

**INITIAL ASSESSMENT SUMMARY REPORT  
(RSPO – SUPPLY CHAIN CERTIFICATION)**

**Parent Company:  
PT SOCFIN INDONESIA**

**Certified Site:  
Belawan Storage Tank**

Prepared by: Aryo Gustomo (Lead Auditor)  
Accredited Office: BSI Services Malaysia Sdn Bhd.  
Affiliate Office: PT BSI Group Indonesia

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Section 1. Company Details			
<b>RSPO Membership Number</b>	1-0017-04-000-00	<b>Membership Approval Date</b>	07/12/2004
<b>Parent Company Name</b>	<b>PT Socfin Indonesia</b>		
<b>Address</b>	Head Office: Jl. K.L Yos Sudarso No. 106 Medan 20115 Sumatera Utara - Indonesia		
<b>Subsidiary of (if applicable)</b>	<b>SOCFIN GROUP (PT Socfindo and Socfinco SA)</b>		
<b>Single Site / Multi Site / Group</b>	Single site		
<b>Name and Address of Certified Facility (Certification Unit)</b>	Belawan Storage Tank Jl. Ujung Baru, Pelabuhan Belawan Medan Indonesia		
<b>Contact Details of Management Representative</b>	Mr. Hasan Bisri K.		
<b>Website</b>	<a href="http://www.socfindo.co.id">www.socfindo.co.id</a>	<b>E-mail</b>	<a href="mailto:hasan@socfindo.co.id">hasan@socfindo.co.id</a>
<b>Telephone</b>	+62 61 661 6066 +62 61 694 1136	<b>Facsimile</b>	+62 61 661 4390

Section 2. Accredited Certification Body Details			
<b>Company Name</b>	BSI Services Malaysia Sdn Bhd.		
<b>Accreditation Certificate Detail</b>	RSPO- ACC – 019 Dated: 31st October 2014 Date of Expiry: 30th October 2019		
<b>Address</b>	B-08-01 (East), Level 8, Block B, PJ8, No.23, Jalan Barat, Seksyen 8, 46050 Petaling Jaya, Selangor, Malaysia.		
<b>Contact Deatil of Management Representative</b>	Senniah Appalasamy		
<b>Website</b>	<a href="http://www.bsigroup.com">www.bsigroup.com</a>	<b>E-mail</b>	<a href="mailto:senniah.appalasamy@bsigroup.com">senniah.appalasamy@bsigroup.com</a>
<b>Telephone</b>	+603 7960 7801	<b>Facsimile</b>	+603 7960 5801
Affiliate Office			
<b>Company Name</b>	PT BSI Group Indonesia		
<b>Address</b>	Menara Bidakara 2, 17th Floor, Unit 5, Jl. Jend. Gatot Subroto Kav 71-73, Komplek Bidakara Pancoran, Jakarta Selatan 12870 – Indonesia		
<b>Contact Person</b>	Aryo Gustomo		
<b>Website</b>	<a href="http://www.bsigroup.com/en-ID/">www.bsigroup.com/en-ID/</a>	<b>E-mail</b>	<a href="mailto:info.indonesia@bsigroup.com">info.indonesia@bsigroup.com</a>
<b>Telephone</b>	+62 21 8379 3174	<b>Facsimile</b>	+6221 8379 3287

Section 3. Certification Details and Scope			
<b>Certificate Number</b>	SPO 641068	Date of First Certification	05/10/2015
		Certificate Start Date	05/10/2015
		Certificate Expiry Date	04/10/2020

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<b>Scope of Certification</b>	Reception and storage of CSPO and sales into the market
<b>Version of RSPO SCCS implemented by operation</b>	RSPO Supply Chain Certification : 21 November 2014
<b>Supply Chain Model (s)</b>	Identity Preserved (IP), Segregation (SG), and Mass Balance (MB)
<b>Description of operation's management System</b>	The facility has main function as transit point of certified palm oil prior despatching to consumer. All trading, contract and sales are managed by sales department. The facility is under legal ownership of PT Socfindo Indonesia (hold valid RSPO membership number). The facility is managed their own documentation and records at site level and provide reports (daily and monthly) to head office in Medan. There are responsible personnel for each activity in operation as well as documentation controller. An Organisation structure of Belawan Storage Tank has been developed and understood by each personal and staff.
<b>Assessment Visit</b>	Initial Certification Assessment

<b>Section 4. Other Certifications</b>			
<b>Certificate Number</b>	<b>Standard(s)</b>	<b>Certificate Issued by</b>	<b>Expiry Date</b>
OHS21506	Occupational Health & Safety Management System OHSAS 18001	SAI Global	29//01/2016
CEM20621	Environmental Management System ISO 14001	SAI Global	10/02/2016

<b>Section 5. Report Background</b>	
<b>Assessment Objective:</b> The objective of the assessment was to conduct a certification assessment to ensure the elements of the proposed scope of registration and the requirements of the management standard are effectively addressed by the organisation's management system and to confirm the forward strategic plan.	
Lead Auditor	Aryo Gustomo
Certification Review	Mohamed Hidhir

<b>Section 6. On-Site visit itinerary</b>		
<b>Date</b>	<b>Time</b>	<b>The main places and items inspected</b>
21/08/2015	08.00 – 12.00	Documentation review Stage-1 - Relevant legal entity documentation - Related Procedures for RSPO Supply Chain Certification System - Organisation Structures

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	12.00 – 13.00	Break/Lunch
	13.00 – 17.00	Continue for Documentation Review. - END -
03/09/2015	06.00 – 10.30	Auditor travel from Jakarta to Medan airport. Continue travel to site location
	10.30 – 10.45	Opening Meeting: <ul style="list-style-type: none"> <li>• Introduce assessor</li> <li>• Discuss the scope of certification</li> <li>• Explain the certification process</li> <li>• Others.</li> </ul>
	10.45 – 12.30	Site Tour Process of receiving oil into the tanks; process of oil separation storage for IP, SG, and MB; process of oil despatch
	12.30 – 13.30	Break/Lunch/Pray
	13.30 – 16.30	Documentation Review Top Management Interview – Business Overview/Functions/Org Chart 5.1 General requirements  General Chain of Custody System Requirements of the Supply Chain 5.2. Supply Chain Model 5.3 Documented Procedures 5.4. Purchasing and Goods in 5.5. Outsourcing activities 5.6. Sales and goods out 5.7. Registration of transaction 5.8 Training 5.9 Record keeping 5.10 Conversion Factors 5.11 Claims 5.12 Complaints 5.13 Management Review
		End of Day1
04//09/2015	08.00 – 11.00	Documentation Review Any left-over items from RSPO Clauses 5.2 to 5.13  Module A – Identity Preserved <ul style="list-style-type: none"> <li>• A1 Defintion</li> <li>• A2 Supply Chain Requirement</li> <li>• A3 Procession</li> </ul>

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		<p>Module B – Segregation</p> <ul style="list-style-type: none"> <li>• B1 Definition</li> <li>• B2 Supply Chain Requirements</li> <li>• B3 Processing</li> </ul> <p>Module C – Mass Balance</p> <ul style="list-style-type: none"> <li>• C1 Definition</li> <li>• C2 Supply Chain Requirement</li> <li>• C3 Processing</li> <li>• C4 Continuous Accounting System</li> <li>• C5 Fixed Inventory Period</li> <li>• C6 Conversion Ratio</li> <li>• C7 Yield Schemes</li> </ul>
	11.00 – 11.30	Report preparation
	11.30 – 12.30	Closing meeting
	12.30 – 14.00	Break/Lunch/Pray
	14.00 – 16.00	Auditor traveling to Medan airport
	18.30 – 20.30	Auditor traveling back to Jakarta
<b>Main site / document inspected</b>		
		Overview of Oil storage process
		Supply chain procedures
		Record of Oil Incoming
		Record of Oil stored.
		Record of Oil despatch
		Delivery Note of Oil from supply base
		Training records,
		Internal audit, management review
<b>Name and Affiliation of managements consulted</b>		
	Hasan Bisri	Management Representative
	Eko Febrianto	Assistant manager/Coordinator
	Dedi Sofyan	Weighbridge & Administration operator
	Azhari Lubis	Document controller
	Ricky E. Siregar	Weighbridge & Administration operator

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	other Staff and operator	
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<b>Section 7. Summary of Annual RSPO Certified Tonnage of Oil Palm Products Purchased/Reveived (2014/2015)</b>			
<b>Supplier</b>	<b>RSPO certificate number</b>	<b>Description of Product</b>	<b>Volume (mt)</b>
None	None	None	None
None	None	None	None
None	None	None	None
None	None	None	None

\*) the facility has not received any RSPO certified palm oil into storage tank during 2014 up to assessment.

<b>Section 8. Summary of Annual RSPO Certified Tonnage of Oil Palm Products Sold (2014/2015)</b>			
<b>Buyer</b>	<b>RSPO certificate number</b>	<b>Description Product</b>	<b>Volume (mt)</b>
None	None	None	None
None	None	None	None
None	None	None	None
None	None	None	None

\*) the facility has not delivered any RSPO certified palm oil into the market during 2014 up to assessment.

<b>Section 9. Summary Report of the Assessment</b>			
<b>General Chain of Custody Requirements for the Supply Chain</b>			
<b>5.1 Applicability of the general chain of custody requirements for the supply chain</b>			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b>
5.1.1	The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer there is no further requirement for certification.	The facility has main function as transit point of certified palm oil prior despatching to consumer. All trading, contract and sales are managed by sales department. The facility is under legal ownership of PT Socfin Indonesia (hold valid RSPO membership number).	YES
5.1.2	Traders and distributors require a licence	See indicator 5.1.1 above.	YES

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	obtained from RSPO to sell RSPO certified product but do not themselves require certification. When selling RSPO certified product a licensed trader and/or distributor must pass on the certification number of the product manufacturer and the applicable supply chain model.	The facility has main function as transit point of certified palm oil prior despatching to consumer. All trading, contract and sales are managed by sales department. The facility has hold eTrace registration number under name of PT Socfin Indonesia - Belawan Storage Tank.	
5.1.3	Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.	PT Socfin Indonesia held RSPO Membership number: 1-0017-04-000-00 under Socfin Group (PT Socfindo and Socfinco SA) since 7 December 2004  Company has registered in eTrace system as follows:  PT Socfin Indonesia – Belawan Storage Tank Core Product: Palm Oil Member ID:RSPO_PO1000002952 Member Category: Trader Date of registration: 3 September 2015.	YES
5.1.4	Processing aids do not need to be included within an organization's scope of certification.	For Bulking storage there were no processing aids (such as substances added to the food during processing) used as the CPKO is an intermediate product.	YES
<b>5.2 Supply chain model</b>			
5.2.1	The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	Organization has revised a procedure SOC/PSM/9.11 with latest update on 7 September 2015. The procedure has also described the monitoring system of volume when downgrade system from IP to SG or IP/SG to MB or SG to MB is applied during sales goods out. Those were contained within sections of the procedure, i.e. Section 5.8 (Downgrading) and 5.9 (Pencatatan Downgrading).	YES
<b>5.3. Documented Procedures</b>			
5.3.1	The site shall have written procedures and/or work instructions to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:	Company has prepared procedure related to supply chain requirements, as follows:  - SOC/PSM/9.11 (Prosedur Supply Chain Certification Standard – Storage Tank Belawan) dated 1 July 2015 revised on 7	YES



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	<ul style="list-style-type: none"> <li>Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</li> </ul>	<p>September 2015. The procedure has ruled out the system for receipt and storage in the storage tank, and delivery of certified palm oil into shipment.</p> <ul style="list-style-type: none"> <li>- SOC/PSM/9.02 (Prosedure Penanganan Keluhan Sosial) dated 1 September 2014. The procedure is ruling out the mekanisme to handle a complaint from customer.</li> <li>- SOC/PSM/9.12 (Prosedur Komunikasi dan Klaim Minyak Sawit Bersertifikat RSPO) dated 1 September 2015. The procedure has described a system to comply with the use of RSPO Corporate communication logo within operation.</li> <li>- SOC-TIB/PSM/7.07 dated 1 April 2015, Revision 5. Procedure has explained control for non-conforming materials coming in to storage tank.</li> </ul>	
	<ul style="list-style-type: none"> <li>Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).</li> </ul>	<p>The facility has prepared a dedicated records and Forms in relation to RSPO Supply Chain Certification, e.g. Form Penerimaan dan Pengiriman CSPO di TIB, Form Persediaan CSPO, and Buku Harian Timbangan TIB.</p> <p>The Training record for key employee including a training plan has also been kept in facility premises.</p>	<p>YES</p>
	<ul style="list-style-type: none"> <li>Identification of the role 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 organization's procedures for the implementation of this standard.</li> </ul>	<p>The procedure of SOC/PSM/9.11 (Prosedur Supply Chain Certification Standard – Storage Tank Belawan) dated 1 July 2015 revised on 7 September 2015; has identified every responsible personal who involved in the implementation RSPO Supply chain certification in Belawan Storage tank including Sales responsible for contract marketing and etrace, Storage tank staff for document control/weightbrigde and record keeping; and Head office personnel for internal audit and management review.</p>	<p>YES</p>

**5.4. Purchasing and goods in**

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5.4.1	<p>The receiving site shall ensure that purchases of RSPO certified palm oil and oil palm products are in compliance with the following:</p> <ul style="list-style-type: none"> <li>The site shall have documentation that demonstrates that purchases are made to the material category agreed with their supplier (IP, SG, MB) (e.g. specified in purchase orders, contracts, material specifications).</li> </ul>	<p>There would no Shipping announcement when receiving CSPO from supply base because the storage tank receiving CSPO is from their owned Mill under same holding company.</p> <p>However, the facility will receive transport documents from their own mill such as Delivery Note of CPO with specific identification of supply chain module. When the palm oil is received, the facility will issue Weighbridge ticket and recorded in dedicated Log Book.</p>	YES
	<ul style="list-style-type: none"> <li>The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements and Shipping Confirmations on the RSPO IT platform on the level of each shipment. Refer to section 5.7.1 of this document for further guidance.</li> </ul>	<p>See above.</p> <p>There would no Shipping announcement when receiving CSPO from supply base because the storage tank receiving CSPO is from their owned Mill under same holding company.</p> <p>However, the facility will receive transport documents from their own mill such as Delivery Note of CPO with specific identification of supply chain module. When the palm oil is received, the facility will issue Weighbridge ticket and recorded in dedicated Log Book.</p>	YES
	<ul style="list-style-type: none"> <li>A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (<a href="http://www.rspo.org">www.rspo.org</a>) at least annually.</li> </ul>	<p>Checking on validity of certificate from supply base is conducted by staff in the storage tank during reception of CSPO. The identification of certificate validity through weighbridge docket information.</p>	YES
5.4.2	<p>The site shall have a mechanism in place for handling non-conforming material and/or documents.</p>	<p>There is procedure SOC-TIB/PSM/7.07 dated 1 April 2015, Revision 5.</p> <p>Procedure has explained control for non-conforming materials coming in to storage tank.</p>	YES
<b>5.5. Outsourcing activities</b>			
5.5.1	<p>In cases where an operation seeking or holding certification outsources activities to</p>	<p>Not Applicable.</p>	N/A

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	<p>independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard.</p> <p>This requirement should not apply to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the organization (not the tank farm manager).</p>	Company does not outsource any activity within the process	
5.5.2	<p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following</p> <p>a. The site has legal ownership of all input material to be included in outsourced processes;</p>	Not applicable. There is no contractor used to process certified materials.	N/A
	<p>b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</p>	Not applicable. There is no contractor used to process certified materials.	N/A
	<p>c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p>	Not applicable. There is no contractor used to process certified materials.	N/A
	<p>d. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly</p>	Not applicable. There is no contractor used to process certified materials.	N/A

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	accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance.		
5.5.3	The site shall record the names and contact details of all contractors used for the processing or production of RSPO certified materials.	Not applicable. There is no contractor used to process certified materials.	N/A
5.5.4	The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or production of RSPO certified materials.	Not applicable. There is no contractor used to process certified materials.	N/A
<b>5.6. Sales and goods out</b>			
5.6.1	<p>The organization shall ensure that the following minimum information for RSPO certified products is made available in document form. Information must be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation):</p> <ul style="list-style-type: none"> <li>• The name and address of the buyer.</li> <li>• The name and address of the seller;</li> <li>• The loading or delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply chain certificate number;</li> </ul>	<p>The procedure The procedure of SOC/PSM/9.11 (Prosedur Supply Chain Certification Standard – Storage Tank Belawan) stated the specific requirements for sales documents which fulfill RSPO Supply Chain Certification standards. The relevant sales and goods out document consist of Deliver Order, Delivery Note, and Shipping documents. All required information was noted in those documentations, including name and address of buyer and seller, date of issued, supply chain module, description of volume and quantity of certified palm oil, and certificate number.</p> <p>During the assessment, there is no sales and goods out of RSPO certified palm oil has been done.</p>	YES

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	<ul style="list-style-type: none"> <li>A unique identification number</li> </ul>		
<b>5.7. Registration of transactions</b>			
5.7.1	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> <li>are supply chain actors between the mill and final refinery;</li> <li>take legal ownership and physically handle RSPO Certified Sustainable oil palm products; and</li> <li>are part of the supply chain of RSPO Certified Sustainable oil palm products</li> </ul> <p>must register their transaction in the RSPO IT platform at the time of physical shipment as required by the rules set by RSPO.</p>	<p>The facility and its staff do understand how to operate RSPO IT System through eTrace. All transaction will be registered in the eTrace.</p> <p>Company has registered their facility in the eTrace with member ID RSPO_PO1000002952.</p>	
<b>5.8. Training</b>			
5.8.1	<p>The organization shall have a defined training plan, which is subject to on-going review and is supported by records of the training provided to staff.</p>	<p>During stage-2 assessment, the facility has not prepared a Training plan. Major nonconformity (Reference number: 1234590M1) was raised.</p> <p>Corrective action taken: Organization has submitted a training plan for key personnel who involved in managing RSPO Supply Chain certification system within operation activities. Training plan was prepared on 7 September 2015 by head of facility of Storage Tank. The plan is cover some subject in relation to recording system of reception, storage, and dispatch of CSPO using IP, SG, and MB modules. The plan is also covered a subject for mechanism to record downgrading supply chain module where it is applicable. The training would be conducted on October 2015.</p> <p>Non conformity is closed on 18 September</p>	YES

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		2015	
5.8.2	Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification system. Training shall be specific and relevant to the task(s) performed.	Training related to Supply chain for all key staff has been conducted on 25 August 2015, attended by Head of facility, supervisor, sales person, sustainability officer. The training was given by management representative who has trained in supply chain requirements. Training record and attendance were kept in Facility premises.	YES
<b>5.9. Record Keeping</b>			
5.9.1	The site shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification requirements.	<p>During stage-2 assessment a major nonconformity (reference number: 1234590M2) was raised: The system to record sales goods out does not demonstrate the traceability and link with reception and storage records as well as with procedure.</p> <p>The facility has prepared a documented system for record and reports all materials goods in and out (i.e. SOC/PSM/9.11, dated 1 July 2015).</p> <p>However, the system to record and report the reception and sales goods out of CSPO have not been linkage with procedure, for instance: Form Penerimaan dan Pengiriman CSPO di TIB, Form Persediaan CSPO, and Buku Harian Timbangan TIB. Furthermore, record of sales goods out that show traceability has not been clearly determined. At current, the sales goods out is only presented the total volume dispatch without information of supply chain module. For instance: When delivery of CSPO to consumer is taking place and recorded, the volume cannot be traced into reception and storage records. In other case, it is not clear to monitor the volume when downgrade system from IP to SG or IP/SG</p>	YES

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		<p>to MB or SG to MB is applied during sales goods out.</p> <p>Corrective action taken: Organization has revised a procedure SOC/PSM/9.11 with latest update on 7 September 2015. The procedure is now described a system to trace record of sales goods out into reception and storage. Form has been revised to demonstrate the traceability which included in the procedure, i.e.: Form Penerimaan and Pengiriman CSPO di TIB which described the record of volume during reception, storage, and delivery of CSPO for each supply chain module IP, SG, or MB.</p> <p>Furthermore, the procedure has also described the monitoring system of volume when downgrade system from IP to SG or IP/SG to MB or SG to MB is applied during sales goods out. Those were contained within sections of the procedure, i.e. Section 5.8 (Downgrading) and 5.9 (Pencatatan Downgrading).</p> <p>Nonconformity is closed on 18 September 2015</p>	
5.9.2	Retention times for all records and reports shall be a minimum of two (2) years and must comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.	The procedure of SOC/PSM/9.11 (Prosedur Supply Chain Certification Standard – Storage Tank Belawan) stated the specific minimum requirement of two (2) years of retention time for all records and reports in relation to RSPO Supply Chain Certification standard.	YES
5.9.3	The organization must keep an up to date record of the volume of RSPO certified oil palm products purchased and claimed over a specified period.	The procedure The procedure of SOC/PSM/9.11 (Prosedur Supply Chain Certification Standard – Storage Tank Belawan) ruled out the recotrdr keeping by responsible personal (document control). However, during the assessment, the Facility has not received and stored the RSPO certified palm oil neither sales into	YES

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		the market.	
<b>5.10. Conversion factors</b>			
5.10.1	Where applicable a conversion rate must be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which must be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website ( <a href="http://www.rspo.org">www.rspo.org</a> ). This is in particular relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries. The guidance document for oleochemicals is available on the RSPO website ( <a href="http://www.rspo.org">www.rspo.org</a> ).	Not applicable for Storage Tank. There is no conversion rate applied.	N/A
5.10.2	Conversion rates shall be periodically tested to ensure accuracy against actual performance or industry average if appropriate.	Not applicable for Storage Tank. There is no conversion rate applied.	N/A
<b>5.11. Claims</b>			
5.11.1	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO rules on communications and claims	Company has prepared a procedure in relation to Communication and Claim for certified palm oil i.e. SOC/PSM//9.12, dated 1 September 2015. Procedure has been distributed to the site by document controller from head office. The procedure has stated PT Socfin Indonesia did not make claims regarding the use of RSPO Trademark. The company has only made claim to support RSPO through corporate communication in the company website. Interview with key staff and management representative who responsible for RSPO Supply Chain system revealed understanding on the use between RSPO Corporate logo and RSPO Trademark in the product.	YES



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<b>5.12. Complaints</b>			
5.12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	<p>Procedure is in place, i.e. SOC/PSM/9.02 (Penanganan Keluhan Sosial) dated 1 September 2014, Revision 03.</p> <p>Procedure has explained receiving and resolving stakeholder complaints.</p>	YES
<b>5.13. Management Review</b>			
5.13.1	The organization is required to hold management reviews at planned intervals appropriate to the scale and nature of the activities undertaken	Company has a plan for management review conducted once a year as stated in a procedure SOC/PSM/5.01 (Prosedur Rinjauan Manajemen), dated 1 July 2015, Revision 05.	YES
5.13.2	<p>The input to management review shall include information on:</p> <ul style="list-style-type: none"> <li>• Results of audits</li> <li>• Customer feedback</li> <li>• Process performance and product conformity</li> <li>• Status of preventive and corrective actions</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul>	<p>Procedure SOC/PSM/5.01 (Prosedur Rinjauan Manajemen) has stated the detail information for input to management review, this has been in line with RSPO SCC requirements.</p> <p>There was a minute of meeting from special management review conducted on 31 August 2015 for Belawan Storage Tank, the summary as follows:</p> <p>1) result of internal audit found 1 nonconformity related to RSPO Supply Chain awareness for all relevant staff; and 1 Observation related to daily record book to include supply chain model.</p> <p>2) Customer feedback: there is no feed back yet from customer because at the moment no sales have been done.</p> <p>3) Process performance and product conformity: No issues regarding this. However, Belawan Storage tank has experience to manage certified palm oil under different scheme and can be adopted in the implementation of RSSPO SCC.</p> <p>4) Status of preventive and corrective actions: The result from internal audit will be followed up by respective personal.</p>	YES

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		<p>5) Follow-up actions from management reviews: No issue regarding this. There is no result from previous management review.</p> <p>6) Changes that could affect the management system: No issue. There is no significant change in the current management system.</p> <p>7) Recommendations for improvement: There are several recommendation from management for improvement related to RSPO SCC such as new design template for Delivery Note, labelling in the storage tank for supply chain module.</p>	
5.13.3	<p>The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes</li> <li>• Resource needs.</li> </ul>	<p>There are several output from management review recorded in the Minute of meeting of Management Review – see indicator 5.13.2</p> <p>Observation: Resource needs analysis in relation to RSPO SCC system within Storage Tank operation could be included in the next management review meeting, particularly when the storage tank is starting to receive and store the certified oil.</p>	YES

**Supply Chain Modular Requirements (Identity Preserved/Segregation/Mass Balance)**

**Module A – Identity Preserved (IP)**

**A.2. Supply Chain Requirement**

A.2.1	<p>The site must ensure that the RSPO IP oil palm product is kept physically isolated from all other palm oil sources and is uniquely identifiable to a single RSPO certified mill and its certified supply base.</p>	<p>The company has set up procedure and documented system to ensure all incoming CSPO only from RSPO certified palm oil mill according to their supply chain module. Dedicated storage tank has been appointed for CSPO with IP module to avoid contamination, i.e. Tank number 11,12,17,18. Company has also prepared</p>	YES
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		a system for despatching CSPO from dedicated storage tank into vessel at the port.  At the moment, the Facility has not received CSPO from their supply base.	
<b>A.3. Processing</b>			
A.3.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separate from non-certified material and material from other certified mills, including during transport and storage.	The facility is able to demonstrate documents, records and implemented the RSPO Supply Chain Certification Standard under Identity Preserved (IP) module. The facility is processing different supply chain module however it has separate book keeping. Therefore, the documentation can be traced.	YES
A.3.2	The objective is for 100% identity preserved (IP) material to be reached.	The facility has demonstrated commitment to achieve 100% IP materials during reception, storage, and delivery to the consumer.	YES
<b>Module B – Segregation (SG)</b>			
<b>B.2. Supply Chain Requirements</b>			
B.2.1	The Segregation approach requires that the RSPO certified oil palm products from certified estates/plantations is kept separate from material from non-RSPO certified estates/plantations at every stage of production, processing, refining and manufacturing throughout the supply chain. This model does allow for the mixing of RSPO certified palm oil and its derivatives from various sources. Therefore the physical oil delivered to the end user will not be fully traceable to the specific mill and its supply base.	The company has set up procedure and documented system to ensure all incoming CSPO only from RSPO certified palm oil mill according to their supply chain module. Dedicated storage tank has been appointed for CSPO with SG module to avoid contamination. Company has also prepared a sytem for despatching CSPO from dedicated storage tank into vessel at the port.  At the moment, the Facility has not received CSPO from their supply base.	YES
<b>B.3. Processing</b>			
B.3.1	The site shall assure and verify through clear procedures and record keeping that the RSPO certified oil palm product is kept	Verification is conducted during receiving of CSPO by checking Delivery Note from Palm Oil Mill where it has unique code for	YES

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	segregated from non-certified material including during transport and storage.	Segregation products. Based on that the Facility staff will select the dedicated storage tank to store the oil and recorded manually in the Daily Weight Bridge Ticket Book and Form Penerimaan dan Pengiriman CSPO di TIB from each supply base.	
B.3.2	The objective is for 100% segregated material to be reached	The facility can show evidence to achieve 100 % SG materials through documented system, procedure and records.	YES
<b>Module C – Mass Balance (MB)</b>			
<b>C.2. Supply Chain Requirements</b>			
C.2	The basis of the supply chain requirements for Mass Balance will consist of reconciliation between the quantity of RSPO material bought and the quantity of RSPO material sold. This includes control of purchases and sales of RSPO certified palm oil and its derivatives which will be independently verified. There are no requirements for separate storing or controls in the production process.	<p>The facility is planned to receive the CSPO from 5 Mills under same holding company. Supply of CSPO from there is graded as RSPO certified MB.</p> <p>The facility is able to demonstrate documents, records and implemented the RSPO Supply Chain Certification Standard under Mass Balance module. The facility is processing different supply chain module however it has separate book keeping. Therefore, the documentation can be traced.</p>	YES
<b>C.3. Processing</b>			
C.3.1	The site shall ensure that the quantity of physical RSPO mass balance material inputs and outputs (volume or weight) at the physical site are monitored.	The facility has prepared a system to monitor the quantity (volume and weight) of physical RSPO mass balance materials during reception and storage. All record prepared in term of Form Penerimaan and Pengiriman CSPO di TIP – Produk MB; this is separate book keeping from other supply chain module that applied in the facility. The record has shown the volume received, sold to consumer, and balance.	YES
C.3.2	The site shall ensure that the output of RSPO mass balance material supplied to customers from the physical site does not exceed the input of RSPO certified material received at the physical site, using either a	<p>See indicator C.3.1 above.</p> <p>The facility has prepared a sytem to monitor input and output of CSPO storage.</p>	Yes

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	continuous accounting system or a fixed inventory period.		
<b>C.4. Continuous accounting system</b>			
C.4.1	Where a continuous accounting system is in operation, the organization shall ensure that the quantity of physical RSPO mass balance material inputs and outputs at the physical site are monitored on a real-time basis.	<i>The facility has prepared a system to monitor the quantity (volume and weight) of physical RSPO mass balance materials during reception and storage. All record prepared in term of Form Penerimaan and Pengiriman CSPO di TIP – Produk MB; this is separate book keeping from other supply chain module that applied in the facility. The record has shown the volume received, sold to consumer, and balance.</i>	YES
C.4.2	Where a continuous accounting system is in operation, the organization shall ensure that the material accounting system is never overdrawn. Only RSPO data which has been recorded in the material accounting system shall be allocated to outputs supplied by the organization.	<i>See indicator C.4.1 above.</i>	YES
<b>C.5. Fixed inventory period</b>			
C.5.1	Where a fixed inventory period is in operation, the organization shall ensure that the quantity of RSPO mass balance material inputs and outputs (volume or weight) are balanced within a fixed inventory period which does not exceed 3 (three) months.	Not applicable. The facility is implementing continuous accounting system.	N/A
C.5.2	Where a fixed inventory period is in operation, the organization may overdraw data when there is evidence that RSPO mass balance purchases for delivery within the inventory period cover the RSPO output quantity supplied.	Not applicable The facility is implementing continuous accounting system.	N/A
C.5.3	Where a fixed inventory period is in operation, unused credits can be carried over and recorded in the material accounting system for the following inventory period.	Not applicable. The facility is implementing continuous accounting system.	N/A

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C.5.4	Where a fixed inventory period is in operation, the organization shall ensure that the material accounting system is not overdrawn at the time of the inventory. Only RSPO data which has been recorded in the material accounting system within the inventory period (including data carried over from the previous period as per C.5.3) shall be allocated to outputs supplied within the inventory period.	Not applicable. The facility is implementing continuous accounting system.	N/A
<b>C.6. Conversion ratio</b>			
C.6.1	All volumes of palm oil fractions and derivatives that are delivered are deducted from the material accounting system according to conversion ratios as set out by RSPO (see section 5.10), with the exception of the option detailed in C.6.3.	Not applicable. The facility does not implement conversion system in the certified product.	N/A
C.6.2	Refining losses are neglected for the sake of simplicity in the Mass Balance system.	Not applicable. The facility does not implement conversion system in the certified product.	N/A
C.6.3	Sites can purchase a certain volume or weight of identity preserved or segregated sustainable palm and palm kernel products and use it to match the sales of equal volumes of palm product derivatives that then carry a Mass Balance claim without requiring a physical or chemical link between the acquired segregated product and the derivative that is sold under mass balance.	Not applicable. The facility does not implement conversion system in the certified product.	N/A
C.6.4	Segregated to Mass Balance Supply Chain Model Yield Scheme	Not applicable. The facility does not implement conversion system in the certified product.	N/A
<b>C.7. Yield Schemes</b>			
C.7.1	Mass Balance Supply Chain Model Yield Scheme:  The values shown in the Mass Balance Supply Chain Model below are fixed and cannot be modified. Organizations may use	Not applicable. The facility is only receiving and store one single product.	N/A

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	their own actual yields provided these can be justified during the audit.		
C.7.2	<p>Palm Kernel Mass Balance Yield Scheme:</p> <p>To calculate how much Mass Balance sustainable products they can sell or claim, companies that purchase Mass Balance sustainable palm kernel products may use their own actual yields provided these can be justified during the audit</p>	<p>Not applicable.</p> <p>The facility is only receiving and store one single product.</p>	N/A

**Section 10. Detail of Nonconformities**

**Summary of total number of Nonconformities.**

During stage-1 assessment there was 1 (one) major nonconformity was raised against indicator 5.3.1 and 5.11.1. The nonconformity has been closed during closing meeting of stage-2 assessment on 4 September 2015.

During stage-2 assessment there was 2 (two) major nonconformities were raised against indicator 5.8.1 and 5.9.1. The nonconformities have been closed during NCR closure assessment on 18 September 2015.

**10.1 Nonconformity**

NC Ref.	Area/Process	Clause	5.3.1 and 5.11.1
#1231603M1	General Chain of Custody System Requirements	<b>Due Date</b>	20/11/2015
Details	Procedure in relation to the site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO rules on communications and claims has not been provided.		
Requirements	<p>5.3.1: The site shall have written procedures and/or work instructions to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:</p> <ul style="list-style-type: none"> <li>- Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</li> <li>- Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).</li> <li>- Identification of the role 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 organization's procedures for the implementation of this standard.</li> </ul> <p>5.11.1: The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO rules on communications and claims</p>		
Objective Evidence	Review of several Procedure: SOC/PSM/9.09, SOC/PSM/9.10, SOC/PSM/9.11,		

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	SOC/PSM/9.02, SOC /PSM/8.02, and SOC/PSM/5.01		
Corrective Action and Preventive Action Taken	<p>Company has prepared a procedure in relation to Communication and Claim for certified palm oil i.e. SOC/PSM//9.12, dated 1 September 2015. Procedure has been distributed to the site by document controller from head office. The procedure has stated PT Socfin Indonesia did not make claims regarding the use of RSPO Trademark. The company has only made claim to support RSPO through corporate communication in the company website.</p> <p>Interview with key staff and management representative who responsible for RSPO Supply Chain system revealed understanding on the use between RSPO Corporate logo and RSPO Trademark in the product. Nonconformity was closed on 4 September 2015</p>		
Date of nonconformity closed.	04/09/2015		
<b>NC Ref.</b>	<b>Area/Process</b>	<b>Clause</b>	5.8.1
#1234590M1	General Chain of Custody Requirements	<b>Due Date</b>	03/12/2015
Details	Training plan for key personnel, which is subject to on-going review, has not been recorded.		
Requirements	The organization shall have a defined training plan, which is subject to on-going review and is supported by records of the training provided to staff.		
Objective Evidence	Document review of training records		
Corrective Action and Preventive Action Taken	<p>Organization has submitted a training plan for key personnel who involved in managing RSPO Supply Chain certification system within operation activities. Training plan was prepared on 7 September 2015 by head of facility of Storage Tank. The plan is cover some subject in relation to recording system of reception, storage, and dispatch of CSPO using IP, SG, and MB modules. The plan is also covered a subject for mechanism to record downgrading supply chain module where it is applicable. The training would be conducted on October 2015. Non conformity was closed on 18 September 2015</p>		
Date of nonconformity closed.	18/09/2015		
<b>NC Ref.</b>	<b>Area/Process</b>	<b>Clause</b>	5.9.1
# 1234590M2	General Chain of Custody Requirements	<b>Due Date</b>	03/12/2015
Details	The system to record sales goods out does not demonstrate the traceability and link with reception and storage records as well as with procedure.		
Requirements	The site shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification requirements.		
Objective Evidence	<p>The facility has prepared a documented system for record and reports all materials goods in and out (i.e. SOC/PSM/9.11, dated 1 July 2015).</p> <p>However, the system to record and report the reception and sales goods out of CSPO have not been linkage with procedure, for instance: Form Penerimaan dan Pengiriman CSPO di TIB, Form Persediaan CSPO, and Buku Harian Timbangan TIB. Furthermore, record of sales goods out that show traceability has not been clearly determined. At current, the sales goods out is only presented the total volume dispatch without</p>		

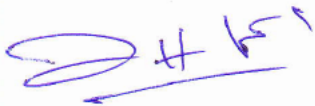
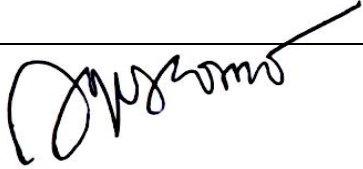


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	information of supply chain module. For instance: When delivery of CSPO to consumer is taking place and recorded, the volume cannot be traced into reception and storage records. In other case, it is not clear to monitor the volume when downgrade system from IP to SG or IP/SG to MB or SG to MB is applied during sales goods out.
Corrective Action and Preventive Action Taken	Organization has revised a procedure SOC/PSM/9.11 with latest update on 7 September 2015. The procedure is now described a system to trace record of sales goods out into reception and storage. Form has been revised to demonstrate the traceability which included in the procedure, i.e.: Form Penerimaan and Pengiriman CSPO di TIB which described the record of volume during reception, storage, and delivery of CSPO for each supply chain module IP, SG, or MB. Furthermore, the procedure has also described the monitoring system of volume when downgrade system from IP to SG or IP/SG to MB or SG to MB is applied during sales goods out. Those were contained within sections of the procedure, i.e. Section 5.8 (Downgrading) and 5.9 (Pencatatan Downgrading). Nonconformity was closed on 18 September 2015
Date of nonconformity closed.	18/09/2015

**Section 11. Conclusion**

Belawan Storage Tank facility has operated a working system to trace the reception and storage of certified palm oil sales into the market with IP, SG, and MB modules. The facility receives certified palm oil from their owned Palm oil Mill under same holding. The auditor concludes that the PT Socfin Indonesia and their Belawan Storage Tank facility have implemented RSPO SCCS as required in RSPO SCCS system and standard : 21 November 2014.

<b>Section 12. Formal Signing-off of Assessment Finding and Closing Meeting</b>	
<b>Signing-off by Management Representative</b>	
I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents of this report and accept the liability in execution of the procedure in the report.	
I confirm that I was made aware that the findings of the audit team during the closing meeting are tentative pending review and decision making by the duly designated representatives of the certification body.	
<b>Name:</b>	Hasan Bisri K.
<b>Company name:</b>	<b>PT SOCFIN INDONESIA</b>
<b>Title:</b>	Management Representative
<b>Signature and Date:</b>	 <b>25/09/2015</b>
<b>Signing-off by Lead Auditor</b>	
I the undersigned, being the lead auditor, confirm that this report is an accurate record of the findings and of the closing meeting.	
<b>Name:</b>	<b>Aryo Gustomo</b>
<b>Company name:</b>	<b>PT BSI Group Indonesia on behalf of BSI Services Malaysia Sdn Bhd</b>
<b>Title:</b>	<b>Lead Auditor</b>
<b>Signature and Date:</b>	 <b>25/09/2015</b>