8.1.1	<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of pesticides (Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);</li> <li>• Optimising the yield of the supply base;</li> </ul> <p>- Major compliance –</p>	<p>A continuous improvement plan has been prepared and internal audit conducted to identify environmental and social activities, such as:</p> <ul style="list-style-type: none"> <li>- CDM project (Biogas plant) for methane capture.</li> <li>- Applied EFB as fertilizer, fibre and shell are burned in boiler for electricity, organic and an-organic from domestic waste is separated, where an-organic wastes go through to the landfill.</li> <li>- Continuing dispose hazardous waste to the approval collector.</li> <li>- 2684 zinc plate of pig protection applied for area of 21.4 Ha.</li> <li>- Increasing planting beneficial plant (Tunera subulata and Cassia Tora) host plant for natural predator.</li> <li>- Develop KMD and Plasma KKPA for local communities surrounding company area.</li> </ul>	Yes

### 3.2 Progress against Time Bound Plan

Name of company	Name of Mill	Location	Supply Base	Time Bound Plan	Target Year for RSPO
PT. Agro Muko	Muko Muko Mill	Mukomuko District, Bengkulu Province, Indonesia	Muko Muko estate, S. Betung estate, Tanah rekah estate, Talang Petai estate, S. Kiang estate and KMD	2011	Certified February 2011
	Bunga Tanjung Mill	Mukomuko District, Bengkulu Province, Indonesia	Bunga Tanjung estate, Air Bikuk estate, Air Buluh estate and KMD	2011	Certified February 2011
			PT. Mukomuko Agro Sejahtera: - Air Majunto estate - Malin Deman estate	2014	It will be certified in 2014 (it has been gone through RSPO NPP process, RSPO public notification on 10 <sup>th</sup> October 2010)
PT. Tolan Tiga	Bukit Maradja Mill	Simalungun District, North Sumatera, Indonesia	- Bukit Maradja Estate (PT. ESI) - Kerasaan Estate (PT. Kerasaan Indonesia)	2010	Certified May 2010
	Perlabian Mill	Labuhan Batu Selatan District, North Sumatera, Indonesia	Perlabian estate and Tolan estate.	2010	Certified May 2010
PT. Umbul Mas Wisesa	Umbul Mas Wisesa Mill		UMW South estate, UMW North estate and Toton Usaha Mandiri estate	2014	Audited in May 2014



PT. Agro Kati Lama					Still developed (It has been RSPO NPP), RSPO public Notification on 31 <sup>st</sup> March 2014.
PT. Agro Rawas Ulu					Still developed (It has been RSPO NPP), RSPO public Notification on 31 <sup>st</sup> March 2014.
PT. Agro Muara Rupit					Still developed (It has been RSPO NPP), RSPO public Notification on 31 <sup>st</sup> March 2014.
Hargy Oil Palm Limited (HOPL)	Hargy Mill	East of Biialla, West New Britain Province, PNG	Hargy Estate	2009	RSPO Certified in April 2009
	Navo Mill	50 Kms East of BIialla, West New Britain Province, PNG	Navo Estate, Bakada Estate and Mengan Estate	2009	RSPO Certified in April 2009
	Barema Mill	30 km East of Biialla, West New Britain Province, PNG	Barema Estate	2014	RSPO Certified in April 2014

**Auditor finding related time bound plan:**

There are 3 projects new acquisition land in South Sumatera, Indonesia and its have been gone through RSPO New Planting Procedures, the public notification was submitted and announced in RSPO website on 31<sup>st</sup> March 2014.

BSI assessment team consider the time bound plan is challenging and still relevant to their management. BSI audit team found that the company comply with the Time bound Plan.

BSI also assessed the requirement for partial certification and concluded that:

1. There are no unresolved significant land disputes.
2. No replacement of primary forest or loss of HCV. New land acquisition follows the RSPO NPP process including public notification of new planting.
3. No labour disputes that are not being resolved through an agreed process.
4. No evidence of noncompliance with law noted.

### 6.3 Details of findings

#### 3.3.1. Review of previous assessment finding.

##### 3.3.1.1. Major Nonconformities

No major NC was raised in previous assessment

##### 3.3.1.2. Minor Nonconformities

Ref	Area/Process	Clause
1010903N1	RSPO P & C, INA-WG 2008 Principle 2. Compliance with applicable laws and regulations	2.1.4
Scope	SPO 556042	
Details:	There is not adequate evidence all relevant regulation with mill and estate operation has been evaluated for its compliance.	
Requirements:	A mechanism for ensuring that compliance with relevant legal requirements is implemented	
Objective Evidence:	List of regulation	
Actions:	The company has conducted all relevant regulation in estate and mill operation as documented in "Evaluasi Pemenuhan Peraturan & Perundang undangan Terkait Persyaratan RSPO / ISPO: Peizinan Perkebunan, e.g. Evaluation of Permentan No. 98/2013 related IUP.  This Minor NC was closed out on 25 November 2014.	
Closed?:	Yes	

Ref	Area/Process	Clause
1010903N6	RSPO P & C, INA-WG 2008 Principle 4: Use of appropriate best practices by growers and millers	4.6.5
Scope	SPO 556042	
Details:	The use of paraquat is increasing in period of 2012 to 2013	
Requirements:	Documentary evidence that use of chemicals categorised as World Health Organisation Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions, and paraquat, is reduced and/or eliminated.	
Objective Evidence:	The use of paraquat is increasing, based on comparison of "Rekaman Penggunaan Pestisida" for Gramoxone (a.i. paraquat) in Mukomuko Estate and Air Buluh Estate period 2012 on to 2013;	
Actions:	The use of paraquat in Air Buluh Estate 2012 is 2.150 liters, in 2013 is 2.207 liters, in 2014 (as of October) is 1.352 liters. The use of paraquat in Muko muko Estate 2012 is 2.410 liters, in 2013 is 3.246 liters, in 2014 (as of November) is 1.870 liters.  This Minor NC was closed out closed.	
Closed?:	Yes	

Ref	Area/Process	Clause
1010903N8	RSPO P & C, INA-WG 2008 Principle 4: Use of appropriate best practices by growers and millers	4.7.5
Scope	SPO 556042	
Details:	<p>The risk assessment for Occupational Health and Safety was found to be inadequate, for instance:</p> <ol style="list-style-type: none"> <li>1. Confined space guidance stated on EHS Manual has not considered "Pedoman K3 di Ruang Terbatas tahun 2006". It was found that cleaning tank activity at Mukomuko Mill (Clarifier Tank 1 &amp; 2 on 12 December 2013) and Bunga Tanjung Mill (Storage Tank 2 on 3 October 2013) was not measured level of oxygen.</li> <li>2. It was found that implementation Risk Factor Number of HIRADC has not fully accordance with Prosedur identifikasi Bahaya dan Penilaian Resiko (TTI/PROS/ REN/02).</li> </ol>	
Requirements:	A documented risk assessment for Occupational Health and Safety (OHS).	
Objective Evidence:	<p>Evidence:</p> <ol style="list-style-type: none"> <li>1. Pedoman K3 di Ruang Terbatas tahun 2006, HIRADC at Mukomuko Mill and Bunga Tanjung Mill, Tank cleaning report at Mujkomuko mill (Clarifier Tank 1 &amp; 2 on 12 December 2013) and Bunga Tanjung Mill (Storage Tank 2 on 3 October 2013)</li> <li>2. Prosedur identifikasi Bahaya dan Penilaian Resiko (TTI/PROS/ REN/02).</li> </ol>	
Actions:	<ol style="list-style-type: none"> <li>1. Company has taking into consideration risk while working in confined space, and incorporate into HIRADC – Penilaian Resiko. Latest HIRADC review dated 20th September 2014. The activities cover all tank cleaning-related work in clarification station, steam boiler and water treatment plant. Company has invested in gas tester.</li> <li>2. Risk factor number in HIRADC, revised on 1 September 2014 is in accordance with procedure "Identifikasi Bahaya dan Penilaian Resiko no. TTI/PROS/ REN/02".</li> </ol> <p>This Minor NC was closed out on 27 November 2014</p>	
Closed?:	Yes	

Ref	Area/Process	Clause
1010903N9	RSPO P & C, INA-WG 2008 Principle 4: Use of appropriate best practices by growers and millers	4.7.10
Scope	SPO 556042	
Details:	<ol style="list-style-type: none"> <li>1. Insufficient evidence that company has reviewed HIRADC after incident occurs as required by Prosedur Identifikasi Bahaya dan Penilaian Resiko (TTI/PROS/REN/02) chapter 6. This case was observed on accident at Kernel Plant on 9 February 2013.</li> <li>2. It was evidenced work accident reported after period of 2 x 24 hour was not recorded as work accident case.</li> </ol>	
Requirements:	Records of the occurrence of any work accidents are maintained and regularly reviewed.	
Objective Evidence:	<ol style="list-style-type: none"> <li>1. Prosedur Identifikasi Bahaya dan Penilaian Resiko (TTI/PROS/REN/02) chapter 6;</li> <li>2. Surat Permintaan Pengobatan, Mr Y, Air Buluh Estate dated 8 January 2014.</li> </ol>	
Actions:	<ol style="list-style-type: none"> <li>1. Incident records have been considered and new risk/activities have been incorporated into HIRADC.</li> <li>2. Work accident has been reported according to timeframe, under 2 x 24 hour.</li> </ol> <p>This Minor NC was closed out on 27 November 2014</p>	
Closed?:	Yes	

Ref	Area/Process	Clause
1078914N2	Principle 5. Environmental responsibility and conservation of natural resources and biodiversity.	RSPO P & C, Criterion 5.2.5
Scope	SPO 565811	
Details:	Not adequate evidence, the appointed ranger has been trained for HCV area management.	
Requirements:	Companies are to appoint dedicated and trained officers to monitor any plans and activities as above	
Objective Evidence:	Review record of Training progress in 2014	
Actions:	The company has trained Ranger for HCV area Management, e.g. Mr. Sasriandi in Malin deman estate. This Minor NC was closed out on 25 November 2014.	
Closed?:	Yes	

Ref	Area/Process	Clause
1010903N13	RSPO P & C, INA-WG 2008 Principle 5: Environmental responsibility and conservation of natural resources and biodiversity.	5.3.4
Scope	SPO 556042	
Details:	It was found hazardous waste disposal is not recorded.	
Requirements:	Records of waste monitoring/analysis.	
Objective Evidence:	Used chemical container of NALCO and acid sulphate.	
Actions:	Record of hazardous waste is available as documented in "Lembar Neraca Limbah B3". It was found that incoming and outgoing hazardous waste is monitored and recorded.  This Minor NC was closed out on 25 November 2014.	
Closed?:	Yes	

Ref	Area/Process	Clause
1010903N15	RSPO P & C, INA-WG 2008 Principle 5: Environmental responsibility and conservation of natural resources and biodiversity.	5.5.4
Scope	SPO 556042	
Details:	Land fire infrastructure in Sei Betung Estate was not based on appropriate risk assessment	
Requirements:	Presence of appropriate fire extinguishers and facilities, depending on the risks assessment.	
Objective Evidence:	Land fire infrastructure in Sei Betung consists of water tank, fire swatter and wet gunny.	
Actions:	Land fire infrastructure handling has been improved, consist of water tank, water pump, hose, fire swatter, wet gunny and hook-pole.	
Closed?:	Yes	

Ref	Area/Process	Clause
1078914N3	Principle 7. Responsible development of new plantings	RSPO P & C, Criterion 7.1.3
Scope	SPO 565811	
Details:	There is no evidence that PT MMAS has prepared a development programme for smallholder (plasma).	
Requirements:	Smallholders, records of development program for smallholders are kept, in accordance with the scheme and relevant laws.	
Objective Evidence:	Social Impact Assessment	
Actions:	PT MMAS has created program annually to develop scheme smallholder (plasma), e.g. Develop Plasma Sungai Tenang – Desa Talang Petai PT MMAS in 2014 and 2015 for 200 ha. The program detailed planting area, projection of cost expenditure, and General Charges-Control Account.	
Closed?:	Yes	

### 3.3.1.2. Observation was raised in previous assessment

Type	Area/Process	Clause
Observations	RSPO P & C, INA-WG 2008 Principle 2. Compliance with applicable laws and regulations	2.2.1
Scope	SPO 556042 at PT AGR-0047367578-000	
Details:	It was found overlapping with HPK (Hutan Produksi Konversi) area, of which currently in process of forest area release (pelepasan kawasan) at Kementerian Kehutanan; The progress will be verified in the next surveillance	
Action	Based on document review, progress forest area release (Pelepasan Kawasan Hutan) at Forestry Ministry continuing process, where the company has received feedback from Forestry Ministry to complete requirements for this process.	

Type	Area/Process	Clause
Opportunity for improvement	RSPO P & C, INA-WG 2008 Principle 4: Use of appropriate best practices by growers and millers	4.1.1
Scope	SPO 556042 at PT AGR-0047367578-000	
Details:	Company may wish to adjust the width of primary drain, regulated under the SOP Penanaman di Lahan Gambut in order to meet the Permentan No.14 tahun 2009 and current practice.	
Action	The company has revised SOP refer to the Agriculture Ministry Regulation	

Type	Area/Process	Clause
Observations	RSPO P & C, INA-WG 2008 Principle 5: Environmental responsibility and conservation of natural resources and biodiversity.	5.2.4
Scope	SPO 556042 at PT AGR-0047367578-000	
Details:	Company could improve the awareness and communication of protected flora and fauna to surrounding community	
Action	The company has conducted socialization of RTEs, e.g. socialization to the local communities on 29 <sup>th</sup> May 2014, attended 9 local community representatives (Attendance list, socialization material and photograph as evidence)	

	Area/Process	Clause
Observations	RSPO P & C, INA-WG 2008 Principle 5: Environmental responsibility and conservation of natural resources and biodiversity.	5.3.3
Scope	SPO 556042 at PT AGR-0047367578-000	
Details:	Company could improve the awareness of Genset operator in Air Buluh Estate related to hazardous waste handling.	
Action	Based on field visit in operation areas, both mill and estates, it was found that the company has improved handling of hazardous waste it has been collected in hazardous waste storage before sent to the register collector.	

Type	Area/Process	Clause
Observations	RSPO P & C, INA-WG, 2008 Principle 6: Responsible consideration of employees and of individuals and communities affected y growers and mills	6.11.1
Scope	SPO 556042 at PT AGR-0047367578-000	
Details:	Company could consider the SIA and AMDAL review result for planning the CSR program	
Action	The company has updated CSR program with considering of result SIA and AMDAL	

### 3.3.2. Nonconformities and Observation Was Raised during this surveillance

No any nonconformity was raised during this surveillance

#### Observation:

Observation	
OBS.	Description
1	Company could consider a number of prevention of pollution effort: 1.To ensure all control valve connected to HSD oil tank – second containment in Talang Petai is in "closed" condition. 2.To review and re-consider current design of oil trap/triple interceptor and monitoring in order to prevention oil pollution in Workshop Air Bikuk Estate and Engine Room Sungai Kiang Estate
2	Company need to ensure installation of alarm in the hazardous waste storage Talang Petai Estate.
3	It is nice to record the domestic waste produced from line site/housing to estimate adequate landfill in Talang Petai Estate.
4	The company has policy and specific grievance mechanism to prevent violence and abuse sexual, however care should be taken to improve the awareness to women workers related function of "Gender Committee" to resolve if any sexual violence or abuse.
5	It is nice to consider the company clinic in Talang Petai with legal permit.

### 3.3. Positive Finding

Positive Findings	
PF	Description
1	Good performance for improvement in all areas
2	Positive comments from local communities for the company operation.

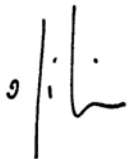

### 3.4. Issues raised by Stakeholders

Issues raised by Stakeholders			
No.	Stakeholder comments	Company Response	Auditor Finding
1.	Z. Amin (Labour Union) and Isdarti (Gender Committee)	No comment	Positive comment
	- The company has registered labour union organization to the government		
	- No any sexual harassment and the company committed protect reproduction rights.		
	- Salary based on minimum wages which regulated by government		
2	- No any labour disputes	No comment	Positive comment
	- Karto (Talang Petai Village Head).		
	- Adnan Syah (Lubuk Cabau Village Head).		
	- Ramli (Air Merah Village Head)		
- Anwar (Sejahtera Bersama Cooperative, comiitee member)	Good relationship between company and local communities		
- Good relationship between company and local communities			

<ul style="list-style-type: none"> <li>- FPIC was implemented prior open the land.</li> <li>- The company develop scheme smallholders for local communities surrounding company area.</li> <li>- No contamination was reported by local communities.</li> <li>- The company developed scheme smallholders for villages, as known "KMD".</li> </ul>		
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**3.5. Status of Non Conformities**

Reference	Category	Issued	Closed
CR01	Minor	01/10/2010	10/02/2012
CR02	Minor	01/10/2010	10/02/2012
A675812/1	Major	10/02/2012	10/02/2012
A675812/1	Minor	10/02/2012	01/02/2013
A675812/2	Minor	10/02/2012	01/02/2013
A675812/3	Minor	10/02/2012	01/02/2013
A675812/4	Minor	10/02/2012	01/02/2013
A675812/5	Minor	10/02/2012	01/02/2013
463917-1	Minor	01/02/2013	08/01/2014
463917-2	Minor	01/02/2013	08/01/2014
1010903M3	Major	08/01/2014	06/03/2014
1010903M7	Major	08/01/2014	06/03/2014
1010903M10	Major	08/01/2014	06/03/2014
1010903M16	Major	08/01/2014	06/03/2014
1010903M18	Major	08/01/2014	06/03/2014
1010903N1	Minor	08/01/2014	25/11/2014
1010903N6	Minor	08/01/2014	25/11/2014
1010903N8	Minor	08/01/2014	25/11/2014
1010903N9	Minor	08/01/2014	25/11/2014
1010903N13	Minor	08/01/2014	25/11/2014
1010903N15	Minor	08/01/2014	25/11/2014

Acknowledgement of Assessment Findings	Report Prepared by
<b>Name:</b> Mr. Oliver Tichit	<b>Name:</b> Haeruddin
<b>Company name:</b> PT. Agro Muko	<b>Company name:</b> PT. BSI Indonesia
<b>Title:</b> Director	<b>Title:</b> Lead Auditor
<b>Signature:</b> 	<b>Signature:</b> 



*Appendix "A"*  
*RSPO Certificate Details*

PT Agro Muko  
Gedung Bank Sumut Lt.7  
Jl. Imam Bonjol 18  
20152 MEDAN, NORTH SUMATRA  
INDONESIA  
Website: www.tolantiga.co.id

Certificate Number : SPO 556042  
Date of Certificate : 22/02/2011  
End of certificate : 21/02/2016

**Applicable Standards: RSPO Principles & Criteria: 2013;**  
**Standard: Supply Chain Certification requirement for CPO Mills – Module D Segregation**

MUKO MUKO PALM OIL MILL AND SUPPLY BASE				
Location Address		Teruntung, kec.Teras Terunjam, kab.Mukomuko, Bengkulu, Indonesia		
GPS Location		E101°16' – S02°36'		
CPO Tonnage Total		47,686 MT		
PK Tonnage Total		10,574 MT		
Own estates FFB Tonnage		202,082 MT		
KMD FFB Tonnage		4,889 MT		
SIPEF estates	Mature (ha)	Immature (ha)	Total land-use titles (ha)	Annual FFB Production (mt)
Mukomuko Estate	2,109.01	1,577.27	4,101.20	38,312
Tanah Rekah Estate	2,985.98	74.37	3,849.00	72,759
Sungai Kiang Estate	1,926.99	29.69	2,171.03	36,707
Talang Petai Estate	2,103.00	12.00	2,270.00	42,308
Sungai Betung Estate	478.24	813.92	1,610.12	10,830
Air Majunto Estate	290.00	252.00	1,800.00	1,166
<b>Sub Total</b>	<b>9,893.22</b>	<b>2,759.25</b>	<b>15,801.35</b>	<b>202,082</b>
Kebun Masyarakat Desa (KMD)	281.00	119.00	400.00	4,889
<b>Subtotal</b>	<b>281.00</b>	<b>119.00</b>	<b>400.00</b>	<b>4,889</b>
<b>TOTAL</b>	<b>10,174.22</b>	<b>2,878.25</b>	<b>16,201.35</b>	<b>206,971</b>

BUNGA TANJUNG PALM OIL MILL AND SUPPLY BASE	
Location Address	Berangan Jaya, Kec. Teramang Jaya, Kab. Mukomuko, Bengkulu, Indonesia
GPS Location	E101°22' – S02°43'
CPO Tonnage Total	32,503 MT
PK Tonnage Total	7,132 MT
Own estates FFB Tonnage	133,063 MT
KMD and Plasma FFB Tonnage	6,149 MT

SIPEF Estate	Mature (ha)	Immature (ha)	Total land-use titles (ha)	Annual FFB Production (mt)
Bunga Tanjung Estate	2,313.34	0.00	2,903.00	52,480
Air Bikuk Estate	1,232.99	0.00	1,410.00	27,369
Air Buluh Estate	2,140.94	7.95	2,500.00	51,734
Malin Deman Estate	373.00	164.00	1,167.00	1,480
<b>Sub Total</b>	<b>6,060.27</b>	<b>171.95</b>	<b>7,980.00</b>	<b>133,063</b>
Kebun Masyarakat Desa (KMD)	220.00	0.00	220.00	5,321
Plasma	229.00	69.00	298.00	828
<b>Sub Total</b>	<b>449.00</b>	<b>69.00</b>	<b>518.00</b>	<b>6,149</b>
<b>TOTAL</b>	<b>6,509.27</b>	<b>240.95</b>	<b>8,498.00</b>	<b>139,212</b>

*Appendix "B"*  
*Audit plan*

Date	Time	Description	Haeruddin	Sedayu Pratama	Nanang Muallib
Monday, 24 Nov. 2104	12.25 – 13.35	Flight Jakarta – Bengkulu (Sriwijaya Air flight No. SJ 090)	√	√	√
	15.30 – 16.20	Flight Bengkulu – Mukomuko (Susi Air)	√	√	√
Tuesday, 25 Nov. 2014	08.00 – 09.00	Opening Meeting: Presentation by PT. Agro Muko Presentation by BSI Indonesia	√	√	√
	09.00 – 12.00	Document review: General information, time bound plan and partial certification verification)	√		
		Field Visit (Talang Petai estate): Herbicide application programmes, harvesting, fertilising operations, , water management, road maintenance, terracing, chemical stores, fertilizer store, workshops, , housing, landfill, clinic, etc.		√	
		Field Visit (Talang Petai estate): HCV's, riparian zones, Boundaries inspection, worker interviews, social amenities, etc.			√
	12.00 – 13.30	Break/Lunch			
	13.30 – 16.00	Document review: Talang Petai estate	√	√	√
Wednesday, 26 Nov. 2014	08.00 – 12.00	Document Review: Mukomuko Mill (RSPO P & C) and SCCS	√		
		Field Visit: Air Bikuk estate		√	
		Field Visit: Bunga Tanjung estate			√
	12.00 – 13.00	Break/Lunch			
	13.00 – 16.30	Field Visit: Mukomuko Mill	√		
		Document review: Air Bikuk estate Document review: Bunga Tanjung estate		√	√
Thursday, 27 Nov. 2014	08.00 – 12.00	Document Review and Field Visit: Bunga Tanjung Mill (RSPO P & C) and SCCS	√		
		Field Visit: Sungai Kiang estate		√	
		Field Visit: Stakeholder Meeting			√
	12.00 – 13.30	Break/Lunch			
		Travelling Mukomuko – Padang (Bulking Station)		√	
	13.30 – 16.30	Document review: Sungai Kiang estate	√		
		Document review: Air Majunto Estate			√
	16.00 – 17.00	Document Review: RSPO SCCS in Bulking Station Padang		√	
20.00	Flight Padang - Jakarta		√		

Date	Time	Description	Haeruddin	Sedayu Pratama	Nanang Mualib
Friday, 28 Nov. 2014	08.00 – 12.00	Field Visit and Document review: Malin Deman estate	√		√
	12.00 – 13.00	Break / Lunch			
	13.00 – 14.00	Preparing Closing meeting	√		√
	14.00 – 15.00	Closing Meeting	√		√
	15.00 – 15.45	Travelling mukomuko estate – Mukomuko Airport	√		√
	16.45 – 17.35	Flight Mukomuko – Bengkulu (Susi Air)	√		√
		Stay overnight in Bengkulu	√		√
Saturday, 29 Nov. 2014	09.35	Flight Bengkulu - Jakarta	√		√

*Appendix "C"*

*RSPO SCCS PT. Agro Muko – Module D (Segregation)*

RSPO SCCS PT. AGRO MUKO  
MUKO MUKO PALM OIL MILL and BULKING STATION – MODULE D (SEGREGATION)

<b>Criterion 1. Documented procedures.</b>			
The facility shall have written procedures and/or work instructions to ensure implementation of all the elements specified in these requirements.			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
<b>Applicable for SG and MB</b>			
1.1	The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:  a. Complete and up to date procedures covering the implementation of all the elements in these requirements.	<i>Update RSPO SCCS procedure as regulated in the "Prosedur Rantai Pasok dan Mampu Telusur" No. ENC/SCC/01, rev. 2, dated 15 January 2014.</i>	Yes
	b. Complete and up to date records and reports that demonstrate compliance with these requirements.	<i>Record of incoming FFB and dispatch of CPO / PK and balancing stock is compliance with RSPO SCCS requirements, However no any PK is claimed as RSPO PK Certified, only CPO is claimed as RSPO certified from Bulking Station in Padang (PT. Agro Muko Tank Terminal)</i>	Yes
	c. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard	<i>The responsible person in charge to the supply chain system are Mill Manager (Sarwedi M.T. Sitorus) and KTU (Bambang Harto)</i>	
1.2	The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.	<i>The documented procedures for receiving and processing certified and non-certified FFB are included in the Supply Chain Manager Guideline</i>	Yes

**Criterion 2. Purchasing and goods in.**

The facility shall ensure that RSPO certified palm oil and products are identified.

The facility shall ensure that RSPO certified palm oil and certified products are identified.

This shall include at minimum the following:

	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
<b>Applicable for SG and MB</b>			
2.1	The facility shall verify and document the volumes of certified and non-certified FFBs received	<i>The company has separated FFBs certified and non-certified in the system, however record showing that all FFB</i>	Yes

		<i>received is certified due to the company using 'Segregation' model.</i>	
2.2	The facility shall have a mechanism in place for handling non-conforming material/ documents	<i>The company only received and process RSPO certified material. So far, no any non certified FFB was received.</i>	Yes
2.3	The facility shall inform the BSI immediately if there is a projected overproduction.	<i>There is no projected over production for each mill.</i>	Yes

**Criterion 3: Record Keeping**

	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
3.1	<b>Applicable for SG and MB:</b> The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.	<i>There are records in place which are complete, up to date and accurate for all requirements from receiving FFB form estates and KMD which claimed as sustainable FFB, receiving FFB in mill through weight-bridge system, despatch CPO and PK, balancing stock three monthly basis, etc.</i>	Yes
3.2	<b>Applicable for SG and MB:</b> Retention times for all records and reports shall be at least five (5) years.	<i>It is company policy that all records and reports are retention time minimum of 10 years as regulated in procedures and delivery note.</i>	Yes
3.3	<b>Applicable only for SG:</b> The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.	<i>The mill records and balance of all materials on a 3 monthly basis – all material is RSPO certified FFB</i>	Yes
	<b>Applicable only for MB:</b> a) The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis. b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c) The facility can only deliver Mass Balance sales from a positive stock. However, a facility is allowed to sell short.	N/A	N/A
3.4	<b>Applicable only for SG:</b> The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/SG or Segregated. The supply chain model used should be clearly indicated.	<i>The specific trade name in relevant document of purchase and sales documents, such as:</i> - <i>FFB Delivery Note from estate/KMD consists of serial number, date, name of product, SG model used, and vehicle identity.</i> - <i>Receiving FFB in weight-bridge, consist of origin, serial number, name of product, SG model used, Nett weight (MT), date.</i> - <i>Despatch CPO and PK delivery note,</i>	Yes

		<i>consist of: origin, buyer, Supply chain model used: SG, Nett weigh (kg), Product name, SP number, etc.</i>	
	<b>Applicable only for MB:</b> The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model used should be clearly indicated.	N/A	N/A
3.5	<b>Applicable only for MB:</b> In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.	<i>N/A (No any outsourcing process)</i>	N/A

**Criterion 4: Sale and goods out.**

This criterion is applicable to purchase and sales invoices and associated documents.

The facility shall ensure that all sales invoices *or relevant documents*, e.g. delivery notes, shipping documents and specification documentation, issued for RSPO certified oil palm products delivered include sufficient information, this may include the following:

	Requirement	Evidence	Compliance
<b>Applicable for SG and MB</b>			
4.1.	The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information: a. The name and address of the buyer; b. The date on which the invoice was issued; c. A description of the product, including the applicable supply chain model (Segregated or Mass balance). d. The quantity of the products delivered; e. Reference to related transport documentation.	<i>Sales invoices was included information as RSPO SCCS requirement, e.g. Sales invoices 25 July 2014, name and address of buyer, date of invoice was issued (25 July 2014), Description of product (Indonesian Crude Sustainable Palm oil), supply chain model (SG), quantity (8,000 tonnes) and other information related transport documents area available and verified during visit to the Bulking Station in Padang (West Sumatera Province)</i>	Yes

**Criterion 5: Processing.**

	Requirement	Evidence	Compliance
<b>Applicable only for SG:</b>			
5.1	The facility shall assure and verify through clear procedures and record keeping that the RSPO certified palm oil is kept segregated from non certified material including during transport and storage and be able to demonstrate that is has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100 % segregated material to be reached. The systems should guarantee the minimum standard of 95 % segregated physical	<i>The record of RSPO certified material is segregated, It was found that all RSPO materials, no any non certified material is processed.</i>	Yes

	material; up to 5 % contamination is allowed.		
5.2	The facility shall provide documented proof that the RSPO certified palm oil can be traced back to only certified segregated material.	<i>All FFBs incoming from supply base its certified and recorded through weighbridge system as well as processed as certified materials (segregation supply chain model)</i>	Yes
5.3	In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that: The crush operator conforms to these requirements for segregation The crush is covered through a signed and enforceable agreement	<i>Not applicable to Agro Muko or its mills</i>	N/A

**Criterion 6. Training.**

	Requirement	Evidence	Compliance
<b>Applicable for SG and MB</b>			
6.1	The facility shall have a defined training plan, which is subject to on-going review and supported by training records.	Training record of RSPO SCCS was determined in "Schedule Training Plan 2014"	Yes
6.2	The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems	Training was conducted in 11/10/2014 "RSPO SCCS" attended 6 participants who are involved in the Supply Chain System.	Yes
6.3	The facility shall keep records of the training provided to staff in relation to implementation of these requirements.	Record training is documented "Training Plan".	Yes

**Criterion 7. Claims.**

	Requirement	Evidence	Compliance
<b>Applicable for SG and MB</b>			
7.1	The facility shall only make claims regarding the use of or support of RSPO certified palm oil that are in compliance with the RSPO Guidelines for Communication and Claims.	All RSPO material - the company has not made claims outside of the RSPO rules for Communications and Claims.	Yes

**Certified Mill Production in the previous year**

MILL	CAPACITY	CPO (tonnes)	PK (tonnes)
Muko Muko POM	60 tones/hour	47,712	10,960



**Certified FFB received Monthly in the previous year (tonnes)**

Month	Muko Muko Estate	Sei Betung Estate	Tanah Rekah Estate	Talang Petai Estate	Sei Kiang Estate	KMD	Total FFB/month
January 2014	4,759.00	1,222,89	6,285,21	3,141,70	3,052,56	358,51	18,819.87
February 2014	4,130.03	1,054,13	5,707,24	2,669,89	2,773,06	344,86	16,679.21
March 2014	4,517.87	934,85	6,709,00	2,663,12	2,940,54	329,76	18,095.14
April 2014	4,547.23	956,86	7,012,10	3,079,94	2,912,57	324,44	18,833.13
May 2014	4,424.51	953,30	6,770,20	2,696,23	2,793,88	351,87	17,989.99
June 2014	4,339.83	883,02	6,964,30	3,380,95	3,167,06	456,97	19,192.13
July 2014	3,139.87	678,17	5,133,43	2,313,31	2,466,65	364,80	14,096.23
August 2014	4,863.31	1,041,33	8,248,73	3,848,27	3,638,08	477,27	22,116.99
September 2014	3,943.03	863,02	6,399,45	3,827,89	3,285,68	364,17	18,683.24
October 2014	3,628.35	798,80	5,571,40	3,308,29	2,534,25	340,86	16,181.95
November 2014	3,660.09	821,47	5,437,65	2,536,38	2,990,17	357,42	15,803.18
December 2014	3,653.71	817,44	5,767,54	3,052,28	3,207,88	353,83	16,852.68
<b>TOTAL</b>	<b>49,606.83</b>	<b>11,025.28</b>	<b>76,006.25</b>	<b>36,518.25</b>	<b>35,762.38</b>	<b>4,424.76</b>	<b>213,343.47</b>

**Sales of CPO and PK certified by etrace**

No.	Date	Name of buyer	CPO (Tonnes)	PK (Tonnes)
1	25/01/2014	Buyer A/B	1,500	-
2	04/02/2014	Buyer C/D	1,717	-
3	28/04/2014	Buyer C/D	717	-
4	07/06/2014	Buyer C/D	4,130	-
5	10/08/2014	Buyer C/D	4,168	-
6	18/09/2014	Buyer A/B	3,257	-
7	28/10/2014	Buyer E/D	4,000	-
8	19/11/2014	Buyer A/B	2,996	-
9	11/12/2014	Buyer C/D	3,013	-
	<b>Total</b>		<b>25,497</b>	-

*Note: Buyer name is under's client confedential disclosure*

RSPO SCCS PT. AGRO MUKO  
BUNGA TANJUNG PALM OIL MILL and BULKING STATION – MODULE D (SEGREGATION)

<b>Criterion 1. Documented procedures.</b>			
The facility shall have written procedures and/or work instructions to ensure implementation of all the elements specified in these requirements.			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
<b>Applicable for SG and MB</b>			
1.1	The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:  d. Complete and up to date procedures covering the implementation of all the elements in these requirements.	<i>Update RSPO SCCS procedure as regulated in the "Prosedur Rantai Pasok dan Mampu Telusur" No. ENC/SCC/01, rev. 2, dated 15 January 2014.</i>	Yes
	e. Complete and up to date records and reports that demonstrate compliance with these requirements.	<i>Record of incoming FFB and dispatch of CPO / PK and balancing stock is compliance with RSPO SCCS requirements, However no any PK is claimed as RSPO PK Certified, only CPO is claimed as RSPO certified from Bulking Station in Padang (PT. Agro Muko Tank Terminal)</i>	Yes
	f. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard	<i>The responsible person in charge to the supply chain system are Mill Manager (Ir. Zulhendri) and KTU (Defi Syafrizal)</i>	
1.2	The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.	<i>The documented procedures for receiving and processing certified and non-certified FFB are included in the Supply Chain Manager Guideline</i>	Yes

<b>Criterion 2. Purchasing and goods in.</b>			
The facility shall ensure that RSPO certified palm oil and products are identified.			
The facility shall ensure that RSPO certified palm oil and certified products are identified. This shall include at minimum the following:			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
<b>Applicable for SG and MB</b>			
2.1	The facility shall verify and document the volumes of certified and non-certified FFBs received	<i>The company has separated FFBs certified and non-certified in the system, however record showing that all FFB received is certified due to the company using 'Segregation' model.</i>	Yes
2.2	The facility shall have a mechanism in place for handling non-conforming material/	<i>The company only received and process RSPO certified material. So far, no any</i>	Yes

	documents	<i>non certified FFB was received.</i>	
2.3	The facility shall inform the BSI immediately if there is a projected overproduction.	<i>There is no projected over production for each mill.</i>	Yes

**Criterion 3: Record Keeping**

	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
3.1	<b>Applicable for SG and MB:</b> The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.	<i>There are records in place which are complete, up to date and accurate for all requirements from receiving FFB form estates and KMD which claimed as sustainable FFB, receiving FFB in mill through weight-bridge system, despatch CPO and PK, balancing stock three monthly basis, etc.</i>	
3.2	<b>Applicable for SG and MB:</b> Retention times for all records and reports shall be at least five (5) years.	<i>It is company policy that all records and reports are retention time minimum of 10 years as regulated in procedures and delivery note.</i>	
3.3	<b>Applicable only for SG:</b> The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.	<i>The mill records and balance of all materials on a 3 monthly basis – all material is RSPO certified FFB</i>	
	<b>Applicable only for MB:</b> a) The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis. b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c) The facility can only deliver Mass Balance sales from a positive stock. However, a facility is allowed to sell short.	N/A	
3.4	<b>Applicable only for SG:</b> The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/SG or Segregated. The supply chain model used should be clearly indicated.	<i>The specific trade name in relevant document of purchase and sales documents, such as:</i> - <i>FFB Delivery Note from estate/KMD consists of serial number, date, name of product, SG model used, and vehicle identity, e.g. Delivery Note FFB From Bunga Tanjung estate on 26 November 2014, serial number 022774, FFB sustainable product/SG, Vehicle number BD 8346 N and from KMD on 08 November 2011, serial number 021037, FFB Sustainable Product/SG, truck no. BD 8753 NK</i> - <i>Receiving FFB in weight-bridge, consist of origin, serial number, name of product, SG model used, Nett weight</i>	

		<p>(MT), date. E.g. From Bunga Tanjung Estate, serial number 022774, FFB Sustainable Product/SG, 4.54 ton on 26 November 2014</p> <p>- Despatch CPO and PK delivery note, consist of: origin, buyer, Supply chain model used: SG, Nett weigh (kg), Product name, SP number, etc, e.g. Despatch CPO to PT. Agro Muko Tank Terminal on 18 November 2014, origin Bunga Tanjung Palm Oil Mill, received by PT.AMTT, RSPO CPO certified/SG, 19.42 ton, ticket no. CPO 14001992W, No. DO 008/MM and Delivery Note for CPO</p>	
	<p><b>Applicable only for MB:</b> The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model used should be clearly indicated.</p>	N/A	
3.5	<p><b>Applicable only for MB:</b> In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.</p>	N/A (No any outsourcing process)	

**Criterion 4: Sale and goods out.**

This criterion is applicable to purchase and sales invoices and associated documents.

The facility shall ensure that all sales invoices *or relevant documents*, e.g. delivery notes, shipping documents and specification documentation, issued for RSPO certified oil palm products delivered include sufficient information, this may include the following:

	Requirement	Evidence	Compliance
<b>Applicable for SG and MB</b>			
4.1.	<p>The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information:</p> <p>f. The name and address of the buyer;</p> <p>g. The date on which the invoice was issued;</p> <p>h. A description of the product, including the applicable supply chain model (Segregated or Mass balance).</p> <p>i. The quantity of the products delivered;</p> <p>j. Reference to related transport documentation.</p>	<p>Sales invoices was included information as RSPO SCCS requirement, e.g. Sales invoices 25 July 2014, name and address of buyer, date of invoice was issued (25 July 2014), Description of product (Indonesian Crude Sustainable Palm oil), supply chain model (SG), quantity (8,000 tonnes) and other information related transport documents area available and verified during visit to the Bulking Station in Padang (West Sumatera Province)</p>	

<b>Criterion 5: Processing.</b>			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
<b>Applicable only for SG:</b>			
5.1	The facility shall assure and verify through clear procedures and record keeping that the RSPO certified palm oil is kept segregated from non certified material including during transport and storage and be able to demonstrate that it has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100 % segregated material to be reached. The systems should guarantee the minimum standard of 95 % segregated physical material; up to 5 % contamination is allowed.	<i>The record of RSPO certified material is segregated, It was found that all RSPO materials, no any non certified material is processed.</i>	
5.2	The facility shall provide documented proof that the RSPO certified palm oil can be traced back to only certified segregated material.	<i>All FFBs incoming from supply base its certified and recorded through weighbridge system as well as processed as certified materials (segregation supply chain model)</i>	
5.3	In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that: The crush operator conforms to these requirements for segregation The crush is covered through a signed and enforceable agreement	<i>Not applicable to Agro Muko or its mills</i>	

<b>Criterion 6. Training.</b>			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
<b>Applicable for SG and MB</b>			
6.1	The facility shall have a defined training plan, which is subject to on-going review and supported by training records.	<i>Training record of RSPO SCCS was determined in "Schedule Training Plan 2014"</i>	
6.2	The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems	<i>Training was conducted in 11/10/2014 "RSPO SCCS" attended 6 participants who are involved in the Supply Chain System.</i>	
6.3	The facility shall keep records of the training provided to staff in relation to implementation of these requirements.	<i>Record training is documented "Training Plan".</i>	

<b>Criterion 7. Claims.</b>			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
<b>Applicable for SG and MB</b>			
7.1	The facility shall only make claims regarding the use of or support of RSPO certified palm oil that are in compliance with the RSPO Guidelines for Communication and Claims.	<i>All RSPO material - the company has not made claims outside of the RSPO rules for Communications and Claims.</i>	

**Certified Mill Production in previous year**

MILL	CAPACITY	CPO (tonnes)	PK (tonnes)
Bunga Tanjung POM	60 tones/hour	31,930	7,172

**Certified FFB received Monthly in previous year**

Month	Bunga Tanjung Estate	Air Bikuk Estate	Air Buluh Estate	KMD	Total FFB/month
January 2014	4,542,88	2,315,10	4,846,13	350,64	12,504.75
February 2014	4,417,49	2,189,86	3,475,33	307,87	10,390.55
March 2014	3,729,02	1,939,97	4,145,64	320,22	10,134.85
April 2014	4,587,37	2,878,99	4,956,16	372,62	12,795.14
May 2014	4,197,76	2,142,68	4,451,61	347,32	11,139.37
June 2014	4,716,68	2,273,79	5,579,68	365,04	12,935.19
July 2014	3,189,69	1,536,04	3,884,59	300,07	8,910.39
August 2014	5,513,05	2,810,84	5,791,99	399,55	14,515.43
September 2014	4,811,77	2,547,81	4,570,28	338,77	12,268.63
October 2014	4,775,68	2,391,44	4,191,60	335,90	11,694.62
November 2014	4,368,77	2,419,29	4,313,06	341,20	11,442.23
December 2014	4,551,95	2,452,84	4,529,68	314,49	11,848.96
<b>TOTAL</b>	<b>53,402.11</b>	<b>27,898.65</b>	<b>54,735.75</b>	<b>4,093.69</b>	<b>140,130.20</b>

**Sales of CPO and PK certified by etrace**

No.	Date	Name of buyer	CPO (Tonnes)	PK (Tonnes)
1	04/02/2014	Buyer C/D	4,283	-
2	28/04/2014	Buyer C/D	5,283	-
3	07/06/2014	Buyer C/D	3,750	-
4	10/07/2014	Buyer A/B	2,000	-
5	10/08/2014	Buyer C/D	3,832	-
6	18/09/2014	Buyer A/B	743	-
7	28/10/2014	Buyer E/D	4,000	-
8	19/11/2014	Buyer A/B	1,004	-
9	11/12/2014	Buyer C/D	4,590	-
	<b>Total</b>		<b>29,486</b>	<b>-</b>

*Note: Buyer name is under client's confidential disclosure*

*Appendix "D"*  
*Abbreviation used*

AMDAL	Analisis Mengenai Dampak Lingkungan (Social and Environmental Impact Assessment)
AMTT	Agro Muko Tank Terminal
B3	Hazardous, Dangerous and Poisonous Substance
BOD	Biological Oxygen Demand
BPN	Badan Pertahanan Nasional (National Land Authority)
BSI	British Standard Institution
CDM	Clean Development Management
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
EFB	Empty Fruit Bunch
FFB	Fresh Fruit Bunch
FSC	Forestry Stewardship Council
GMO	General Managers Office
GPS	Global Positioning System
HCV	High Conservation Value
HGU	Hak Guna Usaha (Land) title for commercial use
HO	Head Office
IPM	Integrated Pest Management
IRCA	International Registration of Certified Auditors
ISO	International Standards Organisation
ISPO	Indonesia Sustainable Palm Oil Foundation
IUCN	International Union for Conservation of Nature
IUP	Izin Usaha Perkebunan (Plantation Licence)
K3	Kesehatan Dan Keselamatan Kerja (see OHS)
KER	Kernel Extract Ratio
KMD	Kebun Masyarakat Desa (Village Estate)
MB	Mass Balance
MMAS	Muko Muko Agro Sejahtera
MSDS	Material Safety Data Sheet
NGO	Non-Government Organisation
OER	Oil Extract Ratio
OHS	Occupational Health and Safety
PK	Palm Kernel
PKB	Perjanjian Kerja Bersama (Worker Agreement)
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
PT	Perseroan Terbatas (Limited Company)
QMS	Quality Management System
RKL	Rencana Pengelolaan Lingkungan (Environmental Management Plan)
RPL	Rencana Pemantauan Lingkungan (Environmental Monitoring Plan)
Plasma	KKPA Scheme
RSPO	Rountable Sustainable Palm Oil
RTEs	Rare, Threatened and Endangered Species
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operation Procedure
SG	Segregation
SP	Satuan Pemukiman Transmigrasi (Settlement Unit location in Transmigrasi project in Indonesia)
UKL	Upaya Pengelolaan Lingkungan (Environmental Management Effort)
UPL	Upaya Pemantauan Lingkungan (Environment Monitoring Effort)