

**Roundtable on Sustainable Palm Oil Certification  
R S P O**

Stage-1     Stage-2     Surveillance     Re-Certification

Name of Management Organisation : **Arindo Trisejahtera POM, PT ARINDO TRISEJAHTERA subsidiary of First Resources Ltd**

Plantation Name : **Petapahan 1 Estate and Petapahan 2 Estate**

Location : **Rimba Beringin Village, Tapung Hulu Subdistrict, Kampar District, Riau Province, Indonesia**

Certificate Code : **MUTU-RSPO/113**

Date of Certificate Issue : **25 May 2018**

Date of License Issue : **25 May 2018**

Date of Certificate Expiry : **24 May 2023**

Date of License Expiry : **24 May 2019**

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
Initial Assessment	03 June – 06 June 2015	Octo H.P.N Nainggolan (Lead Auditor), Sandra Purba, Bukti Bagja, Rudi Ramdani, Steve Mualim	Ganapathy Ramasamy	Ardiansyah
Reaudit	25 – 27 April 2018	Muhammad Rinaldi (Lead Auditor), M. Syarip Lambaga		

Assessment	Approved by MUTUAGUNG LESTARI on:
Initial Assessment	25 May 2018

**TABLE OF CONTENT**

**FIGURE**

Figure 1. Location Map of <b>PT. Arindo Trisejahtera</b>	1
Figure 2. Operational Map of <b>PT. Arindo Trisejahtera</b>	2

Abbreviations Used	3
--------------------	---

**1.0 SCOPE of the CERTIFICATION ASSESSMENT**

1.1 Assessment Standard Used	4
1.2 Organisation Information	4
1.3 Type of Assessment	4
1.4 Location of Mill and Plantations	4
1.5 Description of Area Statement	5
1.6 Planting Year and Cycles	5
1.7 Description of Mill and Supply Base	5
1.8 Estimate Tonnage of Certified Product	6
1.9 Other Certifications	7
1.10 Time-Bound Plan	7

**2.0 ASSESSMENT PROCESS**

2.1 Assessment Team	9
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	10
2.3 Stakeholder Consultation and Stakeholders Contacted	13
2.4 Determining Next Assessment	14

**3.0 ASSESSMENT FINDINGS**

3.1 Summary of Assessment Report of the RSPO Certification	15
3.2 Summary of Assessment Report of Supply Chain Requirement	56
3.3 Conformity Checklist of Certificate and Logo Use	67
3.4 Summary of RSPO Partial Certification	68
3.5 Identification of Findings, Corrective Actions, Observations, Opportunity for Improvement and Noteworthy Positive Components	71
3.6 Summary of Arising Issues from Public, Management and Auditor Responses	95

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

4.1 Formal Signing of Assessment Findings	99
---	----

**APPENDICES**

1. List of Stakeholders Contacted in the RSPO Certification Process	100
2. Assessment Program	101
3. Special Audit Program	103

Figure 1. Location Map of PT. Arindo Trisejahtera

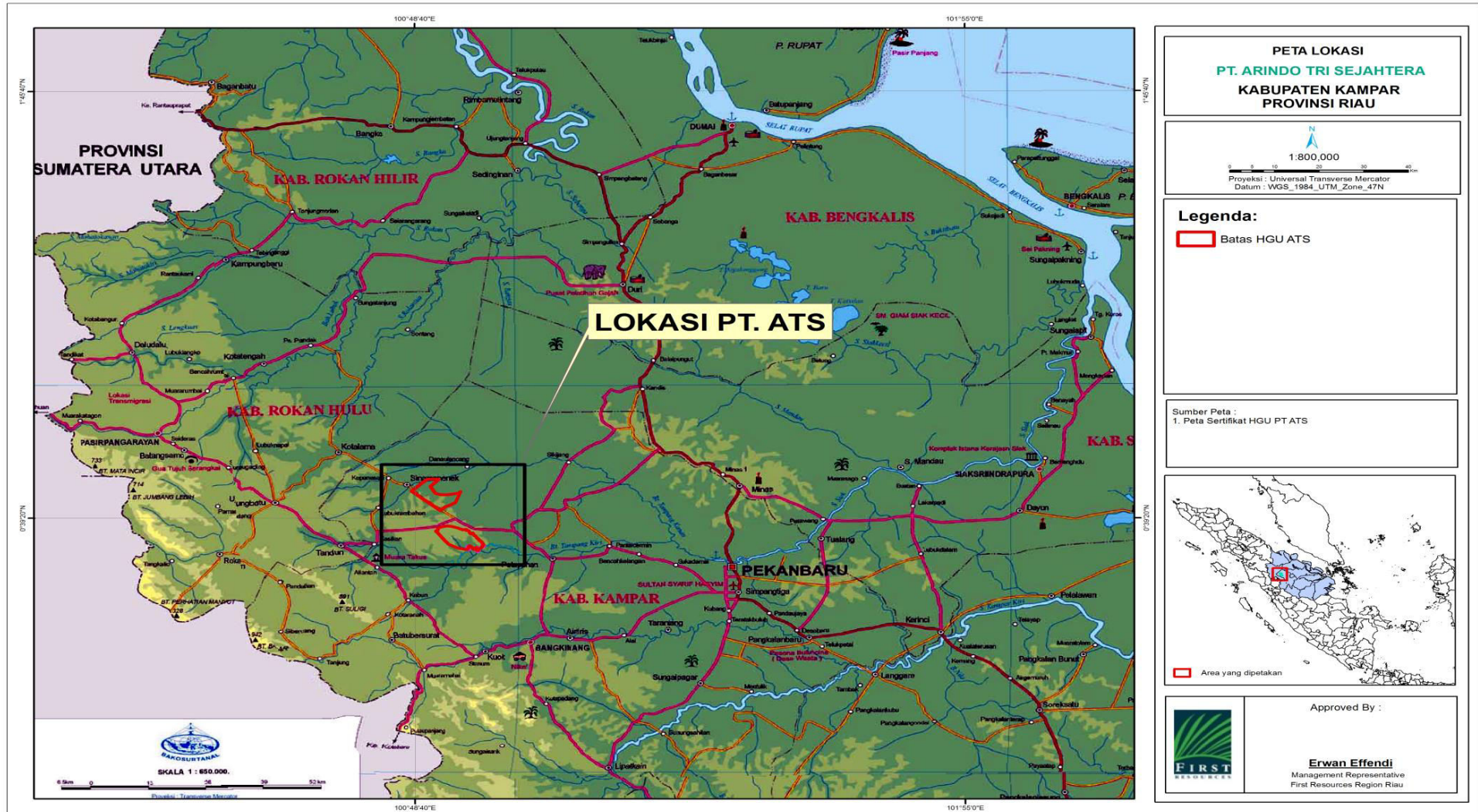
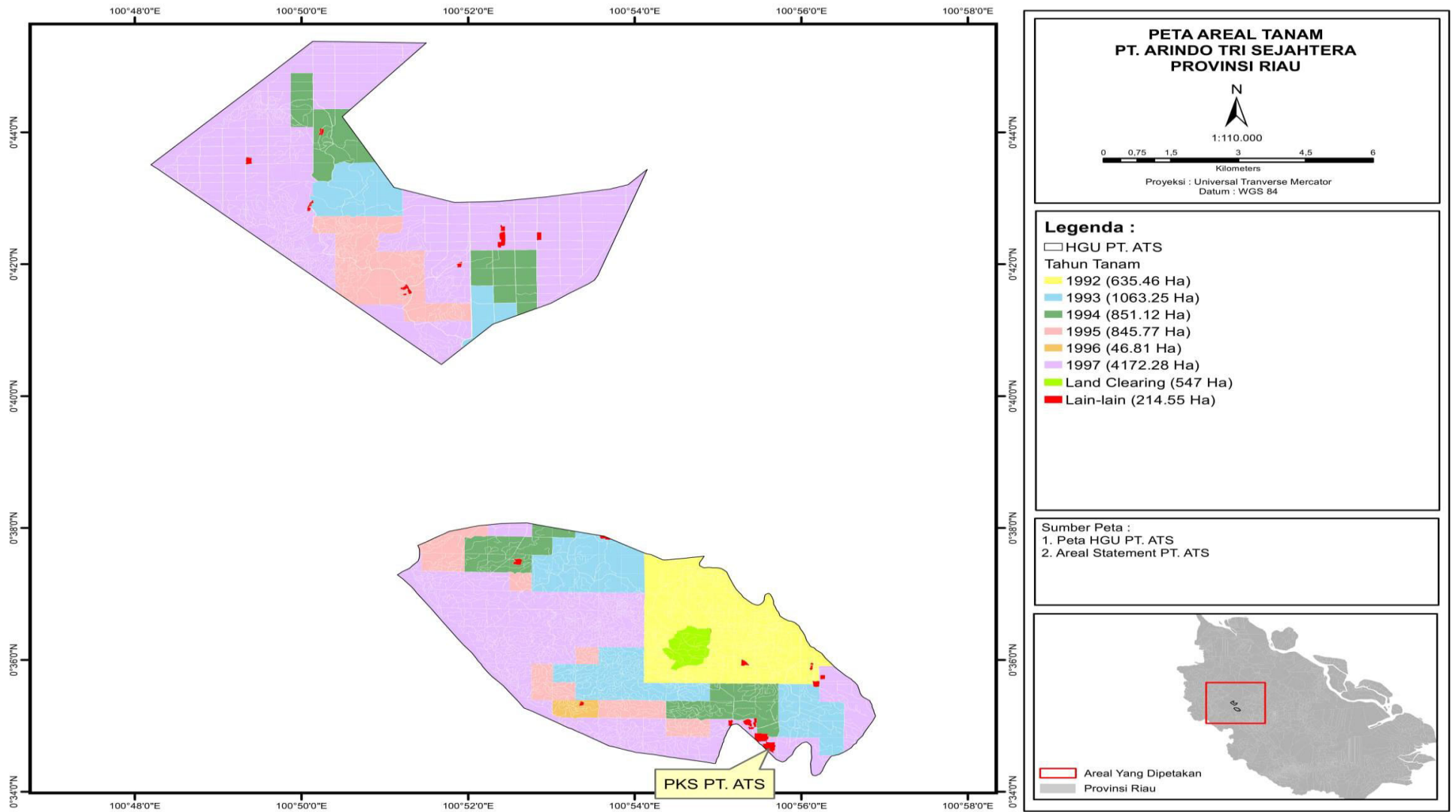


Figure 2. Operational Map of PT. Arindo Trisejahter



Abbreviations Used		
APD / PPE	:	<i>Alat Pelindung Diri / Personal Protective Equipment</i>
ASA	:	Annual Surveillance Assessment
B3	:	<i>Bahan Beracun dan Berbahaya / Hazardous Material</i>
BPN	:	Badan Pertanahan Nasional / National Land Agency
CD	:	Community Development
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
DPPL	:	<i>Dokumen Pengelolaan dan Pemantauan Lingkungan / Document of Environment Management and Monitoring</i>
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha / Land use Right</i>
IUP	:	<i>Izin Usaha Perkebunan / Plantation Business Permit</i>
IPAL (WWTP)	:	<i>Instalasi Pengelolaan Air Limbah (Wastewater Treatment Plant)</i>
JAMSOSTEK	:	Jaminan Sosial Tenaga Kerja / Social Security Agency
Jankos / EFB	:	Janjangan Kosong / Empty Fruit Bunch
K3 / OHS	:	Keselamatan dan Kesehatan Kerja / occupational Health and Safety
KER	:	Kernel Extraction Rate
LA	:	Land Application
LPUP	:	Laporan Perkembangan Usaha Perkebunan / Plantation Business Report
MSDS	:	Material Safety Data Sheet
NGO	:	Non Governmental Organization
OER	:	Oil Extraction Rate
OFI	:	Oppurtunity for Improvement
QS	:	Quality Standart
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja (Committee of Occupational Safety &amp; Health)</i>
PHT (IPM)	:	<i>Pengendalian Hama Terpadu (Integrated Pest Management)</i>
PIL	:	<i>Penyajian Informasi Lingkungan (Presentation of environmental information)</i>
PK	:	Palm Kernel
POM	:	<i>Pabrik Kelapa Sawit (Palm Oil Mill)</i>
POME	:	Palm Oil Mill Effluent
PT ATS	:	PT Arindo Trisejahtera
RKL/RPL	:	<i>Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan (Environmental Management Plan / Environmental Monitoring Plan)</i>
RSPO	:	Roundtable on Sustainable Palm Oil
SIA	:	Social Impact Assessment
SIO	:	Surat Ijin Operator (Operator License)
SOP	:	Standard Operating Procedure
ST-1	:	Stage 1
ST-2	:	Stage 2
TBS (FFB)	:	<i>Tandan Buah Segar (Fresh Fruit Bunch)</i>
TPAS	:	<i>Tempat Pembuangan Akhir Sampah / Landfill</i>
TPS LB3	:	<i>Tempat Penyimpanan Sementara Bahan Berbahaya dan Beracun (B3) / Temporary Storage of Hazardous Waste</i>
TSS	:	Total Suspended Solid
WLTK	:	Wajib Lapor Tenaga Kerja / Labor Report
WTP	:	Water Treatment Plant

<b>1.0</b>	<b>SCOPE of the CERTIFICATION ASSESSMENT</b>		
<b>1.1</b>	<b>Assessment Standard Used</b>		
	<ul style="list-style-type: none"> <li><i>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30<sup>th</sup> September 2016)</i></li> <li><i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, Rev. June 2017 (Module D / E for CPO Mill)</i></li> </ul>		
<b>1.2</b>	<b>Organisation Information</b>		
1.2.1	Organisation name listed in the certificate	PT Arindo Trisejahtera – First Resources Limited	
1.2.2	Contact person	Bambang Dwi Laksono	
1.2.3	Organisation address and site address	<p><b>Liaison Office:</b> 8 Temasek Boulevard #36-02, Suntec Tower Three, Singapore, 038988</p> <p><b>Site:</b> Rimba Beringin Village, Tapung Hulu Subdistrict, Kampar District, Riau Province, Indonesia</p>	
1.2.4	Telephone	+65 6602 0200	
1.2.5	Fax	+65 6333 6711	
1.2.6	E-mail	bambang.dwilaksono@first-resources.com	
1.2.7	Web page address	www.first-resources.com	
1.2.8	Management Representative who completed the application for certification	Bambang Dwi Laksono	
1.2.9	Registered as RSPO member	1-0047-08-000-00 (10 March 2008)	
<b>1.3</b>	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply base Arindo Trisejahtera Mill, Petapahan 1 Estate, Petapahan 2 Estate	
1.3.2	Type of certificate	Single	
<b>1.4</b>	<b>Locations of Mill and Plantation</b>		
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Arindo Trisejahtera POM	Rimba Beringin Village, Tapung Hulu Subdistrict, Kampar District, Riau Province, Indonesia	N 0° 34' 50"      E 100° 55' 34"
1.4.2	Location of Certification Scope of Supply Base		
	<b>Name of Supply Base</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b> <b>Longitude</b>
	Petapahan 1	Rimba Beringin Village, Tapung Hulu Subdistrict, Kampar District, Riau Province, Indonesia	N 0° 34' 51"      E 100° 55' 29"
	Petapahan 2	Senamanenek Village, Tapung Hulu	N 0° 42' 18"      E 100° 51' 57"

	Subdistrict, Kampar District, Riau Province, Indonesia						
<b>1.5</b>	<b>Description of Area Statement</b>						
1.5.1	Tenure						
	• State		8,376.24	Ha			
	• Community			Ha			
1.5.2	<b>Area Statement</b>						
	• Total area		8,376.24	Ha			
	• Mature area		7,614.69	Ha			
	• Replanting 2018		547	Ha			
	• Mill		11.64	Ha			
	• Infrastructure (Emplishment, road, drainage)		187.37	Ha			
	• Nursery		15.54	Ha			
	• HCV (riparian zone and cemetery include in planted area)		26.6	Ha			
<b>1.6</b>	<b>Planting Year and Cycles</b>						
1.6.1	Age profile of planting year						
	<b>Planting Year</b>	<b>Hectarage (Ha)</b>					
		<b>Petapahan 1</b>	<b>Petapahan 2</b>	<b>Total</b>			
	1992	635.46		635.46			
	1993	716.00	347.25	1,063.25			
	1994	399.62	451.50	851.12			
	1995	328.27	517.50	845.77			
	1996	46.81		46.81			
	1997	1,528.81	2,643.47	4,172.28			
	2018	547.00		547.00			
	<b>TOTAL</b>	<b>4,201.97</b>	<b>3,959.72</b>	<b>8,161.69</b>			
1.6.2	New Planting area after January 2010			- Ha			
1.6.3	Planting Cycle		2 <sup>nd</sup> Cycle				
<b>1.7</b>	<b>Description of Mill and Supply Base</b>						
1.7.1	Description of Mill						
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>	
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>
	ATS POM	45	153,129.23	29,106.16	19.01	8,783.65	5.74
	<i>*Production data source from 12 months before assessment (April 2017- March 2018)</i>						
1.7.2	Description of Certification Scope of Supply Base						
	<b>Name of Estate</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/ha/ year)</b>	<b>Supplied to Mill</b>	
						<b>FFB (tonnes/year)</b>	<b>%</b>

Petapahan 1 Estate	4,270	4,201.97	74,042.07	17.62	74,042.07	100
Petapahan 2 Estate	4,106.24	3,959.72	76,629.88	19.35	76,629.88	100
<b>TOTAL</b>	<b>8,376.24</b>	<b>8,161.69</b>	<b>150,671.95</b>	<b>18.46</b>	<b>150,671.95</b>	<b>100</b>

*\*Production data source from 12 months before assessment (April 2017- March 2018)*

1.7.3 FFB description from other source

Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill
				FFB (tonnes/year)
PT Karya Tama Bakti Mulya (Non-certified)	Subsidiary of First Resources	-	730.81	63.17
PT Riau Agung Karya Abadi (Non-certified)	Independent supplier	-	-	2,394.11
<b>TOTAL</b>				<b>2,457.28</b>

*\*Source Production Data on 12 months before assessment (April 2017- March 2018)*

1.7.4 Product categories **FFB, CPO, PK**

**1.8 Tonnage of Product**

1.8.1	Past Annual Claim Certified Product	Previous Certificate Claim ..... to ..... (tonnes/year)	Actual certified product ..... to ..... (tonnes/year)
	<ul style="list-style-type: none"> <li>FFB Production</li> <li>CPO Production</li> <li>Palm Kernel (PK) Production</li> </ul>		
<i>*will be verified in the surveillance audit</i>			

**1.8.2 Product selling**

Tonnage of selling product	Period of actual selling product (dd/mm/yy) to (dd/mm/yy)
<ul style="list-style-type: none"> <li>CSPO sold as RSPO certified product</li> <li>CSPK sold as RSPO certified product</li> <li>CSPO sold under other scheme</li> <li>CSPK sold under other scheme</li> <li>CSPO sold as conventional</li> <li>CSPK sold as conventional</li> </ul>	
<i>*will be verified in the surveillance audit</i>	

1.8.3 Estimate of Certified FFB Claim

Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)
Petapahan 1 Estate	4,270	4,201.97	79,961	19.03
Petapahan 2 Estate	4,106.24	3,959.72	82,750	20.90
<b>TOTAL</b>	<b>8,376.24</b>	<b>8,161.69</b>	<b>162,711</b>	<b>19.94</b>

*\*Projected FFB production for 12 months of certificate*

1.8.4 Estimate of Certified Palm Product Claim

Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
			Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
ATS POM	45	162,711	31,729	19.5	8,949	5.5	MB



*\*Projected CSPO and CSPK production for 12 months of certificate*

<b>1.9</b>	<b>Other Certifications</b>	
	ISO 9001:2008	-
	ISO 14001: 2004	-
	Indonesia Sustainable Palm Oil (ISPO)	Certificate No. 001/MHI-ISPO on 15 January 2014-15 January 2019 by Mutu Hijau Indonesia
	ISCC	Certificate No. EU-ISCC-Cert-ID218-20170058 on 15.07.2017-14.07.2018 by Intertek
	Proper	PROPER with "Blue" Rank on 2014 by Environment Ministry

**1.10 Time Bound Plan**

**1.10.1 Time Bound Plan for Other Management Units**

Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
Mill	Time Bound Plan				
PT. Arindo Trisejahtera	2018	PT. Arindo Trisejahtera	2018	Riau	Audited
PT Meridan Sejatisurya Plantation	2018	PT Meridan Sejatisurya Plantation	2018	Riau	Audited
PT Surya Intisari Raya	2018	PT Surya Intisari Raya	2018	Riau	Planned
PT Swadaya Mukti Prakarsa	2021	PT Swadaya Mukti Prakarsa	2021	Kalimantan Barat	Planned
PT Perdana Intisawit Perkasa	2018	PT Perdana Intisawit Perkasa	2018	Riau	Planned
PT Pancasurya Agroindo	2018	PT Pancasurya Agroindo	2018	Riau	Planned
PT Subur Arum Makmur	2019	PT Subur Arum Makmur	2019	Riau	Planned
PT Limpah Sejahtera	2021	PT Limpah Sejahtera	2021	Kalimantan Barat	Planned
PT Muriniwood Indah Industry	2020	PT Muriniwood Indah Industry	2020	Riau	Planned
PT Ciliandra Perkasa	2022	PT Ciliandra Perkasa	2022	Riau	Planned
PT Umekah Sari Pratama	2023	PT Umekah Sari Pratama	2023	Kalimantan Barat	Planned
PT Pulau Tiga Lestari Jaya	2023	PT Pulau Tiga Lestari Jaya	2023	Kalimantan Barat	Planned
PT Borneo Surya Mining Jaya	2024	PT Borneo Surya Mining Jaya	2024	Kalimantan Barat	Planned
PT Ketapang Agro Lestari	2024	PT Ketapang Agro Lestari	2024	Kalimantan Barat	Planned
PT Borneo Persada Energy Jaya	2024	PT Borneo Persada Energy Jaya	2024	Kalimantan Barat	Planned
PT Mitra Karya Sentosa	2025	PT Mitra Karya Sentosa	2025	Kalimantan Barat	Planned
PT Citra Agro Kencana	2025	PT Citra Agro Kencana	2025	Kalimantan Timur	Planned
PT Maha Karya Bersama	2025	PT Maha Karya Bersama	2025	Kalimantan Timur	Planned

PT Bumi Sawit Perkasa	2026	PT Bumi Sawit Perkasa	2026	Riau	Planned
PT Priatama Riau	2026	PT Priatama Riau	2026	Riau	Planned
PT Surya Dumai Agroindo	2026	PT Surya Dumai Agroindo	2026	Riau	Planned
PT Gerbang Sawit Indah	2027	PT Gerbang Sawit Indah	2027	Riau	Planned
PT Borneo Ketapang Permai	2027	PT Borneo Ketapang Permai	2027	Kalimantan Barat	Planned
PT Karya Tama Bakti Mulia	2027	PT Karya Tama Bakti Mulia	2027	Riau	Planned
PT Falcon Agri Persada	2027	PT Falcon Agri Persada	2027	Kalimantan Barat	Planned
<p>The change of time bound plan are due to the complaint on RSPO Complaints Panel from Mei 2015 until April 2018. Based on justification known that:</p> <ul style="list-style-type: none"> <li>• The company with TBP on 2023 to 2024 is on going to develop a mill</li> <li>• The company with TBP on 2025 to 2027 is estate without mill</li> </ul>					
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>				
	PT Arindo Trisejahtera does not have associated smallholders and outgrowers.				

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>Initial Assessment</b>	<ol style="list-style-type: none"> <li><b>1. Octo H.P.N Nainggolan (Lead Auditor)</b> Indonesian citizen, Bachelor of Agriculture, majoring of Social Economics of Agriculture (Agribusiness). Seven years working experience since 2004 at oil palm Plantation Company in Indonesia and followed several trainings namely: Training of Conservation of Natural and Biological Resources in supporting HCV, Basic Plantation Management Program, Plantation Integrated Pest Management training, Management System Certification (ISO 9001-2008/SNI 19011-9001:2008), Environment Management System (ISO 14001:2004), SMK3 based on OHSAS, RSPO Lead Auditors Training Course endorsed by Proforest and Wildasia, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course, supply chain certification system training and RSPO Renewable Energy Directive Lead Auditor training. Currently he worked as an auditor at Certification Body. During this audit, he assigned to verify of legality, social and supply chain aspect.</li> <li><b>2. Sandra Purba (Auditor)</b>. Bachelor of Forestry, Department of Forest Products Technology, Faculty of Agriculture, University of North Sumatra. Have experience working in oil palm plantations Company. She had attended such training: Training Expert of OHSAS General, Training ISPO Auditor and Auditor/Lead auditor Management System Certification (ISO 9001-2008). During this audit, he assigned to verify of OHS and Worker Welfare aspect.</li> <li><b>3. Bukti Bagja (Auditor)</b>. Master of Science majoring environment, Indonesia University. He had involved in RSPO assessment and HCV for GIS. The training he has followed namely ArcGIS, MAPInfo, Global Mapper, ER MAPPER, ERDAS Imagine, Indonesian Sustainable Palm Oil auditor and Awareness RSPO, and Auditor/Lead auditor Management System Certification (ISO 9001-2008). During this audit, he assigned to verify of social and HCV aspect.</li> <li><b>4. Rudi Ramdani (Auditor)</b>. Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty of Bogor Agricultural University. He has experienced more than two years as an operational staff in a private oil palm plantation company in Indonesia. He also followed training he namely: Indonesian Sustainable Palm Oil auditor, Awareness RSPO, Management System Certification (ISO 9001-2008) training and awareness OHSAS. Currently he works for Independent Certification Body.He had involved activities RSPO and ISPO certification assessment as an auditor. During this audit, he assigned to verify of BMP and IPM aspect</li> <li><b>5. Steve Mualim (Auditor)</b>. Master in Environmental and natural resources management, Bogor Agricultural University. He has worked as a freelance in several consultant in the Environmental Impact Assessment. He has followed training of Lead Auditor training ISPO, RSPO awareness, Ecological Risk Assessment, Asian Network Update and Carbon, and Climate Change Mitigation and Adaptation for Agricultural Productivity and Auditor/Lead auditor Management System Certification (ISO 9001-2008). During this audit, he assigned to verify of Regulation compliance, environment and Hazardous waste management aspect</li> </ol>
<b>Re-Audit</b>	<ol style="list-style-type: none"> <li><b>1. Muhammad Rinaldi (Lead Auditor)</b>. Indonesian citizen, Diploma of Oil Palm Plantation. He has experience 4 years working as Assistant Agronomy since 2007. He has attended training RSPO Lead Auditor, training of Auditor ISPO, training of Lead Auditor ISO 9001-2008, training of ISO 14000, training of HCV identification, training of OHS system management, training of potential and conflict resolution. Experienced in auditing in relevant scheme (ISPO) since 2014 with the aspects of land legality, environmental, social, occupational health and safety, Best Management Practices, Conservation and worker welfare. During the assessment he assigned to verify CSR and SCCS</li> <li><b>2. M. Syarif Lambaga (Auditor)</b>. Indonesian citizen, Bachelor of Agriculture from UNHAS, Master of Science Program Post Harvest Technology of IPB, trainings have been followed among others, Lead auditor training RSPO, In House Training for ISO 9000 and 14001 Lead Auditor Training SFM as Social Expert, ISO 22000 Lead Auditor Training, ISPO Lead Auditor Training, and Malcolm Baldrige Training. Having experience in the plantation of more than 5 years, and experience as a food safety auditor for more than 5 years, team members evaluator SNI BSN Awards, and as a team member for socialization RSPO smallholder and large estates conducted by DMSI 2006-2009. During this audit, he verified aspect of social, legal and land dispute.</li> </ol>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>

<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>Initial Assessment</b>	Number of auditors : 5 auditor Number of days for <b>ST-2</b> at site :4 days Number of working days for <b>ST-2</b> at site : 20 Working days
<b>Re-Audit</b>	Number of auditors : 2 auditor Number of days for <b>ST-2</b> at site : 3 days Number of working days for <b>ST-2</b> at site : 6 Working days
<b>2.2.2</b>	<b>Assessment Process</b>
<b>Initial Assessment</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Arindo Trisejahtera- ATS POM to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, Rev June 2017 (Module D / E for CPO Mill).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site. Some opportunities for improvement of the results <b>ST-2</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (<b>ASA-1</b>).</p> <p>Improvement of findings from main assesment findings were observed by auditors at this <b>ST-2</b> assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of <b>ST-2</b>.</p> <p>The assessment program please find Appendix 2</p>
<b>2.2.3</b>	<b>Locations of Assessment</b>
<b>Initial Assessment</b>	<p><b>ATS POM</b></p> <ul style="list-style-type: none"> <li>• <b>Hazardous Waste Temporary Warehouse.</b> The observation was related to the management of the hazardous waste at the POM. The result of said observation shows that there is procedure for emergency, the hazardous waste symbols are available at the warehouse, there is a Hazardous Waste Balance Sheet, and there is eyewash section outside the warehouse.</li> <li>• <b>Stations at the Mill; from Loading Ramp to Sludge Pit.</b> Cleanliness is not properly maintained, less attention given to the use of PPE discipline, inadequate supply of First Aid Emergency Kit, and wastewater from the boiler is directly discharged onto the body of water without any inspection.</li> <li>• <b>WWTP.</b> There is no indication of any leakage, the steadiness of the dam needs improvement since it is located at the riparian area, there is a buffer pond but not properly maintained.</li> <li>• <b>Chemicals Warehouse.</b> Cleanliness is not properly maintained, there are spills of chemicals everywhere and no visible signs that such untidiness has ever been cleaned up.</li> <li>• <b>Land Application.</b> The flatbeds are well functioning, the monitoring wells are properly maintained, and there is no sign of ground water contamination caused by the waste application.</li> </ul> <p><b>Petapahan 1 Estate</b></p> <ul style="list-style-type: none"> <li>• <b>Division 3 Housing Complex.</b> On-site observation conducted at the housing complex of Div 3 Petapahan 1 showed that the company has provided its employees with supporting facilities to ensure their well-being, such as the housing complex, clean water supply, and electricity supply. Interviews with the employees also confirmed that said facilities and infrastructure have properly met their needs. The waste management is also properly carried out. However, the employees were not able to explain the systematic emergency measures they need to take in case of emergency.</li> <li>• <b>Estate Clinic.</b> On-site observation and interviews done at the clinic of Petapahan 1 suggested that the company has accommodated the employees' needs and provided the medication facility for the employees and their dependents. Supply of medicines is adequate, medical tools are well managed to ensure their hygiene, and waste management is properly done (there is temporary storage at the clinic prior to said waste</li> </ul>

being transported to Hazardous Waste Temporary Warehouse).

- **Hazardous Waste Landfill of Division 3.** The landfill is located at Block 138. Such location is chosen in compliance with the criteria for waste management (i.e. 250 m from the housing complex and is accessible). However, the observation found that said landfill is not properly maintained (waste is cluttered around the area).
- **Central Fertilizer Warehouse.** On-site observation indicated that there were spills of fertilizer on the floor and that the floor is not properly maintained. Despite this finding, the symbols of Hazardous Waste are available at the premise.
- **Pesticide Warehouse.** On-site observation showed that all chemicals have been equipped with MSDS, Hazardous Waste symbols, and there are storage traps ready to be functioning in case of pesticide spills.
- **Leaching House and Pesticide Mixing Section.** The receptacle for the effluent from pesticide leaching is available. The leaching house is in good condition.
- **Spraying Tool Storage.** The on-site observation did not find any spraying tools at the premise since they were still in use on the field.
- **Morning Briefing at Afdeling 2 Office.** The observation done on said morning briefing was related to the work instructions and OHS explanation for the harvesters. All workers and supervisors have been equipped with the appropriate PPE (helmet, safety glasses, gloves, and safety boots). In addition, the observation done on the daily work plan of Afdeling 2 included the harvesting activity, transporting, spraying, and oil palm sprouting activity.
- **Spraying Activities at Block 90 Afdeling 2.** Observation and interviews were done with the spraying team. Supervisors, team leader, and workers have all been able to explain the safe working techniques and spraying limit at riparian. The spraying activity at the circle and the harvesting path was using *Micron Herbi* tool and pesticides with active ingredients *glyphosate* (0.3l/ha) and *Metsulfuron-methyl* (125 gram/ha). Workers are equipped with proper PPE (helmet, mask, gloves, apron, and safety boots). Supervisors are equipped with 14 items of First Aid Kit and are able to explain the functions of each item inside the first aid box. There are warning signboards related to spraying activities and signboard marking the location for workers during recess. The truck units are equipped with clean water tanks, First Aid kit, solution mixing unit, activity signboard, and MSDS of the materials used.
- **The Management of sandy area, at Block 130A Afdeling 2.** The observation found that the management is carried out in the form of empty bunch application, namely one layer of the oil palm empty bunches is placed in between the oil palm trees.
- **Barn Owl cages, Block 130A Afdeling 2.** The observation activity identified one adult owl flew by, and there were mouse bones found in the area and there were owl feathers seen, there were also voices heard of young owls.
- **Monitoring Well, Block 129A Afdeling 2.** Observation was done at the monitoring well outside the effluent application block. The result found no indication of water contamination caused by the effluent.
- **Empty Bunch Application at Block 129A Afdeling 2.** The empty bunch application was done one sandy area.
- **Erosion poles at Block 151 Afdeling 2.** Observation on the three poles for erosion monitoring placed one after another at different slopes and the observation on the management of sloping area by stacking the U-shape midribs and by cutting the slopes, selective spraying activity, and placing the fertilizer on top of said slopes in an L form.
- **Harvesting at Block 90 A, Afdeling 1.** Observation and interviews done with the supervisors and harvesters found that the supervisors have been equipped with First Aid Kit containing 14 items and are able to explain the function of each item inside the kit box. Crop rotation is in the 8<sup>th</sup> day. Supervisors and harvesters are able to explain the standard for fruit's maturity ready to be harvested (there must be at least two naturally loose fruits found at the circle) and the work basis and the minimum wage. Workers have been equipped with proper PPE (helmet, gloves, safety boots, and safety glasses). They also have understood the presence of workers union and labor insurance. No fruit collector was identified. All harvesters are permanent workers.
- **Block 10 A Afdeling 1.** Observation was done at the FFB Collection Point (*TPH*) and interviews were done with the fruit checking clerks and FFB loading workers. The clerks are able to accurately identify the fruit's maturity classification (normal, immature, rotten). Fruit loading workers are equipped with proper PPE (helmet,

gloves, and safety boots); they are permanent workers and are provided with labor insurance.

- **HGU Pole No. 3 at Block 142 Afdeling 2.** The pole is in good condition and well maintained.
- **HGU Pole No. 4 at Block 158 Afdeling 2.** The pole is in good condition and well maintained.
- **Riparian of Tapung River at Afdeling 2 and Afdeling 3.** There is a riparian protection area at Tapung River that is not open for public, with varied width according to its flow pattern and HGU boundaries. In addition, there is an embankment along the HGU boundaries and the HCV signboard is available at location.

#### Petapahan 2 Estate

- **Division 1 Housing Complex.** On-site observation conducted at the housing complex of Div 1 Petapahan 2 showed that the company has provided its employees with supporting facilities to ensure their well-being, such as the housing complex, clean water supply, and electricity supply. Interviews with the employees also confirmed that said facilities and infrastructure have properly met their needs. The waste management is also properly carried out. Furthermore, the employees are able to explain the systematic emergency measures they need to take in case of emergency.
- **Estate Clinic.** On-site observation and interviews done at the clinic of Petapahan 2 suggested that the company has accommodated the employees' needs and provided the medication facility for the employees and their dependents. Supply of medicines is adequate, medical tools are well managed to ensure their hygiene, and waste management is properly done (there is temporary storage at the clinic prior to said waste being transported to Hazardous Waste Temporary Warehouse).
- **Fertilizer Warehouse, Chemical Warehouse, Mixing Area, and PPE Warehouse.** The observation and on-site visit and interviews with the staff at the fertilizer warehouse, chemical warehouse, PPE warehouse, and mixing area all indicated that both environmental and waste management have been properly performed, the implementation of OHS Management System has also been adequately done.
- **Hazardous Waste Temporary Warehouse.** The observation done at the warehouse showed that the company has been practicing a proper hazardous waste recording system, the retention time does not exceed the period specified in the licence, and the labels and symbols are sufficiently available. However, there were used oils still not properly handled.
- **Workshop.** Observation and interviews done at the workshop of Petapahan 2 suggested that the company has been practicing the OHS implementation and the environmental management. The interviews also indicated that the workers are able to properly explain their job and responsibilities. However, it is revealed that the company has not yet provided its employees with a proper set of PPE at work.
- **Firefighting equipment.** The company has provided proper firefighting equipment that is stored at spare part warehouse. The technical division is responsible for the monitoring those emergency response equipment.
- **Erosion poles at Block 135 Afdeling 2 and Block 149 Afdeling 3.** Observation on the three poles for erosion monitoring placed one after another at different slopes and the observation on the management of sloping area by stacking the U-shape midribs and by cutting the slopes, selective spraying activity, placing the fertilizer on top of said slopes in an L form, and individual terracing.
- **Barn Owl cages, Bock 135A Afdeling 2.** The observation activity found mouse bones in the area.
- **Landfill at Block 150 Afdeling 2.** The observation result indicated that the landfill area for organic waste is separated from that for inorganic one.
- **Harvesting at Block 100 A, Afdeling 3.** Observation and interviews done with the supervisors and harvesters found that the supervisors have been equipped with First Aid Kit containing 14 items and are able to explain the function of each item inside the kit box. Crop rotation is in the 8<sup>th</sup> day. Supervisors and harvesters are able to explain the standard for fruit's maturity ready to be harvested (there must be at least two naturally loosen fruits found at the circle) and the work basis and the minimum wage. Workers have been equipped with proper PPE (helmet, gloves, safety boots, and safety glasses). They also have understood the presence of workers union and labor insurance. No fruit collector was identified. All harvesters are permanent workers.
- **Block 100 Afdeling 3.** Observation was done at the FFB Collection Point (TPH) and interviews are done with the fruit checking clerks and FFB loading workers. The clerks are able to accurately identify the fruit's maturity classification (normal, immature, rotten). Fruit loading workers are equipped with proper PPE (helmet, gloves, and safety boots); they are permanent workers and are provided with labor insurance.
- **Fertilizing activity at Block 108 Afdeling 1.** Observation and interviews are done with the supervisors, farm

	<p>tractor operators, and workers from the application contractor for <i>Urea</i> fertilizing. Mechanical fertilizing is using fertilizer spreader from <i>Emdek</i>, assisted by two contractor workers. Supervisors, operators, and workers are equipped with proper PPE (helmet, mask, gloves, safety boots, and earmuffs especially for the operators). The <i>Urea</i> is applied on introws (spaces between paths) and circles in a dosage of 125 kg/tree. The contractor workers have not learned that they are covered by contractor worker's labor insurance. Supervisors are equipped with First Aid Kit containing 14 items.</p> <ul style="list-style-type: none"> <li>• <b>Estate Office.</b> Interviews are conducted with team leader contractor for spraying activity (<i>TUS</i> team). MWA is created monthly and the payment is done on time. Contractor workers are all facilitated with the housing at the Afdeling. However, there is still no information on whether or not the labor insurance is available for the workers. They are able to give technical explanation for the safe work for spraying activities.</li> <li>• <b>HGU Pole No. 1 at Afdeling 6.</b> The pole is in good condition and well maintained.</li> <li>• <b>HGU Pole No. 13 at Afdeling 6.</b> The pole is in good condition and well maintained.</li> <li>• <b>Buffer zone at Hitam River Block 105 Afdeling 1.</b> Boundary markings are not clearly visible, and no riparian enrichment efforts are seen.</li> </ul>
<p><b>Re-Audit</b></p>	<p><b>ATS POM</b></p> <ul style="list-style-type: none"> <li>• <b>Mill area from Loading Ramp till sludge separator.</b> Observation related to cleanliness of the working environment and PPE used</li> <li>• <b>Workshop.</b> Observation related to cleanliness of the working environment and PPE used</li> <li>• <b>Chemical storage.</b> Observation related to cleanliness of the working environment, PPE used, hazardous material management</li> <li>• <b>Machine Room.</b> Observation related to cleanliness of the working environment and PPE used</li> <li>• <b>IPAL.</b> Observation related to POME management.</li> </ul> <p><b>Petapahan 1 Estate</b></p> <ul style="list-style-type: none"> <li>• <b>Fertilizer Storage.</b> Observation related to management of fertilizer and cleanliness of work environment</li> <li>• <b>Pesticide Storage.</b> Observation related to management of pesticide and cleanliness of work environment</li> <li>• <b>Block 146 Division 2.</b> Observation and interview with supervisor and worker at spraying activity</li> <li>• <b>Replanting area.</b> Observation related to zero burning metode for land preparation</li> <li>• <b>Block 157 Division 2.</b> <ul style="list-style-type: none"> <li>- Observation and interview with supervisor and worker at harvesting activity</li> <li>- Observation related to marginal area. There is FFB application</li> </ul> </li> </ul>
<p><b>2.3</b></p>	<p><b>Stakeholder Consultation and Stakeholders Contacted</b></p>
<p><b>2.3.1</b></p>	<p><b>Summary of stakeholder consultation process.</b></p>
<p><b>Initial Assessment</b></p>	<p>The public consultation with stakeholders done through:</p> <ol style="list-style-type: none"> <li>(1) Conduct a public announcement on the CB website (<a href="http://www.mutucertification.com">www.mutucertification.com</a>) on 02 May 2015..</li> <li>(2) Conducting visits and direct interviews with stakeholders (Environmental Agency; Labor Agency; National Land Agency and Plantation Agency of Kampar District) on 04 June 2015.</li> <li>(3) Conduct consultations via email questionnaire to NGOs (WWF Indonesia, Jikalauhari, Wahana Lingkungan Hidup, Sawit Watch, and Aliansi Masyarakat Adat) on 25 May 2015</li> <li>(4) Conducting visits and direct interviews with village around company, local contractor, Gender Committee, Labor Union on 4-5 June 2015</li> </ol> <p>Some verbal feedback from stakeholders both positively and negatively received by the audit team to be clarified as a material consideration in the assessment.</p>
<p><b>2.3.2</b></p>	<p><b>Stakeholder contacted</b></p>
	<p><b>Please find appendix 1</b></p>
<p><b>2.4</b></p>	<p><b>Determining Next Assessment</b></p>
	<p>The next visit (<b>ASA-1</b>) will be determined 9-12 months after the certificate issued</p>

**3.0. ASSESSMENT FINDINGS**

**3.1. Summary of Assessment Report of the RSPO Certification**

MUTUAGUNG LESTARI has conducted an assessment of Arindo Trisejahtera POM, PT ARINDO TRISEJAHTERA subsidiary of First Resources Ltd operation consisting of one (1) mill and two (2) oil palm estates.

During the assessment, there were five (5) Nonconformities were assigned against Major Compliance; ten (10) nonconformities were assigned against Minor Compliance; and eleven (11) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidences. Those corrective actions taken that consist of five (5) Major non-conformities and three (3) Minor non-conformities had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that PT Arindo Trisejahtera - ATS POM to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, Rev June 2017 (Module D / E for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is **issued**.

Ref Std.	VERIFICATION RESULT of MUTU-Certification
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>	
<b>1.1</b>	<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.</b>
<b>1.1.1 Major and 1.1.2 Major</b>	<p>The company provides the stakeholders with sufficient information on matters related to environmental, social, and legal issues, which is based on the communication procedure specified in the FR/EMS/CIE document dated 1 September 2011 on communication and sufficient information release for stakeholders.</p> <p>There is proof of information release related to (environment, social, legal) issues in the form of minutes of meeting with the stakeholders for the purpose of RSPO certification. Said meeting was held on 12 March 2015 and attended by stakeholders' representative (from Plantation Agency, Environment Bodies, Agency of Manpower and Transmigration, heads of relevant villages, and NGOs focusing on oil palm growth monitoring) and 42 other participants (attendance list and photos from the event are available).</p> <p>The meeting agenda was the dissemination of the following matters to relevant stakeholders;</p> <ul style="list-style-type: none"> <li>• Best Management Practices for the Estate</li> <li>• Environmental Management and Conservation Program</li> <li>• Company's Community Development / Corporate Social Responsibility</li> </ul> <p>The document study revealed that there was no record of information request from the relevant stakeholders (the government, NGO, and the likes) during the period of January – June 2015.</p> <p><b>Special Audit Indicator 1.1.1</b></p> <p>There is a revision related to the Communication Procedure with no. FR.EMS.CIE Documents Revised on 29 July 2015. Changes are made at the time of information response with a deadline of no later than 6 months and a guarantee of</p>



whistleblower anonymity.

**Status: Comply**

**1.2**

**Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.**

**1.2.1 Major**

The company has demonstrated that the management system employed by PT Arindo Trisejahtera is the one that is open for public. As a form of the implementation of the principle of transparency in RSPO, the following matters related to legal, environmental, social, and constant improvement issues are available for relevant stakeholders; legal matters (location permit, *IUP*, *HGU*), environmental (environmental policies, environmental management documents, *RKL/RPL*, license for Hazardous Waste Temporary Warehouse), and social matters.

The communication procedure specified in the FR.EMS.CIE document explains that, in general, the company's documents are available for public, with the exception for the ones that are protected by commercial confidentiality or the ones with a potential threat towards environmental or social such as financial data, and information on endangered species possibly provoking the hunt/capture of said species.

**Status: Comply**

**1.3**

**Growers and millers commit to ethical conduct in all business operations and transactions.**

**1.3.1 Minor**

The company is fully committed to practicing ethical conducts in all of its transactions and business operations. Circular No. PH/SE/53/XII/2014 issued on 8 December 2014 by the Group Manager further describes the policy of such ethical conducts to be complied with by all employees. One of the conducts to comply with is that it is forbidden for any employee to receive or to give any gratification (bribe) from any party, and employees must not give special treatments other than the standardized ones to any customers/suppliers.

The interviews and on-site observation suggested that said policy has been disseminated thoroughly and the employees have clearly understood the procedure related to ethical policy established by the company.

**Special Audit indicator 1.3.1:**

Policies on ethics behavior do not change as stated in Circular Letter Number: PH/SE/53/XII/2014, dated December 8, 2014. Based on interview with the supervisor and spray worker, there is known that the worker has known the Policy of Ethics.

**Status: Comply**

**PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

**2.1**

**There is compliance with all applicable local, national and ratified international laws and regulations.**

**2.1.1 Major**

**Right over land**

PT Arindo Trisejahtera is able to demonstrate its compliance with the existing regulations related to land acquisition, such as the following;

- Regulation of Agricultural Minister No. 98 Year 2013. Plantation Business License is in the form of Plantation Business Registration Form (*SPUP*) issued through a Decree of Forestry and Plantation Minister No. 943/Menhutbun-VII/2000 on 8 August 2000, covering an estate with the area of 7,741.40 hectares and palm oil processing mill with the capacity of 45 tons FFB/hour.
- Agreement on the Plantation Business Principles for a 2,200-hectare rubber plantation and a 4000-hectare oil palm plantation located at Siak Hulu Sub-district, Kampar Regency, Riau, through a Decree of Agricultural Minister No. HK.350/E4.261/03.09 issued by the Ministry of Agriculture on 30 March 1990.
- Regulation of Minister of Agrarian No. 2 Year 1999 on Location Permit, by acquiring such Location Permit and Release of Rights/Land Acquisition over an area of 7,700 hectares located at Siak Hulu Sub-district, Kampar, Riau through a Decree of Riau Governor No. 46/IAL/1991 issued on 30 January 1991.

- Government Regulation No. 40 Year 1996 on *HGU* and Statute No. 4 Year 1960 on Basic Agrarian Law (*Peraturan Dasar Pokok-pokok Agraria*). Land Use Title was acquired through a Decree of the Minister of Agrarian Affairs / Head of National Land Agency (*BPN*) No. 13/HGU/1993 on the Issuance of *HGU* on 9 June 1993 under the name of PT. Arindo Trisejahtera at Kampar Regency, Riau Province which covers an area of 7,741.40 hectares located at Sinamanenek, Siak Hulu Sub-district, Kampar Regency, Riau Province. Said *HGU* is valid for 25 years until 31 December 2028.

### **The Use of Pesticides**

The company has demonstrated its compliance with the existing regulations related to the implementation of Best Management Practices, as illustrated in the following samples;

- Regulation of the Minister of Agriculture (*Permentan*) No. 24 year 2011 on the Terms and Conditions of Pesticide Registration, and *Permentan* No. 1 year 2007 on the list of active ingredients in pesticides that are restricted and limited pesticides. The document study showed that all types of pesticide used by the company are registered at the pesticide commission.
- *Permentan* No. 24 year 2011 on the Terms and Conditions of Pesticide Registration related to the certificate for limited use of pesticides. The training for limited pesticide was held on 26 August 2013 in collaboration with the Monitoring Commission for Fertilizers and Pesticides of Riau Province.

### **Environment and Conservation**

The company has demonstrated its compliance with the existing regulations as specified below;

- Presidential Decree (*Keppres*) No. 32 Year 1990 on the Management of Conserved Area. The company has conducted the conserved area identification in the plantation area with a total area of 35.95 Ha.
- Government Regulation No. 27 Year 2012 on the Environmental Licenses. The company has acquired its environmental license through the document of Presentation of Environmental Information (*PIL*) in year 1994 covering an area of 7,741.40 Ha and the Environmental Management and Monitoring Document (*DPPL*) in year 2009 covering an area of 635.846 ha currently in possession.
- Decree of the Minister of Environment (*KepMenLH*) No. 28 Year 2003 on the effluent utilization, which is based on the Decree of Environment Bodies of Kampar Regency No. 660/BLH-WAS/LAS/10 issued on 27 December 2012 that is valid for 5 years.
- Government Regulation No. 101 Year 2014 regarding the License for Hazardous Waste Temporary Warehouse through a Decree of the Head of Environment Bodies of Kampar Regency No. 660/BLH-WAS/10 issued on 11 June 2010 that is valid for 5 years.

### **OHS and Employment**

PT TBL has demonstrated its compliance with the regulations and both national and local laws as detailed below;

- The Minimum Wage applied in Kampar Regency is IDR 1,918,000.
- The Regulation of the Minister of Manpower and Transmigration (*Permenakertrans*) No. 15 Year 2008 on the First Aid Emergency at Workplace. For example, the First Aid Emergency Training held on 12 September 2014 at both the Estate and the Mill, which was attended by the following numbers of participants: 37 trainees from the office of Petapahan 2 Estate, 11 trainees from Afdeling 1 of Petapahan 1 Estate, and 17 trainees from the POM.
- The Regulation of the Minister of Manpower and Transmigration (*Permenakertrans*) No. 9 Year 2010 on the Conveying and Forklift Operators and Personnel. For example, the certificate of OHS development training for Wheel Loader Operator named *Ardian* under certificate No. 11.10800-OPK3-PAA/VIII/2011.
- The Regulation of the Minister of Manpower (*Permenaker*) No.01 Year 1988 on the Qualifications and Requirements for Boiler Operators. For example, the OHS License for Boiler Operators named *Herlan* under certificate No. 6658 OPK3-PUBT-B.I/VII/2014 and *Roni Haryono* under certificate No. 6660 OPK3-PUBT-B.I/VII/2014.

### **Special audit indicator 2.1.1:**

The company has established legal requirement procedure reff no. FR.EMS.LRR Issue no.01, tanggal 1 September 2011. Based on document review and interview with Region Sustainability Head, company keeps updating their legal

requirements and ensures its implementation. For examples:

1. The company has extended the licenses for the storage of hazardous and toxic waste materials for PT. ATS2 based on Environmental Office Head Ref No. 660/BLH-WAAS/ILB3/2015/10 dated on 27 May 2015 and valid for 5 years.
2. The company has extended the licenses for the storage of hazardous and toxic waste materials for PT. ATS1 based on Investment and One Stop Integrated Service Office Head Ref No. 503/DPM-PTSP.PEL/LB3/2017/03 dated on 17 October 2017 and valid for 5 years.

**2.1.2 Minor; 2.1.3 Minor and 2.1.4 Minor**

The documentation and mechanism of a compliance with all regulations and both local and national laws are included in the Procedure for Legal Requirements (*FR.EMS.LRR*), Issue No. 01 dated 1 September 2011. The company has presented the proof of such compliance in the form of document of summary and review of the compliance with the rules and regulations and other requirements that have covered all new regulations applied for the years of 2014 – 2015 applicable in the operational activities of PT Arindo Trisejahtera.

**Special audit indicator 2.1.3:**

The Company has established a mechanism to ensure compliance with applicable legal requirements by implementing;

1. Legal requirement procedure reff no. FR.EMS.LRR, Issued dated on 1 September 2011. It was stated that:
  - a. Point 3.3 source of information used to identify relevant legal and other requirements include:
    - ✓ Website of the national department
    - ✓ Publications of national, province and ditrict regulatory agencies
    - ✓ Internet discussion group
    - ✓ Seminars and meetings
    - ✓ State secretary
    - ✓ Ministry office
    - ✓ Local government
    - ✓ Others (Bappeda etc)
  - b. Point 3.13 confirmation/updateing regulatory documents performed at least one a year to the the relevant agencies or to the office of directors, unless there are change to the new rules apply, then it can be changed before the end of 1 (one) year.
  - c. Point 3.14 Legal Dept is responsible in st 3.3, storing and maintaining regulations and requirements that have been enacted or obsolete at least for 2 (two) years from the expiration discharged.
2. Evaluation of compliance procedure reff no. FR.EMS.ECR, issued date on 1 September 2011.

Internal audit procedure reff. no. FR.CSM.IAS issued dated on 1 September 2011 and 2<sup>nd</sup> revised dated on 2 September 2013.

**Status: Comply**

**2.2**

**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 Major**

The Unit Management was able to present the legal documents confirming the ownership of land including its chronological process, which is in the form of *HGU* that covers an area of 8,376.25 hectares.

Said area of *HGU* is in accordance with the operational plantation area indicated in the 2014 area statement, which is 8,376.25 hectares divided into two Estates, namely Petapahan I that covers 4,270 hectares of land, and Petapahan II that covers 4,106.24 hectares of land.

The following records are the chronology of the land acquisition's legality;

1. Agreement on the Principles of Plantation Business that was reached on 30 March 1990, which covers two areas, namely rubber plantation area of 2,200 hectares and oil palm plantation area of 4,000 hectares located at Siak Hulu Sub-district, Kampar Regency.
2. Location Permit and rights release/land purchase for an area of 7,700 hectares located at Siak Hulu Sub-district,

- Kampar, Riau, which was issued by the Governor of Riau under a Decree No. 46/IAL/1991 on 30 January 1991.
3. Certificate of the Release of Forest issued by the Ministry of Forestry through a Decree No. 921/Kpts-II/1991 on the Release of Half of the Forest Group at Dumai River – Hitam River, Riau Province that covers an area of 7,540.1 hectares under the name of PT Arindo Trisejahtera, dated 17 December 1991.
  4. Land Use Title through a Decree issued by the Minister of Agrarian/Head of National Land Agency No. 13/HGU/1993 on 9 June 1993 that covers an area of 7,741.40 hectares and valid for 25 years until 31 December 2028.  
The above decree is the foundation of the issuance of the following certificates;
    - HGU Certificate No. 1 year 1993 covering an area of 3,471.4 hectares.
    - HGU Certificate No. 2 year 1993 covering an area of 4,270 hectares.
  5. The extension of time and the HGU renewal for the 3,471.4 hectares of land through a Decree No. 70/HGU/BPN/2005, which is valid until the end of the term with extra 60 year extension until year of 2088.
  6. The extension of time and the HGU renewal for the 4,270 hectares of land through a Decree No. 71/HGU/BPN/2005 which is valid until the end of the term with extra 60 year extension until year of 2088.
  7. Obtaining a recommendation from the Ministry of Energy and Natural Resources of the Republic of Indonesia on 30 April 2008 to utilize the Oil and Gas working area of PT Chevron Pacific Indonesia for the oil palm plantation activities.
  8. Additional 138,896 hectares of HGU area through a Decree of the Head of BPN No. SK.04/HGU/BPN.14/2010 on the Issuance of HGU for PT ATS. Based on said Decree, an HGU certificate No. 192 was issued in year 2010 with 35 years of validity until 12 March 2045.
  9. Additional 495.95 hectares of HGU area through a Decree of the Head of BPN No. SK.10/HGU/BPN.14/2011. Based on said Decree, an HGU certificate No. 197 was issued in year 2011 with 35 years of validity until 24 March 2046.

Furthermore, the following documents are the legal form of the plantation business license for an area of 8,441.40 hectares;

1. Plantation Business Registration Form (*SPUP*) issued by the Minister of Forestry and Plantation in year 2000, which covers an Estate with the area of 7,741.40 hectares and a Palm Oil Mill with the capacity of 45 tons FFB/hour.
2. Business Extension Permit (for the extension of the area specified in the *SPUP* from year 2000) for an additional area of 700 hectares. The Permit was issued by the Regional Government of Kampar through a Decree No. 100/PEM/XI/2006/870 on 13 November 2006.

### Special audit indicator 2.2.1

Legal documents of PT. ATS are still same as mention in stage 02 audit. The company managed area of 8,376.25 Ha and all area has obtained HGU from Ministry of Agrarian and Spatial Planning/National Land Agency Head for 8.376,25 Ha gradually as follow:

1. Ministry of Agraria and Spatial Planning//National Land Agency Head decree reff no. 13/HGU/1993, dated on 9 Juni 1993 for 7.741,40 hektar in Sinamanenek Village, Siak Hulu Sub District, Kampar District, Riau. HGU valid until 31 December 2028.
2. Ministry of Agraria and Spatial Planning//National Land Agency Head decree reff no SK.04/HGU/BPN.14/2010 for 138,896 hectares in Sinamanenek Village, Siak Hulu Sub District, Kampar District, Riau. HGU valid until 11 March 2045.
3. Ministry of Agraria and Spatial Planning//National Land Agency Head decree reff no SK.10/HGU/BPN.14/2011 for 495,95 hectares. in Sinamanenek Village, Siak Hulu Sub District, Kampar District, Riau. HGU valid until 11 March 2046.

### 2.2.2 Minor

PT ATS has conducted the demarcation and the maintenance of the legal boundary, which refers to the existing HGU document. The following records are the proofs of the execution of such demarcation and maintenance activities;

1. The documentation of a field boundary marking in the form of boundary drains (*parit gajah*) along the plantation area line.
2. Location map of HGU poles at Petapahan 1 Estate and Petapahan 2 Estate in accordance with the existing HGU certificates. There are 13 HGU main poles with additional 60 supporting poles at Petapahan 1, while 4 main poles and 4 supporting poles are placed at Petapahan 2.
3. Activity report from the regular HGU poles maintenance. The latest one was carried out on 21 April 2015 for the area specified in the Certificate No. 1 year 1993. All poles on said area are in good condition and are well maintained.

4. On-site inspection at Petapahan 2 Estate, namely on *HGU* poles numbers I and XIII, showed that the poles are in good condition. Similarly, the on-site inspection at Petapahan 1 Estate for the *HGU* pole No. 3 at Block 142 Afdeling 2 and *HGU* pole No. 4 at Block 158 Afdeling 3 also suggested that both poles are in good condition.

However, the document verification and the interviews with the company's staff members have both revealed that there is no system/SOP used as the guide / standard in the activity of the legal boundary maintenance.

**Non-conformance No. 2015.01 under Minor category.**

**Special audit indicator 2.2.2:**

Based on document review, the company has developed boundary borders procedure reff no. WI-KBN-PPB dated on 28 September 2016. Procedures has regulated how to monitoring and maintenance the boundaries but has not regulated period of monitoring. **Therefore, non-conformity no. 2015.01 with minor category are still open.**

**2.2.3 Minor, 2.2.4 Major, 2.2.5 Minor, 2.2.6 Major**

The interview conducted in a public consultation with the management and the community around the area has confirmed that there is no land dispute occurring between the company and the community or other parties. During the process of land clearing at the initial stages of the estate establishment, the company has completed the compensation payment to the community or other parties in accordance with the agreement, as shown in the documentation of proof of compensation payment.

To ensure that there will be no land dispute, the company has conducted the Social Impact Assessment (SIA) in year 2014, which proved that there is no tenurial issue occurring in the work area of the company.

One case of land dispute that was recorded is the overlapping area between the plantation areas owned by PT ATS based on a Decree of the Release of Forest Area and the operational areas owned by PT Chevron Pacific Indonesia that stretch for 634,846 hectares at Petapahan 2 for the exploration of oil and gas mining.

Said dispute has been settled through a negotiation between the two parties and was mediated by National Land Agency in year 2009. The agreement is described in an agreement document No. 01/OVL/KRS/07/NO.01/OVL/AS/07 on 11 March 2009 and was signed by each disputing party. According to said agreement, the disputed area becomes the property of PT ATS while still not removing PT CPI's rights to carry out its operational activity on said area. After PT CPI is done with its operational activities.

There is no indication that any violent approach was employed in the process of dispute settlement, and the agreement reached has been implemented, in which the overlapping land shall become the *HGU* property of PT ATS in year 2010 and 2011 after PT CPI no longer has any operational activity on said land.

<b>2.2.2</b>	<b>Status: Non-conformance No. 2015.01 under Minor Category.</b>
--------------	--

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

**2.3.1 Major**

The *HGU* document and interviews with the social team of PT ATS found that there was no customary land located at PT ATS's area still in force at the time of the plantation area establishment. No records of objections submitted by all involved parties regarding the issuance of *HGU* certificate owned by the company.

**2.3.2 Minor**

All land that was originated from the state forest has been released by the Ministry of Forestry. On said state forest there were a number of community-cultivated lands for which the company has paid the settlement as the compensation of the land clearing. Below is the total amount of compensation paid during the process of acquiring the land;

- Compensation payment for 94 residents of Petapahan Village for 333.3 hectares of land was IDR 82,775,000 paid in year 1991.

- Compensation payment for 66 residents of Lindai Village for 202.5 hectares of land was IDR 70,703,750 paid on 23 March 1991.
- Compensation payment for 136 residents of Lindai Village and Senamanenek Village for 502.1 hectares of land was IDR 328,125,000 paid on 1 February 1997.
- Compensation payment for 104 residents of Sukaramai Village for 417.62 hectares of land was IDR 92,962,650 paid on 23 March 1991.

The documentation of the negotiation process is not complete, thus the company needs to ensure the copies of the agreement in the land provision process are available.

**2.3.3 Minor**

The interview with the general Affairs Manager revealed that the sharecropper community and the customary leaders have all involved in the negotiation process of the compensation with the community. During the negotiation process, all relevant information, including all related legal regulations, was presented in the form and language that were appropriate and easily understood by the community. Besides landowners / land sharecroppers, the customary leaders (*Ninik Mamak*) and village authorities were also present at the said event to witness the process and the payment.

**Status: Comply**

**PRINCIPLE #3 Commitment to long-term economic and financial viability**

**3.1**

**There is an implemented management plan that aims to achieve long term economic and financial viability.**

**3.1.1 Major and 3.1.2 Minor**

The document of the company's 3 year-planning (2015-2018) indicated that there is still no replanting plan in the next three years, because the production of FFB still does not meet the replanting criteria. It is predicted that until 2018 the production will still reach 26.7 tons FFB per hectare while still remains profitable.

An interview with the General Manager of PT Arindo Trisejahtera has revealed that the on-going process of management planning includes the following activities;

1. Short-term Planning (annually), which is prepared in various levels every year, from the estate level to the company level, containing the following information; FFB production plan (ton/hectare), estate maintenance cost including the plant nursery, road and bridge infrastructure, cost of personnel, and social cost. The annual planning (budgeting) is also prepared at the mill, which contains the projection of CPO and kernel production, and their production cost. Said short-term planning (budgeting) is discussed and approved by top management, namely Director and Managing Director based on the limit and the corporate long-term planning.

Long-term Planning, which is prepared in the basis of three year using the annual budgeting and its history. For example, there is a data of 3 year-planning for the period of 2015 to 2018, which has been authorized by the Estate Group Manager. Said document contains the following information; the total area of plants, FFB production, CPO production, kernel production, estate cost, POM cost, production increase and cost estimates, and comprehensive profit/loss based on the revenue comparison between the sales and cost.

**Special Audit Indicator 3.1.1**

Long term plan of the company still refers to the long-term planning period 2015-2018 endorsed by the Estate Management Group.

**Special Audit Indicator 3.1.2**

The company has shown Replanting Program period 2018-2022, the details are as follows as:

Estate	Replanting Program				
	2018	2019	2020	2021	2022
Petapahan Estate 1	860,60	521,86	401,50	514,12	375,08
Petapahan Estate 2	-	347,25	451,50	250,00	267,50

The company has shown the realization of replanting program in the document of areal statement that informed, there is realization of replanting program on 2018 with total area of 547 Ha at Petapahan 1 Estate.

**Status: Comply**

**PRINCIPLE #4 Use of appropriate best practices by growers and millers**

**4.1**

**Operating procedures are appropriately documented and consistently implemented and monitored.**

**4.1.1 Major**

The company has two volumes of Operational Best Practices Oil Palm Agronomy documents authorized by the CEO on 1 July 2012, namely;

- Book 1, which contains the following information;
  1. Seedling
  2. Land Preparation
  3. The construction and maintenance of roads and bridges
  4. The construction and maintenance of trenches
  5. Soil and water conservation
  6. Legume planting
  7. Oil palm planting
  8. Weed control
  9. Fertilizing
- Book 2, which contains the following information;
  1. Pests and diseases control
  2. Castration and tree sprouts(canopy management)
  3. Tree census and production census
  4. Harvesting
  5. Pesticide management
  6. Transport management
  7. Marginal land management
  8. Replanting

In addition, another way of disseminating the SOP done by the company is the issuance of a document of “Pocket Book Operational Best Practices Agronomy Oil Palm” on 31 December 2012, which is given to the Afdeling assistant staff.

The SOP for the Mill consists of the SOP of work instructions for the POM owned by PT Arindo Trisejahtera, as seen below;

- Production planning (F.PKS.RCN.01, dated 13 December 2011, issue No. 1 authorized by the Managing Director, copy document No. 83 – 03 MM).
- Processing activity (FR.PKS.PRS.02, dated 13 December 2011).
- Dispatching (FR.PKS.DIS.04, dated 13 December 2011).
- Product quality discrepancies control (FR.PKS.PEN.05 dated 13 December 2011).
- The POM Laboratory Manual (I-STD/LAB/CPG, distribution date 20 February 2013)
- According to the information given by the staff member, a Work Instruction is also available at the POM, and it has been disseminated to each operational station at the POM.

**Special Audit Indicator 4.1.1:**

For SOPs related to the Estate, there is no change and it is still listed on the document of Best Palm Oil Practices Operational Oil Agronomy authorized by the CEO dated July 1, 2012.

For mill procedures there are updates listed in the Operational Best Practices Palm Oil Mill document (FR.COP.OPM dated December 31, 2015 authorized by the CEO). In the document, it is known that the procedure has covered all the operations of the mill from the receipt of fruit to the activities in bulking.

**4.1.2 Minor**

The information gathered from the staff member at the Estate revealed that an internal audit for the operational activity of the Estate and the POM is conducted three times per year, although the execution still depends on the result of risk level analysis from the internal audit team.

Additionally, there is also an internal audit for *ISCC* and *ISPO*. Below are several examples of the analysis report result;

- Audit Result Report (POM analyst) no. No.02.0.1/LHA-ANLS/05/III/2015, Petapahan 1 Estate on 2 – 6 March 2015, which discusses the findings, the responses, and the follow-ups of the following matters; Laboratory, CPO & Kernel Inventory Taking, CPO & Kernel Loss Analysis, CPO & Kernel Quality Analysis, and water quality analysis. For example; pH analysis of the Boiler water on 4 March 2015 during the 2<sup>nd</sup> shift is 10; which does not correspond to the standard of 10.5 – 11.5. The auditee responded to it by stating there was leakage on the blow down pipes and it has been repaired per 6 March 2015. This response from the auditee has not been verified by the internal audit team.
- There is a document of finding result dated 21 October 2014 from the internal auditor team at ATS 2 Estate, such as; *penguntulan pupuk* (distributing the fertilizer from one big bag into several smaller bags) that still does not follow the standard. Corrective action; the activity is done inside the warehouse. One unit of distributing warehouse (*gedung until*) is budgeted for 2015. This response from the auditee has not been verified by the internal auditor team.

The monthly audit for the estate operational is conducted by the internal audit team. The audit is assessing the work result from the harvesting block with the assessment components that cover the following subjects: quality of harvesting path, quality of fruits, quality of transport, and quality of estate block condition (weeds, midribs' cuttings and arrangements, and condition of plants' pests). The sample below is of the audit result;

- CQC Report (Quality Control Check) at Petapahan 2 Estate (ATS 2) in May 2015 for ATS 2 Estate assessing the following materials; quality of harvesting path, quality of fruits, quality of transport, and quality of condition, with the total assessment scale is 84.

#### **Special Audit indicator 4.1.2:**

The Company demonstrates mechanisms to ensure application of the procedures contained in the Crop Quality Control Procedure (No. 13.ST.COP.OPA.PNN) which describes the checks performed by Quality Control Staff by monitoring the quality of FFB, the quality of maintenance and the oil palm tree conditions. Based on interviews with management, it is explained that monitoring activities are conducted every 3 months.

#### **4.1.3 Minor**

There is also the WI-EST-GRD-01 document regarding the FFB Grading on the field (13 January 2015) that determines the FFB Quality Standard into the following classes; Unripe Fruits/M (<5%); Ripe Fruits/N (>94%), Rotten Fruits/BB (<1%). The on-site interview with transport clerks who are responsible for the FFB sorting at FFB Collection point (TPH) confirmed that the workers are able to explain and demonstrate the records of grading results at FFB in accordance with the *WI* (criteria for ripe fruits is there are at least 2 naturally loosen fruits per Kg FFB).

On-site observation and interviews at Block 90 Afdeling 2 with the spray workers, supervisor, group leader, and workers confirmed that they are able to explain the safe work techniques and the spraying boundary at riparian.

The spraying activity at the circle and the harvesting path is using *Micron Herbi* tool and pesticides with active ingredients *glyphosate* (0.3l/ha) and *Metsulfuron-methyl* (125 gram/ha), which is in accordance with the available material use budget.

All workers are equipped with proper PPE (helmet, mask, gloves, apron, and safety boots). Supervisors are equipped with first aid emergency kit containing 14 items and are able to explain the function of each item. There are warning signboards notifying the spraying activity and signboard marking the location for workers during recess. The truck units are equipped with clean water tanks, First Aid kit, solution mixing unit, activity signboard, and MSDS of the materials used.

The company demonstrated the flow of recording of the work program realization in the monthly work progress document for the Estate and the POM, as seen the following examples;

- **Estate:** the company demonstrated the document of Progress Report for February 2015 containing information on the Estate's Work Progress, such as for Petapahan 1.
- **POM:** the company demonstrated the document of Monthly Progress Report for POM of PT ATS for February 2015



(dated 7 March 2015) containing the following information; production and extraction statistics, summary of production and administration costs, production stock, production quality, received FFB, processed FFB, processed CPO, extraction, generated Empty Bunches, etc.

Observation and interview at Afdeling 2's office, Petapahan 1 Estate confirmed that there are information signboards containing harvesting plans, work achievements, and estate maintenance for said Afdeling 2.

**4.1.4**

PT Arindo Sejahtera does not receive FFB from 3rd party

**Special Audit indicator 4.1.4:**

Based on the verification document of FFB supplier period 2017, it is known that there are suppliers from third party, namely PT Riau Agung Karya Abadi.

The Company has shown the Letter of Agreement of FFB processing with document number 002/RAKA-FR/AF/TO.TBS/I/2018 dated 02 January 2018 concerning the processing agreement between PT ATS and PT Riau Agung Karya Abadi with a term up to 31 December 2018.

In addition, the Company shows SOP related to the receipt of fruit (No. MN.FR.COP.OPM.PNB dated March 28, 2014) which explains the mechanism of receiving fruit from outsiders, among others: FFB sent not from illegal fruit, fruit grading criteria, delivery must be completed with fruit delivery letter.

**Status: Comply**

**4.2**

**Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.**

**4.2.1 Minor**

The company, through its monthly progress reports of both the estate and the POM, has shown that the work programs have been carried out, evaluated, and followed up in accordance with the current situation. Furthermore, the company has also presented the mechanism for the internal audit for the estate and the POM.

**4.2.2 Minor**

The fertilizing recommendation is determined by the research department every running year based on the results of the leaf analysis and soil analysis.

The company presented one sample document of such recommendation for year 2015 for PT Arindo Trisejahtera, Petapahan 1 Estate, which contains information on the recommended dosage and types of fertilizer to be used per application block that is divided into two periods/semesters of fertilizing, including the empty bunch application.

The fertilizing realization of year 2015 up to April 2015 is recorded and monitored in the document of fertilizing realization that is included in the progress report of Petapahan 1 Estate and Petapahan 2 Estate for April 2015. Similarly, there is also the realization of oil palm empty bunch spread out application and effluent application. The effluent application is carried out only at Afdeling 2 of Petapahan 1 Estate, which is located near the POM.

Fertilizing realization at Petapahan 1 Estate up to April 2015:

Types	Urea	RP H	MOP	Kiess	HGFB
Plan (kg)	455,500	540,650	446,100	170,350	
Realization (kg)	1,035,898	700,004	1,266,350	605,912	53,150

Realization of empty bunch application for the period of April 2015 at ATS 1:

Total area is 1,555.01 Ha; realization up to April 2015 is 103 Ha; up to April 2015 are 399.41 Ha with the dosage of 30 tons/Ha.

Land Application (LA): Plan for 2015 at Afdeling 2 is 150 Ha with the dosage of 750 tons/Ha, total 112,170 tons.

There is a document of land application monitoring record from March 2015 using flow meter with the speed of 63 m<sup>3</sup>/hour,

such as on 1-31 March 2015 with a total volume applied is 8,689.9 m<sup>3</sup> and an average of 282/46 m<sup>3</sup>. Sample from 31 March 2015 at Block 141 with a total area of 25 Ha, the volume of effluent generated is 614.32 m<sup>3</sup>, with 589 m<sup>3</sup> of it being applied.

**4.2.3 Minor**

The company presented the following data:

- Result of regular soil analysis (No. RST-LAB/133/XI/2012) from Assistant Research on 27 October 2012 for 10 samples and letter No. RST-LAB/139/XI/2012 dated 7 November 2012 for 18 samples. The analysis components consist of the following: pH, N total, C organic, P bray, KTK (K, Mg, Ca, and Na), KTK KB and texture. For example for Afdeling II, Profile 1, horizon 1, with the following results; pH H<sub>2</sub>O 3.67, KCL 3.27,%, C organic 2.27, C/N ratio 18.92, P Bray 208.78 ppm, KTK for K 0.08, Ca 0.09, Na 0.04, Mg 0.06 (me/100 gr), KTK 6.36 me/100 gr, KB 4.25%, sand texture 80%, Silt 6%, Clay 14%.
- Result of regular leaf/tissue analysis in a document of Leaf Analysis Results from Internal Lab under document no. Lab1053/PSG/RST-LAB/VII/2014 for ATS 1-Petapahan 1, sample was received on 19 May 2014 and analysis was completed on 10 July 2015 for the fertilizing recommendation for year 2015, with the following result samples; ATS1-I-100-I-1992-2015 with result as follow: N 2.73, P 0.154, K 0.85, Mg 0.26, Ca 0.58, B19.19.

According to information gathered from the estate staff, the soil analysis is conducted per 5-year period, while the leaf analysis is done every year.

Additionally, similar information also mentioned that the company does not have any replanting plan for the next three years. This is based on the production feasibility study conducted by the company’s internal team, which stated that the production of the plant is still worth keeping.

**4.2.4 Minor**

The company has proof of implementations related to the practices of maintaining and improving soil fertility through empty bunch application and effluent application onto plantation area. Both application activities are done only at Petapahan 1 Estate, with the result from May 2015 for empty bunch application at Block 136, 156, and 157 showing a total application volume of 3,345 tons with total applied area of 83 Ha; and a total volume of 9,973 m<sup>3</sup> of effluent application at Block 141, 153, and 142.

**Status: Comply**

**4.3**

**Practices minimize and control erosion and degradation of soils.**

**4.3.1 Major**

Based on the information stated in the document of Presentation of Environmental Information for PT ATS in year 1993 regarding the soil condition, the soil at the plantation project mainly consists of *entisol* and *inceptisol*, while there is a small amount of *histosol* contained at the basin area that is always flooded with less than 50 cm depth of water with *hemik* maturity level.

Based on the document of analysis result of 10 soil samples at PT Arindo Trisejahtera – I from the Research Center Laboratory of PT Panca Surya Garden (First Resources) No. RST-LAB/133/XI/2012 dated 27 October 2012; there is soil sample at Afdeling II with % of sand texture reaching 80% at horizon 1, silt 6%, and clay 14%.

The information from the estate staff also confirmed that the sandy soil part of the estate and the Afdeling closest to the river is the one located at Afdeling II.

The company presented the map of soil distribution at Petapahan 1 and Petapahan 2 Estates using the scale of 1:20,000, issued by the Research and Development (Soil Survey & Land Evaluation, 2015), which provides information on the soil types, slopes, and total area of each soil type.

The map, however, does not provide information on whether there is marginal soil (sandy soil, acidic sulphate, and soil with low organic nutrient) in the operational area of the company.

**Non-conformance No. 2015.02 under Major Category.**

As shown by the document of analysis result of 10 soil samples at PT Arindo Trisejahtera – I from the Research Center Laboratory of PT Panca Surya Garden (First Resources) No. RST-LAB/133/XI/2012 dated 27 October 2012; there is soil sample at Afdeling II with % of sand texture reaching 80% at horizon 1, silt 6%, and clay 14%.

The existing soil distribution map does not have information on the location and the total area of the marginal soil at PT ATS. The information from the management staff of PT ATS stated that the research department has conducted the soil analysis re-sampling at PT ATS. The explanation on said soil distribution map, however, is still waiting for the details from the research department.

**Special Audit indicator 4.3.1:****Observation of Non-Conformity No. 2015.02:****April 25, 2018**

The marginal land maps are still the same as the previous corrective action listed on the land distribution map of PT Arindo Trisejahtera, Petapahan 1 Estate and Petapahan 2 Estate with a scale of 1: 20.000 from Research & Development - Soil survey & Land evaluation. Marginal land in the form of sandy land in the Petapahan 1 Estate area of 484.69 Ha and in Petapahan 2 Estate covering 266.91 Ha.

The Company has a Marginal Land Management SOP (No. MN.FR.COP.OPA.PLM dated July 1, 2012 which describes the management of sandy land by applying it by maintaining natural vegetation, using organic materials such as EFB application, fertilizing according to soil analysis results.

Based on visits in blocks 146 and 147 of Petapahan 1 Estate, it is known that the area has a sandy clay type and there has been a EFB application to increase nutrients.

**4.3.2 Minor**

The estate management staff has informed that the company has done the following management action for the sloping area; constructing individual terraces, cover crops nursery, midribs stacking that cuts off the sloping, and monitoring the soil erosion. The on-site observation has confirmed that such activities have been done.

The on-site visit for the monitoring of erosion poles at Block 139 and 140 at Afdeling 2 & 3 of ATS 2 and at Block 151 Afdeling 2 ATS 1 suggested that the installation of erosion poles is done using the system of 3 poles in a row, depends on the different levels of slope. The monitoring is conducted every 6 months. There is an example of measuring result in April 2015 at ATS 1 with the average of measuring result of 0.25 cm (drop/degradation) with calibrating result of erosion volume of 0.27 tons/Ha/6 months. The results refer to the *PP* No. 150 Year 2001 first appendix for erosion at dry land.

**4.3.3 Minor**

The information gathered from the estate management staff and the on-site observation have both suggested that the road paving activity has not been done yet since the roads are still in the stage of maintenance, namely road scrapping. There is sample of list of equipment premiums from April 2015 under a grader operator named *Misdi* dated 20 April 2015 Afdeling I Block 92, Afdeling 3 Block 94, Afdeling 5 Block 97, for 12,400 meters.

There is minutes of event of the arrival of base course / sand & gravel materials at Petapahan 1 Estate in the form of financial disposition memo No. 193/PTN-I/FRG/V/2015 dated 31 May 2015 stating an amount of IDR 118,669,200 for the approval of the payment request for base course / sand & gravel materials provision from outside the estate with the realization of 988.91 m<sup>3</sup> from 1,000 m<sup>3</sup> that were previously planned. The base course / sand & gravel materials are placed at Afdeling 3's field.

**4.3.4 Major and 4.3.5 Minor**

Based on the interview with the estate staff and the study on soil analysis results, it is confirmed that there is no peat type of soil at PT ATS estate.

**4.3.6 Minor**

On-site observation on the sandy area at ATS 1 Afdeling 2 Block 129 and ATS 2 Block 139 Afdeling 2 and Block 140

Afdeling 3: empty bunch application is done by placing one layer of empty bunches in between trees (250 kg/tree) with the dosage of 30 tons/Ha/year, soft weed nursery, midrib stacking in U-shape or midrib stacking at slope rims by cutting the slopes, and constructing individual terraces at several points.

**4.3.1 | Status: Non-conformance No. 2015.02 under Major Category.**

**4.4**

**Practices maintain the quality and availability of surface and ground water.**

**4.4.1 Minor**

The company has the Water Management Plan in the following documents;

1. Environmental Management and Monitoring Plans (*RKL-RPL*) of EIA that covers the efforts in managing and monitoring the surface water quality of the rivers located at Plantation area, especially Tapung River.
2. HCV Management and Monitoring Plans that cover the riparian management efforts for two main rivers inside PT ATS area, namely Tapung River and Hitam River.
3. Document of Water System Management of PT Arindo Tri Sejahtera that covers the following matters; water usage monitoring, good water processing at the mill, riparian management, river water quality monitoring, etc.

Based on the abovementioned planning documents, the implementation of water sources maintenance program at PT ATS is a follow;

- Boundary marking of riparian area and signboard installation at location. This activity is already on going, although the quality of said boundary markings needs to more consistent and clear (*OFI 2015.3*)
- Counseling for the employees and local community on the riparian protection has also been done, as shown by the documentation of dissemination for HCV area protection (riparian) in year 2013.
- Species enrichment and rehabilitation of riparian area have not been done and are planned to be done in period of 2015-2016, as specified in the HCV Management Plan.
- Erosion monitoring every 6 months is currently on going, in accordance with the request for the document of environmental impact assessment.
- No chemicals were applied on the riparian area. This policy has been disseminated to all employees as shown by the document of dissemination.
- River water quality monitoring is done every 6 months.

On the other hand, no study has been done yet for Dumai River at Petapahan 2 Estate as requested by the document of *DPPL*. Meanwhile, the result of water quality test of Hitam River showed that the BOD<sub>5</sub> parameter did not meet the quality standard specified in the Government Regulation No. 82 year 2001 for Class II Rivers. The company has not presented the evaluation and follow-up actions towards said result.

**Non-conformance No. 2015.03 under Minor Category.**

**Special Audit indicator 4.4.1:**

Based on interview with Region Sustainability Head, Dumai river do not across in HGU areal (Petapahan 2 Estate) as mentioned in the *DPPL* document. The company has conducted overlay between HGU map and landsat image to find the existence of Dumai river as mention in *DPPL* documents. But, the identification report has not been reported to relevant agencies. **Therefore, non-conformity no. 2015.03 with minor category are still open**

Based on S. Dumai water test on 21 November 2017 at Dinas Pekerjaan Umum dan Penataan Ruang (Works and spatial planning office) of Riau Laboratorium showed parameter BOD<sub>5</sub> are under quality standard threshold both upstream and downstream of river.

**4.4.2 Major**

The following actions are taken by the company in order to protect the water flow and the swamps, including the riparian;

1. The policy of water sources protection (riparian, lakes, swamps, artesian wells, and workers' artesian well) is specified in the following documents;
  - SOP for the Safe Usage of Pesticides (*FR.CSM.OP.2*).
  - SOP for the Identification, Management, and Monitoring of HCV (*FR.EAC.IMM*, dated 12 January 2015).

2. Dissemination to all workers and local community on the riparian areas is done during safety briefing prior to every spraying and fertilizing activities (based on information from estate staff).
3. Boundary marking at riparian area and signboard installation at the same location.
4. Counseling for the employees and local community on the riparian protection.
5. Erosion monitoring every 6 months is currently on going, in accordance with the request for the document of environmental impact assessment.
6. No chemicals were applied on the riparian area. This policy has been disseminated to all employees as shown by the document of dissemination.
7. River water quality monitoring is done every 6 months (at minimum).

**Special audit indicator 4.4.2:**

Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones were demonstrated, such as:

1. Established protection of water courses including maintaining riparian and buffer zone in Pesticide safe use reff no. FR.CSM.OP.2 dated on 1 September 2011.
2. Established river buffer zone in Identification, Management and Monitoring of HCV reff no. FR.EAC.IMM, dated on 12 January 2015.
3. Socialization documents for workers and general public surrounding estate.
4. Doing marking +/- 40 meters both side of river. Using pesticide in this area were prohibited.

**4.4.3 Minor and 4.4.4 Minor**

Based on the document verification and on-site visits, it is revealed that the company has implemented the effluent management at the POM using Land Application (LA) method. The company has obtained the necessary license for doing such activity from local government in 2012 (see indicator 5.6.3).

The company presented the proof of regular monitoring system for the effluent quality by conducting regular test every month. The sample result of such test from the period of January-April 2015 showed that the BOD parameter is still under the set quality standard (.5000 mg/l).

Moreover, the company also monitors the usage of water for FFB processing at the POM and during the period of March-May 2015, the result showed that the efficiency level of water usage is 0.88 m<sup>3</sup>/ton FFB on average (still under the standard set by the company, which is 1.50 m<sup>3</sup>/ton FFB).

**Special Audit indicator 4.4.3:**

The company has obtained extended permit for effluent application from district government reff no. 503/DPM-PTSP.PEL/LA/2017/05 dated on 07 December 2017 and valid for 5 years.

The company has been conducting BOD monitoring every month, such as:

Parameter	Unit	QS 1	QS 2	Result (2017)			
				Sept	Oct	Nov	Dec
pH	-	6-9	6-9	7.89	8.85	7.75	8.27
BOD	mg/l	5000	5000	654.3	981.5	2.446	956.3

Based on laboratorium test result, BOD are still under QS 1 refer to Environment Minister Regulation no 28 on 2003 and QS 2 refer to Riau Governor Regulation no 35 on 2007.

**4.4.1 Status: Non-conformance No. 2015.03 under Minor Category.**

**4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.**

**4.5.1 Major**

The company presented the sample document of UPDKS (Oil Palm Leaf-Eating Caterpillars) census at Petapahan 1 Estate (ATS 1), Afdeling IV, Block 120, on 26 February 2015 on trees number 13, 30, 33, 35, 38, and 40, with the total sample of 18 trees, finding 3 larvae of nettle caterpillar, 3 larvae of nettle caterpillar infested by parasites, 2 larvae of

bagworm infested by parasites, and one caterpillar, and there was no mouse attack. The existence of parasitoid in nature becomes the most important component in the census. The June Program is still ongoing.

Additionally, there is data of barn owl census at Afdeling 1 up to Afdeling 6, Petapahan 1 Estate in March 2015. For example at Afdeling II, from the total of 26 cages, there were 8 adult owls, 3 young owls, one young adult, 9 eggs, and 4 cages that were damaged.

Based on the on-site visit to the office of Afdeling 2 Petapahan 1 Estate, there is a map of nursery program for the pest controlling host plants. Other than that, during spraying activity was found several soft weeds that can be functioned as pest controlling host plants, such as soft weed species *Nephrolepis sp.* and other gummy weeds.

In addition, the regular pest & diseases detecting activity is also conducted during the internal audit of CQC each month, which provides information on the condition quality of the estate blocks and the pest attacks.

On-site observation at Petapahan 1 Estate and Petapahan 2 Estate, Harvesting Activity Block, Spraying Activity Block, Urea Fertilizing Block, and Oil Palm Empty Bunch Application Block all indicated that there is no attack coming from the oil palm leaf-eating caterpillars and the mice.

Based on the internal audit in the period of August 2014, it is revealed that there was realization of 153 units of owl cages from the 157 originally planned, with occupancy level of 39.22% (60 units). On-site visit to Block 130A Division 2 Petapahan 1 Estate also found one adult owl and remains of mouse bones under its cage.

**Special Audit indicator 4.5.1:**

SOPs related to Integrated Pest Management have not changed from the previous assessment

**4.5.2 Minor**

The company presented the record of 2014 *HPT* Training, namely; Report of Internal Training for Integrated Pest Management on 1 January 2015 at the Meeting Room of Petapahan 1 Estate Office. The materials were given by the Group Protection Manager of First Resources, and the training was attended by 12 participants, specifically for the subject of integrated management for *UPDKS* and mice.

Furthermore, the interviews with the nursery supervisors at Afdeling 2 Petapahan 2 Estate also confirmed that said persons are able to explain the techniques of integrated pest management.

**Status: Comply**

**4.6**

**Pesticides are used in ways that do not endanger health or the environment**

**4.6.1 Major**

The company has prepared the document of the list of pesticides used and their status, starting from year 2013 until year 2015. The document provides information on the brand name, active ingredients, concentrations, LD50, distribution license, license validity period, classification according to WHO, Stockholm Convention, and Rotterdam Convention. All pesticides on the list have gained their distribution license from the Fertilizer and Pesticide Monitoring Commission of the Ministry of Agriculture, as listed below;

- *Metafuron 20 WP*, active ingredients: *Metsulfuron-methyl*, license register (1030119951224)
- *Round Up 486 SL*, active ingredients: *glyphosate Isopropylamine*, license register (1030120001560)
- *Bravoxone 276 SL*, active ingredients: *paraquat dichloride*, license register (2174/9-2009/T)
- *Gramoxone 276 SL* (10301197436).
- *Garlon 670 EC*, active ingredients: *triclopyr butoxyethyl ester*, license register (10301198469)

**4.6.2 Major**

The company presented the record of pesticides used in the document of chemical usage details, such as the usage of pesticide with active ingredients paraquat at Petapahan 1 Estate until February 2015 for an area of 1,170.64 Ha was 527.94 liters.

Moreover, a monitoring also done on the amount of active ingredients used per Ha, which is recorded in the document of

the list of pesticides used that also provides information on the active ingredient contents per Ha for every type of pesticide used, as seen in the following sample taken from February 2015:

- Metafuron (*Metsulfuron-methyl*), applied on 6,753.16 Hectares, usage 11 grams, 20.05% active ingredient contents, amount of active ingredients 0.22, active ingredients per Ha 0.000032 g/Ha.
- Gramoxone (*paraquat dichloride*), applied on 1,170.64 Hectares, usage 229 liters, active ingredient content 276 g/l, amount of active ingredients 63.07, active ingredient content per Ha 0.05 g/Ha

Spraying Work Plan and Calculation of Material Usage are recorded in the Work Plan Board displayed on the body of the trucks of spraying team. On-site interview confirmed that the spray supervisors are able to explain the mechanism of spraying solution preparation.

On-site observation of spraying activity at the circle and harvesting path of Block 90 Afdeling 2 Petapahan 1 Estate revealed the use of pesticide with active ingredient *glyphosate Isopropylamine* in a dosage of 0.31 liters per Ha, and pesticide with active ingredient *Metsulfuron-methyl* in a dosage of 125 grams per Ha.

The company is using low volume spraying tool for the spray team, namely *Micron Herbi*. In addition to that, the company also monitors the use of pesticides against the previously set usage budget in the running year.

**4.6.3 Major**

The company has also utilized the owls as natural predators for controlling the mice. The monitoring result up to February 2015 found 157 cages are installed, 59 of them are occupied, 1 with eggs, 10 with owlets, and the rest is still empty.

**4.6.4 Minor**

The company has a commitment to reducing the use of paraquat. It is able to demonstrate the target of paraquat reduction for the years 2014-2015, as seen in the following table;

Year	2014	2015	2016	2017	2018	2019	2020	2021
Target (l/Ha)	0.35	0.22	0.20	0.18	0.16	0.14	0.12	0.10
Realization	0.27							

Interview with the General Manager of PT ATS resulted in the information on the budget for paraquat per Ha = 0.35 l/Ha, while the realization on the field is at a dosage of 0.3 l/Ha, and the reduction of spray rotation using pesticide with active ingredient paraquat from 2.5 times to 1.5 times. In the meantime, the realization of application up to April 2015 is 0.295 l/Ha, with area applied of 4,218.19 Ha, and the volume of material (*Bravoxone*) is 1,248 liters. The realization of the use of pesticide with active ingredient paraquat in year 2015 will be monitored again in the next assessment.

The company presented the documentation of the dissemination of SOP for the Safe Use of Pesticides, as follow;

- Petapahan 1 Estate, on 11 March 2015 at Afdeling II PT ATS, which covered the following materials; OHSE Policy at First Resources Group, MSDS used, prohibition on handling pesticides and their application (for pregnant & breastfeeding women), First Aid Emergency, and how to handle pesticide packaging. Attended by 16 participants.
- Petapahan 2 Estate, on 14 September 2014 at Afdeling II PT ATS, with the following materials; OHSE Policy First Resources Group, MSDS used, prohibition on handling pesticides and their application (for pregnant & breastfeeding women), First Aid Emergency, and how to handle pesticide packaging. Attended by 16 participants.
- The company has also conducted the training for the use of limited pesticides with active ingredient paraquat, which was in collaboration with the Monitoring Commission for Fertilizers and Pesticides of Riau Province, on 24 August 2013 at FR Learning Center, and was attended by 9 representatives from PT ATS.

**4.6.5 Major**

The company presented the certificates of limited pesticide training for the application team of pesticide paraquat from the training held on 24 August 2013, which was in collaboration with the Monitoring Commission for Fertilizers and Pesticides of Riau Province. The certificates are under the following names; *Reja Pardosi, Selamet, M Ridwan, M Siregar, Yon Esa Putra, Raja B Sitanggang, Ezy Suherdi, Jan Redo Saragih, Rahmat Panjaitan, Fahadis, Nanang Sudiar, Miswaldi, Charles Tindaon, and Budi Sainanto.*

**Special Audit Indicator 4.6.5:**

The Company already has procedures for the management and use of pesticides in document of SOP of Safe Pesticide Use (No. FR.CSM.OP.2 dated September 1, 2011) which explains the duties and responsibilities of each position, the spray operators are required to use PPE and do the washing and cleaning in places that have been provided, explanations related to hazard level of pesticides, safe storage procedures, how to mixing, how to destroy waste in accordance with the rules until the first aid.

**4.6.6 Major and 4.6.10 Minor****Management of Agrochemical Waste**

The company has a procedure for the waste management that was authorized on 1 September 2011 by the CEO under a document No. FR.CSM.OP.1. The procedure explains the classification of the waste generated from the Estate and the POM of ArindoTrisejahtera, the handling of hazardous waste including used pesticide packaging, and clinical waste.

On-site observation at the POM of ATS showed that the management of all used packaging of agrochemical is done in accordance with the existing regulation. The company keeps all the packaging of used pesticides and other chemicals including hazardous waste at the hazardous waste temporary warehouse, which will be transported by the licensed hazardous waste collector, namely PT Shali Riau Lestari.

**Special audit indicator 4.6.6:**

The company has obtained a temporary storage permit for hazardous and toxic waste materials (Limbah bahan berbahaya dan beracun) from capital investment and one-stop service office of Kampar District ref no. No. 660/BLH-WAAS/ILB3/2015/10 dated on 27 May 2015 for Petapahan 1 Estate and 503/DPM-PTSP.PEL/LB3/2017/03 dated on 17 October 2017 for Petapahan 2 Estate. The permit is valid for 5 years.

Based on document review, hazardous and toxic waste materials has been storing in temporary storage for hazardous and toxic waste materials and recorded on LB3 log book and report.

**4.6.7 Minor**

On-site observation at Block 90, Afdeling 2 Petapahan 1 Estate revealed the following information;

- All spray workers have been equipped with proper PPE (helmet, safety glasses, mask, rubber gloves, apron, and safety boots).
- All workers are able to explain the safe work techniques for spraying.
- There are warning signboards at the spraying work block.
- There are signboards marking the location for workers during recess.
- The truck units for mixing and for transporting the spray team are equipped with clean water tanks, soap, First Aid kit, work plan signboard, and signboard of the materials used.
- Supervisors are equipped with First Aid Kit containing 14 items and are able to explain the functions of each item inside the first aid box.
- MSDS for the materials used is displayed on the notice board on each unit of spray truck.

All workers have the necessary knowledge on how to handle any emergency in case of pesticide poisoning.

**4.6.8 Major and 4.6.9 Minor**

The company presented the documentation of the dissemination of the SOP for the Safe Use of Pesticides as follow;

- Petapahan 1 Estate, on 11 March 2015 at Afdeling II PT ATS, which covered the following materials; OHSE Policy at First Resources Group, MSDS used, prohibition on handling pesticides and their application (for pregnant & breastfeeding women), First Aid Emergency, and how to handle pesticide packaging. Attended by 16 participants.
- Petapahan 2 Estate, on 14 September 2014 at Afdeling II PT ATS, with the following materials; OHSE Policy at First Resources Group, MSDS used, prohibition on handling pesticides and their application (for pregnant & breastfeeding women), First Aid Emergency, and how to handle pesticide packaging. Attended by 16 participants.

It is advised that the company give refresher training to all pesticide applicators. #OFI.



PT ATS does not accept fruits from any 2<sup>nd</sup> parties, either from the smallholders or from other companies. Based on the interview with spray workers (*TUS*), it is suggested that all spray workers, such as those at Block 90 Div 2 Petapahan 1, have properly recognized all spraying techniques and all aspects of OHSE. They are also able to explain and demonstrate the proper spraying techniques correctly.

**4.6.11 Major**

The company presented the following documents of health examination result;

- Document of assessment/examination of work environment, and health checkup of all workers at PT ATS Petapahan 2 Estate in year 2015 from the *Hyperkes* Center (Center for Company Hygiene and Occupational Health) of Medan, which showed that the result of cholinesterase test from February 2015 on 34 workers is normal. Furthermore, there is a document of laboratory analysis result no. 03.i/LHU/BK3-MDN/II/2015 dated 5 February 2015 for fertilizing workers, spray workers, warehouse staff, and spreader workers. One worker named **Remani** (spray worker), female, has a test result of 62.5. Based on the test result scale, such result should be considered as mildly poisoned (50<75 mildly poisoned).  
Regarding the 2<sup>nd</sup> health check results of the abovementioned workers, the company presented the document of doctor's note from the clinic dated 2 March 2015 No. 04/INT/ATS-FR/2015 for a worker named **Remani**, with the following recommendations;
  - Said worker is advised to take a 4-week break without any pesticide exposure for the purpose of her recovery.
  - Supply of pudding for workers is expected to work well.
  - Evaluation on the proper application of PPE needs to be done, such as how to properly wear mask, head cover, face cover, rubber gloves, and safety shoes.
  - Another health checkup must be done next year to see the observation result.
- Health check up at the Estate and the Mill of Petapahan 1 was conducted on 21 May 2015 in collaboration with the Center for Occupational Health and Safety of Medan. The types of test taken are as follow;
  - Chemical content test in blood (cholinesterase) for 55 employees (spray workers, warehouse staff, waste workers, fertilizing workers, warehouse clerks, lab analysts, sample boys, lab assistants, and WTP operators). Based on the document study, all test results are categorized as normal, such as the one for workers named *Ramayani* with the result of 87.5 and *Sri Wahyuni* with the result of 100.

Based on the interview with spray workers, it is revealed that all workers have gone through regular health checkup and test for high risk (cholinesterase); such as the one conducted during spray activity at Block 90 Afdeling 2. The test results have been disseminated to all workers.

**4.6.12 Major**

Based on the interview with the spray workers at Block 90 Afdeling 2 Petapahan 1, it is confirmed that there is no pregnant and breastfeeding woman employed as spray worker or other jobs that are related to chemicals.

	<b>Status: Comply</b>	
--	-----------------------	--

**4.7**

**An occupational health and safety plan is documented, effectively communicated and implemented.**

**4.7.1 Major**

The company has established the policy for occupational health and safety in the decree of DOB No. 001/sustainability-FR/P/IX/2011 stating that FR Group and its subsidiaries are committed to practicing their operational activities while also observing the environmental and social impacts, and occupational health and safety. The implementation of such policy is carried out through the following ways;

- Complying with the existing rules and regulations and/or other existing provisions regarding OHS
- Establishing the goals, the targets, and the programs of OHS
- Providing the properly trained HR, the appropriate training and its facilities
- Continuously monitoring the OHS performance
- Building and maintaining the preparedness and emergency response
- Providing a proper and safe workplace for its employees

The abovementioned policy has been disseminated to all employees, such as on 27 March 2015 for 26 employees at the POM, for 17 contractors on 20 February 2015, and for 30 estate workers on 20 February 2015.

In implementing the OHS Policy, the company has prepared the necessary SOPs that have been authorized and signed by the Chief Executive Officer on 1 September 2011.

The company has also prepared and set up the OHSE programs, such as the following programs prepared for OHSE year 2015;

- Conducting regular meeting to discuss all OHS issues on a monthly basis, the realization is available in indicator 4.7.4
- Giving OHS trainings, the realization is available in indicator 4.7.3
- Conducting Hazard Identification, Risk Assessment, and Risk Control; the realization is available in indicator 4.7.2

#### **Special Audit Indicator 4.7.1:**

There are no changes to OHS policy and SOP of OHS listed on:

- Occupational Safety and Health Policy in Directors Decree No. 001/sustainability-FR/P/IX/2011 dated September 20, 2011 stating that FR Group and its subsidiaries are committed to carrying out its operational activities with due regard to environmental, social, occupational health and safety impacts.
- SOP of OHS approved and signed by the Chief Executive Officer on 1 September 2011.

#### **4.7.2 Major**

The company has done the identification on all risk sources and types of risk possibly generated by the operational activities of the Estate and the POM. The identification result is included in the report of Hazard Identification, Risk Assessment, and Risk Control for the period of 2015 for the Estate and the Mill. The report contains the following information; description on the activities, hazard potentials, OHS risks, risk assessment prior to being controlled (probability, consequence, level), risk control, and risk assessment after being controlled, and the personnel in charge.

The company has its own procedure for risk control that is already being identified, as seen in the SOP for Hazard Identification, Risk Assessment, and Risk Control under document No. FR.OSH.P03, which was authorized/signed by the Head of Sustainability Department.

The company has kept and preserved all records of the implementation of such control, as seen in the following samples;

- List of PPE handover at Petapahan 2 Estate for the period of February 2015, to 37 harvesters with each set consisting of helmet, sickle safety cover, safety boots, safety glasses, and gloves. While the handed PPE for 17 fertilizing workers each consists of helmet, apron, gloves, mask, and safety boots.
- To avoid any occupational accident, the company has implemented the Tagging System (Clause 2.1.5) on every tool/equipment, such as "stand by" label, "broken" label, and "in repair" label; and the Lock Out System (Clause 2.1.6); entry permit limitation, and signposts. These systems are described in the SOP for the maintenance, the repair, and the adjustment of infrastructure and facilities for production under a document no. FR.OSH.P19.
- Carrying out the regular maintenance of the emergency response equipment on a monthly basis.

The potential health problems and occupational safety caused by unsafe working environment have not been properly handled, as shown during on-site observation at processing station (from sterilizer to clarification), at the chemical warehouse of the POM, and at central fertilizer warehouse.

#### **Non-conformance No. 2015.04 under Major category.**

#### **Special Audit indicator 4.7.2:**

The Company has shown the evaluation to document of Hazard Identification, Assessment and Risk Control on January 2, 2018. Risk identification has covered all operational activities for example in the Estate has identified harvesting, transporting, fertilizing, spraying up to land clearing and nursery.

#### **Observation of non-conformity 2015.04**

**April 26, 2018**

Based on field visits at the mill, fertilizer warehouse and pesticide warehouse, it is observed that the working environment

condition has been well organized and not indicated any potential health problems, for example in sterilizer condition there is no oil spilled, the fertilizer and pesticide arrangement have been well organized and in pile fertilizer has been coated with a tarpaulin to avoid fertilizer spills.

The Company also shows evidence of work environment inspection in the Document of Occupational Safety and Health Inspection, for example on the Estate warehouse area conducted on March 23, 2018.

Based on the explanation, this non-conformity is stated Fulfilled.

#### **4.7.3 Major**

The company has arranged the programs for the upcoming OHS training and workshop, such as the ones for the period of 2015, where the company plans to conduct the following trainings: OHSE Dissemination, General AK3 Training, *Hyperkes* Training for paramedics, First Aid Emergency Training, Working Ergonomics, PPE Application Training, and Occupational Health and Occupational Diseases.

The company is able to present the following proofs of the realization of said training programs;

- OHS Management System Dissemination to the workers at the estate and the mill on 22 January 2015.
- Firefighting Training at PT ATS, which discussed the basic techniques for fire countermeasures, on 18 February 2015 with 28 participants. The materials, attendance list, and photos from the event are available.
- Other trainings and Operator Licenses;
  - Boiler Operator names *Agus Mulyanto* holds a certificate No. 400/PB/KK/OB-I/V/04 and *Kusno Riadi* certificate no. 82/OB-I/III/2002
  - Certificate of OHS development training for Wheel Loader Operator named *Ardian*, under certificate no. 11.10800-OPK3-PAA/VIII/2011 and another operator named *Sardo Jein Harry Sibarani* with certificate no. 11.10799-OPK3-PAA/VIII/2011
  - Certificate for Electric Welder named *Adhe Apriando* No. 563/45, issued by the *BLKPP* on 26 March 2012; Qualification certificate for Welder named *Agung* no. 121/10.12/DMTS/2013, issued by the Directorate General for Oil and Gas on 30 July 2013.

The interviews with the welders at Petapahan 2 and the boiler operators at the Mill showed that said operators are able to explain the technical operation of the machinery and equipment; they also have recognized the risks and hazard that the job might have.

Based on the on-site observation during processing activity, it is revealed that the employees have not yet dutifully applied the personal protection equipment, such as the operators at sterilizer station who does not wear any earplugs while operating the machine. The observation and interview with workers at the workshop of Petapahan 2 also found that the welders have not yet been equipped with welder's PPE (welding outfit).

**Non-conformance No. 2015.05 Major category.**

#### **Special Audit indicator 4.7.3**

#### **Observation of non-conformity No. 2015.05**

**April 26, 2018**

The company shows the latest PPE Acceptance List, for example on 05 January 2018 to the process workers with helmet, shoes, gloves, masks and earplugs.

Based on visits to mill areas, workshops, spray activities in block 146, harvesting activities in block 157 of Petapahan 1 Estate, it is known that workers have used PPE in accordance with risk identification eg spray has used apron, mask, rubber gloves, helmet with protective glass, in the workshop for the welder has been equipped with welding clothes and engine room operator has been equipped with ear muff.

Based on the explanation, then this discrepancy is stated fulfilled

#### **4.7.4 Major**

The company has identified and assigned the personnel in charge for the implementation of OHS. The company was able to present the Decree of the Establishment of the *P2K3* structure that was issued by the *Disnaker* (Labor Agency) of Kampar Regency under document No. KPTS.700/DSTK-PHI/2013/09 on the establishment of the *P2K3* of PT ATS on 27 May 2013. The structure of said organization consists of the following positions; Founder (GM), Chairman (Mill Manager), Deputy Chairman (Estate Manager), Secretary (Technical Assistant); assisted by Evaluation Division (6 members), Monitoring Division (6 members), Research Division (6 members), Emergency Response Team (6 members), Training/Counseling Division (6 members), and Health Division (6 members).

The Secretary of *P2K3* is an OHS Specialist proven by the Decree of Assignment No. SKP.0165/D.JPPK/AK3-U/IX/2014 issued on 3 September 2014. The meetings are held regularly on a monthly basis, such as the one held on 7 April 2015, attended by 36 participants. The reporting of the *P2K3* activities is done on a quarterly basis; the company has submitted the report of the first quarter of 2015 to the *Disnakertrans* on 4 April 2015.

**Special Audit indicator 4.7.4:**

The Company shows the organizational structure of OHS Committee with the number of Decree from the Labor Agency no. Kep 53/Disnakertrans-PK/SK-P2K3/IV/2017 dated 05 April 2017 with the chairman is Mill Manager and Secretary is Bpk. Hardian. The Secretary already has a Decree of Appointment of Occupational Safety Expert with No. KEP.1987/NAKER-BINWASK3/2017 in April 2017 with a validity period of 3 years.

**4.7.5 Minor**

The procedures for first aid emergency handling such as occupational accident and other emergency response have been composed by the company in the following SOPs;

- SOP for Handling of Occupational Accident and Near-accident, under document no. FR.OSH.P12, describing the following; goals, scope, definitions, responsibility, and procedures. The procedure explains that training of general First Aid Emergency is going to be given by the company and all supervisors and health division staff will be given training on how to handle the victim of occupational accident on site, how to handle the accident, how to handle occupational diseases, what the procedures for any mass accident are, the investigation on said accidents, and the reporting.
- SOP for Emergency Response, under document no. FR.EMS.ERS, describing that the ones in charge for any emergency condition are the *P2K3* team, emergency response team, and firefighting team. The procedure in this SOP also explains the mechanism of how to handle emergency, how to handle fires, and how to handle any natural disasters.

The First Aid Emergency Training has been given to the employees to equip them with necessary skills in case of emergency at the following workplaces;

- First Aid Emergency Training on 12 September 2014 at the Estate and the Mill, attended by 37 participants from Petapahan 2 Estate office, 11 participants from Petapahan 1 Estate Afdeling 1, and 17 participants from the POM. List of attendance and materials of the training are available. The company needs to evaluate the First Aid Emergency Training that has been given to the employees. #OFI.
- Fire Fighting Training at PT ATS, which discussed the basic techniques for fire countermeasures, held on 18 February 2015, attended by 28 participants. The training materials, list of attendance, and photos from the event are available.

Based on the on-site observation during the processing activity at the mill, the warehouse, and the workshop of Petapahan 2, as well as during spraying activity at Petapahan 1 (Block 90 Afdeling II), it is revealed that the proof of monitoring is not available yet and the First Aid Kit is not complete (only 5 items available). The document study and interviews with the employees residing in the housing complex of Afdeling 3 Petapahan 1 also suggested that the dissemination and the comprehension on the procedures for emergency response, such as fire, have not been thoroughly conducted.

**Non-conformance No. 2015.06 under Minor Category.**

**4.7.6 Minor**

The company presented the following documents of the health examination results;

- Document of measuring/test of work environment and health examination on the workers at PT ATS Petapahan 2 Estate in year 2015 from the Center for *Hyperkes* Medan, in February 2015, which showed that the cholinesterase test on 34 workers has given the normal result. There is also a document of lab analysis result no. 03.i/LHU/BK3-MDN/II/2015 on 5 February 2015 on fertilizer workers, spray workers, warehouse staff, and spreader operators. One worker named **Remani** (spray worker), female, has a test result of 62.5. Based on the test result scale, such result should be considered as mildly poisoned (50<75 mildly poisoned).
- Health check up at the Estate and the Mill of Petapahan 1 was conducted on 21 May 2015 in collaboration with the Center for Occupational Health and Safety of Medan. The types of test taken are as follow;
  - Chemical content test in blood (*cholinesterase*) for 55 employees (spray workers, warehouse staff, waste workers, fertilizing workers, warehouse clerks, lab analysts, sample boys, lab assistants, and WTP operators). Based on the document study, all test results are categorized as normal, such as the one for workers named *Ramayani* with the result of 87.5 and *Sri Wahyuni* with the result of 100.
  - Audiometric test on 23 employees at the mill that are exposed to noise. The document study showed that the result of said test still indicates a normal category. For example, a worker named *Herlan* (Sterilizer Operator) has a result of 20 for right ear, and 20 for left ear (Normal).
  - Spirometry test on 15 employees at the Estate and the Mill that are exposed to dust. The result showed normal condition, such as of a worker named *Kasdani* (warehouse staff) with the test result of FVC 88% and FEV1 91%.

The company is able to present the *Jamsostek* payment receipt of the *KHT* labors and *PBT ATS1* (Estate and Mill) for the period of April 2015 for 874 employees on 13 May 2015 via *Mandiri* Bank Pekan Baru Branch.

During assessment at Stage 1, it was revealed that the company has required that the contractors enroll their workers into the social security program. For example, an outsourcing work under a MWA No. 14/SPK-L/PTN-I/II/2015 dated 23 January 2015 for the work of empty bunch application. Article 7 Point 4 of said MWA specifies that the contractor shall provide the workers' right, including enrolling them into *Jamsostek* program in accordance with the existing provision.

There are proofs of enrollment and payment for the outsourcing labors in the *Jamsostek* program for 38 workers at ATS 2 and 25 workers at ATS 1. The payment was made directly to the *BPJS Ketenagakerjaan* on 29 May 2015. Currently, half of the outsourcing labors are still in the administration process for the enrollment, which means the non-conformance potential has been declared Closed.

Interview with the employees on site, such as harvesters at Block 100 Afdeling 1 Petapahan 2, suggested that all employees have recognized the existence of *Jamsostek*.

Based on the interviews with the management representative and the document study on the payroll of the *KHL* employees, it is revealed that the company has not yet enrolled the *KHL* labors into the insurance program for occupational accident.

#### **Non-conformance No. 2015.07 under Minor Category.**

##### **4.7.7 Minor**

Monitoring on the occupational accidents is done regularly every day and the results are recapitulated in the monthly report.

Daily monitoring is done by the paramedic through a report of treatment for occupational accident and is recorded in the accident logbook.

Safety officer will conduct an investigation on the occupational accident after receiving the report from the paramedic. The monthly recap is done to find out how many workdays are lost per day and per month. The reporting to *Jamsostek/BPJS* is done by the paramedic and is forwarded to the HRD.

Based on the recap of occupational accident report for years 2014 and 2015 (latest update is May 2015), there is no accident causing the loss of workdays in the company (Estate and Mill).

Based on the interviews with the labors, such as those at mechanical section at the workshop of Petapahan 2, it is revealed that the company has done the dissemination on the potential risk and hazard caused by each line of work/activity. The dissemination was done by the company's safety officer.

4.7.2	Status: Non-conformance No. 2015.04 under Major category.	
4.7.3	Status: Non-conformance No. 2015.05 under Major category.	
4.7.5	Status: Non-conformance No. 2015.06 under Minor Category.	
4.7.6	Status: Non-conformance No. 2015.07 under Minor Category.	
<b>4.8</b>		
<b>All staff, workers, smallholders and contractors are appropriately trained.</b>		
<b>4.8.1 Major</b>		
<p>The company is able to present the training program for improving the employee's capacity. Below are the programs for the 2015 training;</p> <ul style="list-style-type: none"> <li>- Assessment for Manager /GM</li> <li>- HOP Program 2015</li> <li>- Talent Program Batch II 2015</li> <li>- Officer Development Program (<i>pacu bakat program</i>)</li> <li>- Post Officer Development Program (<i>pacu bakat program</i>)</li> <li>- <i>Asisten Kepala</i> (Senior Agronomy Assistant) Development Program</li> <li>- Supervisor Clinic</li> <li>- Supervisor Certification</li> </ul> <p>The company has prepared the training program for <i>SPKL</i>/outsourcing labors, such as;</p> <ul style="list-style-type: none"> <li>- OHS Training</li> <li>- Emergency Response Training</li> <li>- Training on how to use <i>Micron Herbi</i> tool</li> <li>- MSDS Training</li> <li>- Pesticide Application Training</li> </ul>		
<b>4.8.2 Minor</b>		
<p>The company is able to present the proof and realization report of the training activities that have been done, such as;</p> <ul style="list-style-type: none"> <li>- Training on the Occupational Health &amp; Safety and Environmental (OHSE) for the 15 members of spraying team at Decision II on 11 March 2015. Attendance list and training materials are available.</li> <li>- Firefighting training at PT ATS, about the basic techniques for fire countermeasures, on 18 February 2015, attended by 28 participants. Training materials, attendance list, and photos from the event are available.</li> <li>- The training at Petapahan 1 Estate on 11 March 2015 at Afdeling II PT ATS delivered the following materials; OHSE Policy at First Resources Group, MSDS for the materials used, prohibition on handling pesticides and their application (for pregnant and breastfeeding women), First Aid Emergency Response, and handling of used pesticide packaging. The training was attended by 16 participants.</li> <li>- Certificate of OHS development training for Wheel Loader Operator named <i>Ardian</i>, under certificate no. 11.10800-OPK3-PAA/VIII/2011 and another operator named <i>Sardo Jein Harry Sibarani</i> with certificate no. 11.10799-OPK3-PAA/VIII/2011.</li> <li>- Certificate for Electric Welder named <i>Adhe Apriando</i> No. 563/45, issued by the <i>BLKPP</i> on 26 March 2012.</li> </ul>		
<b>Status: Comply</b>		
<b>PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity</b>		
<b>5.1</b>		
<b>Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.</b>		
<b>5.1.1 Major</b>		
<p>The company has the document of environmental impact assessment for all activities at the mill, as described below;</p> <p>a. Environmental impact assessment is included in the document of Presentation of Environmental Information (<i>PIL</i>) year 1993 for the plantation activities and oil palm processing with the capacity of 45 tons/hour and study area of</p>		

7,741.40 Ha. The environmental management and monitoring refer to the *RKL/RPL* from year 1994 that was authorized by the Ministry of Agriculture of the Republic of Indonesia based on the letter no. 003/PIL/RKL/RPL/BA/VII/94 dated 25 July 1994.

- b. For the additional plantation area of 634.85 Ha that became *HGU* in 2010 and 2011, the company has a document of environmental management and monitoring (*DPPL*) composed in 2010 and authorized by the Regent of Kampar on 28 December 2009.

**Special Audit indicator 5.1.1:**

The company has developed the environment impact assessment (AMDAL) in 2 stages:

1. Presentation of environmental information (Penyajian informasi lingkungan/*PIL*) for 7,741.40 ha palm oil and mill with 45 ton/hour capacity approved by Agriculture Ministry reff no. 003/PIL/RKL/RPL/BA/VII/94 dated on 25 July 1994.
2. Management and Monitoring for Environment Document (*DPPL*) for 634.85 ha approved by Kampar Regency Head (Bupati Kampar) reff no. 660/BLH/355/2009 dated on 28 December 2009.

**5.1.2 Minor**

Up to the ST-01 assessment activity, there were no changes made to the scope of environmental impact assessment, such as no replanting activity to be done. The company has a Presentation of Environmental Information (*PIL*) from year 1993 for the study area of 7,741.40 Ha and the POM with the capacity of 45 tons per hour. Additionally, the company has a document of environmental management and monitoring from year 2010 for the additional area of 634.846 Ha.

**5.1.3 Minor**

As the proof of implementation of the environmental management and monitoring, the company has composed the report of such activity in the following documents;

- a. 6-monthly report of the implementation of the environmental management and monitoring for the plantation area of Petapahan 1, Petapahan 2, and the POM of ATS (referring to the *PIL* document from year 1993). The latest report available is from the 2<sup>nd</sup> semester of 2014. Said report has been submitted to the relevant institutions at Kampar Regency.
- b. Monthly report of the environmental management and monitoring referring to the *DPPL* document from year 2010 for the area of 634.846 Ha at Petapahan 2. The latest report available is from the 2<sup>nd</sup> semester of 2014 and has been submitted to the Environment Bodies of Kampar Regency.

However, the content of the reports in both documents is not consistent with the guidelines for environmental documents (*PIL* and *DPPL*), especially on the following concerns;

- The sedimentation test at the river flow, especially at Tapung River (Petapahan 1) is not available.
- The Tapung River water quality test did not follow the guidelines for *RKL/RPL*, which is on a quarterly basis.
- The noise level test did not follow the guidelines for *RKL/RPL*, which is on a quarterly basis.
- The plankton/benthos quality test at Tapung River did not follow the guidelines for *RKL/RPL*, which is on a quarterly basis.
- The proof of monitoring of the social impact management and monitoring in the form of society perception and attitude changes is still not included in the regular report of the implementation of *RKL/RPL*.
- Plankton and benthos test at the upstream and downstream of Hitam River has not been done yet (Petapahan 2).
- The company has not presented the result of ground water quality test at the employee dorm and at the resident's well every 6 months (Petapahan 2).
- The water quality test at the upstream and the downstream of Hitam River and Dumai River has not been done yet (Petapahan 2).

**Non-conformance No. 2015.08 under Minor Category.****Special audit indicator 5.1.3:**

The company has showed Environmental Management Plan and Environmental Monitoring Plan Report that conducted every semester (6 month). This EMP report has submitted to relevan stakeholders.

Based on document review, all environmental monitoring matrix has been monitoring yet, such as aquatic biota was still monitored every semester but in EIA are required every 3 months. **Therefore, non-conformity no. 2015.08 with minor category are still open.**

**5.1.3 Status: Non-conformance No. 2015.08 under Minor Category.**

**5.2**

**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**

**5.2.1 Major**

There is a document of High Conservation Value Identification at the area of PT Arindo Tri Sejahtera, Petapahan Estate, Kampar Regency, Riau Province, which was composed in April 2007 by the environmental team (internal) of PT ATS Riau. The report has been well prepared, yet to ensure the quality of said document, the company needs to present the proof of the qualification of the HCV composing team in the document of HCV identification result report along with other supporting and relevant proofs (*Opportunity for improvement*).

**Special Audit indicator 5.2.1:**

Until this audit, there is no change for HCV identification. HCV identification has conducted by internal team on April 2007 with composition as follow:

1. Ir. Adi Supratman (Leader)
2. Marwan Syarif (member)
3. Lembah Wahyu Prihanto (member)

Based on HCV identification document, HCV potentation has found for 26.6 hectares, with explained as follow:

1. Riparian/buffer zone of Tapung river (9.33 ha)
2. Riparian/buffer zone of Hitam river (16.27 ha)
3. Cemetery (1 ha)

The wildlife diversity identified is as follows: 9 species of birds, 6 species of mammals, 5 species of reptiles. Seven types of fauna including protected categories are: raja udang (*Alcedo coerulescens*), kijang (*Muntiacus muntjak*), Elang tikus (*Elanus caeruleus*), Beruk (*Macaas*), Kucing kuwuk (*Prionailurus bengalensis*), dan Labi-labi (*Dogania subplana*).

**5.2.2 Major**

Based on the identification result, the team does not find any species that are endangered, rare, and threatened inside the plantation area. Wild fauna that are identified belong to the vulnerable species or protected by national regulation that come from the habitat around the plantation area. The HCV area identified inside the plantation area of PT ATS is 26.6 hectares, with explained as follow:

1. Riparian/buffer zone of Tapung river (9.33 ha)
2. Riparian/buffer zone of Hitam river (16.27 ha)
3. Cemetery (1 ha)

On-site visit was made to the Riparian of Hitam River (Petapahan 2) and Riparian of Tapung River (Petapahan 1), and the document verification found the following actions taken in protecting the HCV area;

1. Riparian Protection through boundary arrangement and chemical application prohibition.
2. Dissemination on HCV and flora & fauna protection to the employees and local community through installation of signboards informing the HCV and flora & fauna protection. There is proof of such dissemination done on 9 April 2013 for the people of Suka Makmur Village, Rimba Beringin Village, and Kusau Makmur Village.
3. Regular monitoring on the flora and fauna inside the plantation area as shown in the report of flora and fauna monitoring of PT Arindo Tri Sejahtera Petapahan 1 and Petapahan 2.
4. Counseling for the employees and local community.
5. Species enrichment and rehabilitation at the riparian area (planned for year 2015)
6. No chemical application at the riparian.



7. SOP for the HCV Management in the document FR.EAC.IMM on 12 January 2015 on the Identification, Management, and Monitoring of High Conservation Value.

**5.2.3 Minor**

The company has conducted the HCV dissemination to the community and the workers in accordance with the SOP for HCV Management and HCV Management Plan, which was done in 2013. There is proof of HCV dissemination conducted on 9 April 2013 for the community leader and village officials from around the plantation location. In addition, there is also a regular education implementation plan for the employees and local community that is stated in the document of High Conservation Value Management and Monitoring Plan for PT ATS, which was prepared in April 2015.

**5.2.4 Minor**

As a guideline for the HCV management, the HCV identification document has included recommendations for the management and monitoring of such area, as explained below;

1. The management of the riparian through the arrangement of riparian boundary, signboard installation, and plant enrichment.
2. The protection of the area and the flora & fauna species through the installation of notice boards.
3. Monitoring activity through the on-site observation of the flora and fauna and any public nuisance.

In monitoring the execution of HCV management, the company has prepared a report of the HCV Management and Monitoring on an annual basis. The report contains an evaluation on the performance achievement of the HCV management compared to that of the planned management specified in the HCV identification.

The abovementioned evaluation is used as an improvement for the next management plan, as indicated in the document of the Management and the Monitoring of High Conservation Value Area of PT ATS that was prepared in April 2015 as the amendment of the previous management plan included in the HCV identification process.

**Status: Comply**

**5.3**

**Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.**

**5.3.1 Major**

The company has identification evidence of all sources and waste products resulted from estate and POM operations which is contained in the procedure of waste management FR.SCM.OP-1 on 1 September 2011, for example, waste from POM activities is in the form of liquid waste and POME. Study of document showed that the procedure of waste management (FR.CSM.OP-1 dated 1 September 2011) has not described the identification of waste source in the POM and its management, such as: things related to boiler crust, boiler dust and boiler wash used water. **Non-conformance No. 2015.09 in Major category.**

**Observation on 24 July 2015**

The company showed identification evidence of the sources of waste at ATS POM in the document of Environmental and Social Impact Assessment for Palm Oil Mill in December 2014. Identification of the sources of waste and pollution in the document includes all processing activities of the POM starting from weighing station to chemical warehouse.

The identification at the boiler station resulted, for example, waste of boiler ash, fiber burst, noise, use of chemicals and boiler washing used water causing pollution of water, soil and air. The management actions of the company are among others:

- Boiler ash: collecting and routine cleansing as well as applying it on the field for road-paving.
- Boiler wash used water: installing reservoir trap before disposing the water to the ditch.

**Auditor Conclusion:**

The company has demonstrated the identification of all sources of waste derived from operational activities of POM and its management actions. **Non-conformance No. 2015.09 is declared Closed.**

**Special Audit indicator 5.3.1:**

**Observation on non-conformance No. 2015.09**

The company has conducted corrective action for non-conformity no. 2015.09. List of waste products and pollution source were available on Waste Management Procedure Ref FR.CSM.OP-1 dated 1 September 2011 and Environment and Social Aspect Impact Assessment for palm Oil Mill issued on Dec 2017 (FR.ESM.EAI-3a/1-0/01-08-2011). **Therefore, non-conformity no. 2015.09 has closed.**

**5.3.2 Major**

Management of all pesticide used packaging and other chemicals including hazardous waste is conducted by storing them in a licensed Hazardous Waste Temporary Warehouse (TPS LB3) before transported by LB3 collector who has official license from the Ministry of Environment namely PT Shali Riau Lestari (based on the Decree of the Ministry of Environment No. 237 Year 2011 dated 8 November 2011). Study of document showed that the company has 2 official temporary warehouses namely the one at ATS POM and at Petapahan Estate 2. Each warehouse is based on Decree of the Head of Environment Bodies of Kampar District No. 660/BLH-WAS/10 dated 11 June which is valid for 5 years for ATS POM and Decree of the Head of Environment Bodies of Kampar District No. 660/BLH-WAS.ILB3/04 dated 12 September 2012 which is valid for 5 years for Petapahan Estate 2. All management activities of LB3 have been regularly monitored through the balance of LB3. There is regular reporting to relevant agency every 3 months.

**Special Audit indicator 5.3.2:**

The company has obtained a temporary storage permit for hazardous and toxic waste materials (Limbah bahan berbahaya dan beracun) from capital investment and one-stop service office of Kampar District ref no. No. 660/BLH-WAAS/ILB3/2015/10 dated on 27 May 2015 for Petapahan 1 Estate and 503/DPM-PTSP.PEL/LB3/2017/03 dated on 17 October 2017 for Petapahan 2 Estate. The permit is valid for 5 years.

Based on document review, hazardous and toxic waste materials has been storing in temporary storage for hazardous and toxic waste materials and recorded on LB3 log book and report.

**5.3.3 Minor**

Here is the implementation of solid waste (shells and fibers) used for boiler, empty bunches for manuring and liquid waste for land application.

Type of Waste	Source of Waste	Management
Liquid Waste		
- Waste Water	Production residue	WWTP
- Used Oil	Engine residue	LB3 Temporary Warehouse
Solid Waste		
- Packaging residue	Raw material packaging	LB3 Temporary Warehouse
- Domestic waste	Office, Mill	Collected and disposed to temporary landfill

Field observation, for example, at AFD 2 Block 89 showed that the company has implemented the utilization of solid waste in the form of empty bunches according to applicable procedure.

**Field Observation:**

- a) Means of waste management (WWTP) of ATS POM is adjacent to Tapung River flow. However, there is no evidence of analysis and risk handling management of river pollution in case of leakage/waste overflow from the WWTP.
- b) The company has not been able to show evidence of the management and monitoring of waste water from the mill, particularly from boiler and mill drainage.
- c) Field observation at LB3 Temporary Warehouse in Petapahan Estate 2 showed that there is used oil that has not been properly managed according to applicable procedure (put outside the warehouse).

Based on the explanation above, it is **Non-conformance No. 2015.10 in Minor category.**

**Spceial Audit Indcator 5.3.:**

**Observation on Non-conformance No. 2015.10 in Minor category.**

The company has conducted corrective action for non-conformity no. 2015.09. List of waste products and pollution source were available on Waste Management Procedure Ref FR.CSM.OP-1 dated 1 September 2011 and Environment and Social Aspect Impact Assessment for palm Oil Mill issued on Dec 2017 (FR.ESM.EAI-3a/1-0/01-08-2011). Based on visit to Palm Oil Mill at Petapahan 1 Estrate, empty oil container/drum are still used for other purpose. **Therefore, non-conformity no. 2015.10 with minor category are still open.**

**5.3.3 Status: Non-conformance No. 2015.10 in Minor category.**

**5.4**

**Efficiency of fossil fuel use and the use of renewable energy is optimised.**

**5.4.1 Minor**

The unit management has the plan to increase the efficiency of the use of fossil fuel and to optimize renewable energy (shells and fiber) which is regularly monitored on a monthly basis through renewable energy evaluation report as indicated by the following table:

Month	Processed FFB (tons)	Shells	Fiber	Use of diesel fuel (liter)	KWH turbine	KWH/ton FFB	Liter/ton FFB
March	15,536.60	964.05	1,984.39	6,918	242,264	15.59	0.45
April	16,179.01	1,045.25	1,941.81	8,060	256,752	15.87	0.50
May	15,281.88	989.08	2,001.44	10,885	242,264	15.85	0.71

Study of document showed that the company has implemented the increased use of fossil fuel and renewable energy. For example, during the period of May 2015 ATS POM had efficiently used shells and fibers of 15.85 KWH/ton of FFB and has reached the saving of 39,000 liters of diesel every month.

**Status: Comply**

**5.5**

**Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.**

**5.5.1 Major and 5.5.2 Minor**

Based on the study of document, early planting year of the company is 1992 and the latest is 1997. Until the ongoing assessment there has not been replanting activity.

Associated with land clearing without burning, the company already had decree of the directors' No. 009/Sustainability FR/P/II/2012 on the application of environmental aspects and conservation to the land clearing, on the deciding of point 4 mentioning that zero-burning land clearing should be conducted in the area of First Resources and all its subsidiaries.

**Special Audit indicator 5.5.1 and 5.5.2**

Based on observation on replanting area at Petapahan 1 Estate, it is known that the replanting activity is done by way of falling and chopping trees. There is not indicated any burning activities.

**Status: Comply**

**5.6**

**Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.**

**5.6.1 Major**

Identification all activities resulting pollution and emission had been conducted and monitored by the company. For example, identification related to emission air and ambient, odor, noise and the quality of effluent for PT. Arindo Trisejahtera.

**5.6.2 Major and 5.6.3 Minor**

**Air emission and ambient**

The result of quality testing of air emission and ambient, for example, during the period of semester 2 in 2014 showed that

all test parameters were still below the quality standard set, such as the parameter of NO<sub>2</sub> for boiler was 26.85 mg/m<sup>3</sup> (below the threshold), the noise at ATS POM was 39.09 dBA (below the threshold).

**Effluent of POM**

The company has waste water treatment installation and utilizes the effluent for land application of the plantation based on the permit from Environment Bodies of Kampar District No. 660/BLH-WAS/LAS/10 on 27 December 2012. Based on the laboratory test result, during the period of January – April 2015 there were no test parameters of liquid waste exceeding the quality standard, for example, BOD for the period of April 2015 was 1319 mg/l (<BM) and pH 7.35. All waste water utilization activities have been routinely reported through waste water utilization report, for example, activities during the period of January – March 2015 that have been reported to relevant agency on 12 March 2015.

The result of field observation indicates that the land application to plantation is carried out in accordance with permitted blocks. There is no indication of pollution due to the application bed overflow of liquid waste.

**GHG Emission**

The plan and implementation to reduce GHG as set forth in the SOP of greenhouse gases mitigation. The actions taken by the company to reduce emissions and pollutants are as follows:

- Not opening the peat land with a depth of more than 3 meters.
- Not opening the area with high conservation value.
- Applying zero-burning land clearing.

The company has also been monitoring the calculation of GHG emissions in 2014 based on the standard of ISCC 205 GHG Calculation Methodology and GHG Audit. The GHG Emissions generated by the estate during 2014, for instance, the transportation of FFB amounting 45.86 Kg CO<sub>2</sub>eq/ha/year, the use of pesticide amounting 22.26 Kg CO<sub>2</sub>eq/ha/year, the total of GHG emissions resulted by POM activities is 12.64 gr CO<sub>2</sub>eq/MJ CPO, and the total GHG emissions resulted from the estate and POM activities is 22.73 gr CO<sub>2</sub>eq/MJ CPO.

The company has conducted emission calculation based on the standard of ISCC 205. However, the results of monitoring and GHG emission calculation from the company’s operations have not been reported to the RSPO. **Non-conformance No. 2015.11 in Minor category.**

**Special Audit indicator 5.6.3:**

The company has shown the result of GHG calculation using Palm GHG Calculator V3 for period 2017, with the result among others:

Summary of net GHG emissions from PalmGHG calculator

**Summary of Emissions**

Description	tCO <sub>2</sub> e/tProduct
CPO	1.24
PK	1.24
PKO	
PKE	

Extraction	tCO <sub>2</sub> e/tProduct
OER	19.1
KER	5.74

Land Use	Ha
OP Planted Area	8,161.69
OP Planted on peat	0
Conservation (forested)	26.6
Conservation (non-forested)	0
Total	8,188.29

Production	t/yr
FFB Processed	150,960.41
CPO Produced	28,826.16

**Summary of Plantation/field emissions and sink**

Description	Own			Group			3 <sup>rd</sup> Party			Total
	tCO2e	tCO2e/ha	tCO2e/tFFB	tCO2e	tCO2e/ha	tCO2e/tFFB	tCO2e	tCO2e/ha	tCO2e/tFFB	
Land conversion	70,41.75	8.63	0.47							
CO2 emission from fertiliser	4,851.79	0.59	0.03							
N2O emission	6,017.69	0.74	0.04							
Fuel consumption	1,876.22	0.23	0.01							
Peat Oxidation	0	0	0							
Crop sequestration	-66,741.95	-8.18	-0.44							
Sequestration in conservation area	-243.93	-0.03	0				69.79			
<b>Total</b>	<b>16,172.57</b>	<b>1.98</b>	<b>0.11</b>							

**Summary of Mill emission and credits**

Description	tCO2	tCO2e/tFFB
POME	29,590.8	0.2
Fuel Consumption	492.18	0
Grid Electricity Utilisation		
Exports of Excess Electricity to Housing & Grid		
Sale of PKS		
Sale of EFB		
<b>Total</b>	<b>30,082.98</b>	<b>0.2</b>

**Palm Oil Mill Effluent (POME) Treatment**

Diverted to compost	0 %
Diverted to anaerobic digestion	100 %

**POME Diverted to Anaerobic Digestion**

Diverted to anaerobic pond	100 %
Diverted to methane capture (flaring)	0 %
Diverted to methane capture (electricity generation)	0 %

5.6.3 Status: Non-conformance No. 2015.11 in Minor category.

**PRINCIPLE #6** Responsible consideration of employees and of individuals and communities affected by growers and mills

**6.1**

Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate the continuous improvement.

**6.1.1 Major**

The company has a report of social environment impact assessment at oil palm plantation of PT ATS in 2014 compiled by the team of sustainability First Resources. Based on the study of SIA document, it is known that the operational activities of PT ATS have positive and negative impacts for the community namely:

- Positive impacts: employment opportunities and social assistance; the community expects the company will increase the revenue through partnership; increasingly provides employment and business opportunities, regional development and other social assistance.
- Negative impacts: until now there are no negative impacts felt by people since generally they are not disturbed by the operational activities of PT ATS.

**Special Audit indicator 6.1.1:**

The company has conducted *social environment impact assessment (SEIA)*. SEIA assessed by First Resources's sustainability team in 2012. SEIA has conducted through consultation and participating with relevant parties/stakeholders, such as community leaders, village head, education technical implementation units, headmaster (kepala sekolah) and internal community (workers).

**6.1.2 Major and 6.1.3 Major**

Document of SIA has been compiled based on the field observation and participatory through consultation/communication with the communities of the villages around, such as: Rimba Beringin Village, Sukaramai Village, Summersari Village, community leaders of Rimba Beringin and Sukamakmur, technical Unit of Regional Education of Tapung Sub-district and school principals around the company (result of interview and attendance list available).

Social impact management and monitoring plans conducted by the company are among others:

- Establishing communication and network with relevant stakeholders.
- Improving the quality of public education.
- Improving the quality of village facilities.
- Empowering public economy.

During the period of 2014 the company has implemented CD/CSR program for surrounding communities such as: fogging program to avoid malaria mosquitoes, scholarships, teachers' salary, and so forth. The activities of CD/CSR have been regularly evaluated every year. This evaluation resulted in the follow-up that the CSR activity such as scholarship will be continued in the next year.

**6.1.4 Minor**

The company has evaluated activities related to CD/CSR which is reviewed every year. The process of Social Impact Assessment is participatory compiled through consultation/communication with stakeholders.

Based on the company long-term plan observation and interview with PT ATS management, there is no replanting plan within the period of the next 5 years in the scope of Petapahan 1 and Petapahan 2 of PT. ATS.

**Special Audit indicator 6.1.4:**

The company has conducted SEIA evaluation every 2 years. SEAI evaluation for 2014 and 2016 were available. For example; the company has evaluated scholarship program where based on consultation with surround community that this program is useful and asked to continue in the next year.

**6.1.5**

There is no scheme smallholders at PT ATS

**Status: Comply**

**6.2**

**There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.**

**6.2.1 Major**

In consulting and communicating with the stakeholders, PT Arindo Trisejahtera refers to the procedure of Communication available in the document with a code: FR.EMS.CIE which was ratified on 1 September 2011 by Corporate Sustainability

Head. This procedure describes mechanism of communication with relevant stakeholders (internal and external) regarding any issues of environmental management and or sustainable palm oil (SPO) implementation.

The method used on openness and information transparency is explained with a Flowchart of Social Issue Handling and Request for Information/Response.

When visiting the office of Rimba Beringin Village the auditor team saw the mechanism flowchart installed on the office wall, showing the communication and consultation flow between PT Arindo Trisejahtera and the community.

Based on the result of interview with the village residents during public consultation as well as the result of document study, PT Arindo Trisejahtera has had a procedure for internal and external communication. However, the procedure has not been well-understood by most of the people in the village and by other stakeholders.

**Special Audit indicator 6.2.1**

The company has conducted communication and consultation to stakeholders refer to communication procedure reff no. FR.EMS.CIE dated on 1 September 2011. Method for consultation has explained in social isu handling and information requested flowchart.

**6.2.2 Minor**

Procedure of communication owned by PT Arindo Trisejahtera has contained information about tasks and responsibilities as well as job division in handling social issues.

Specifically, the officer responsible for external communication is the coordinator of public relation/General Manager in accordance with the Job Description from Regional Public Relation in the Job Description of First Resources on 1 September 2011. Task description of Public Relation Coordinator (PR) is to communicate with relevant parties in order to meet the social work plans and to provide positive information for other parties associated with the company, such as communities, press, government, costumers, competitors, and so forth.

From the interview with Kampar Regional of PR Coordinator (Unit PT Arindo Trisejahtera), it is known that the communication is conducted by holding monthly meeting with public, Customary Leaders and government.

**6.2.3 Minor**

To support the process of consultation, the company has the list of stakeholders including contact numbers and annual updated relation with the company. The list for the period of 2015 contains information such as:

- 8 provincial-level agencies including BKSDA (central agency)
- 6 district agencies including district police.
- Sub-district government: head of sub-district, head of sub-district police, military headquarter at the sub-district level.
- 5 villages government and community leaders from Rimba Beringin Village, Suka Ramai Village, Kusau makmur Village, Sumber Sari and Senamanenek Village.
- 8 community leaders.
- 6 health service units.
- 2 NGOs (Sialang in Pekanbaru and AMAN-Kampar).
- 7 schools and colleges.
- 3 units of banks.
- 43 institutions of local contractors and suppliers.

Based on the study of document and interview with people of Rimba Beringin Village, there is a Request Letter submitted on 19 March 2015 by an educational institution (SMK Negeri 1 Tapung Hulu), but the letter has not been responded by the PT Arindo Trisejahtera. **Non-conformance No. 2015. 12 in Minor category.**

**Special Audit Indicator 6.2.3:**

**Observation of Non-conformance No. 2015. 12 in Minor category**

The company has shown a response to application letters from SMK Neg 1 Tapung Hulu dated on 19 March 2015 by reff no. ATS/Int/131/VI/2015 dated on 6 June 2015. The company has also developend and evaluated respond matrix to find out the response time of incoming letters/proposals. For period 2015-2017, response time are 1 weeks till 1 months. Based on the explanation, **Non-conformance of 2015.12 is declared Closed**

6.2.3	<b>Status: Non-conformance No. 2015. 12 in Minor category.</b>
-------	--

<b>6.3</b>	
<b>There is a mutually agreed and documented system for dealing with complaints and grievances, which is Implemented and accepted by all affected parties.</b>	
<b>6.3.1 Major</b>	
<p>The system to resolve complaints is included in the procedure of communication with the code: FR.EMS.CIE ratified on 1 September 2011. However, the procedure of complaint submission has not explained the guarantee of anonymity of the whistleblower.</p> <p>PT Arindo Trisejahtera has not been able to demonstrate the evidence of evaluation related to the effectiveness of dissemination on complaints mechanism based on the result of public consultation with the stakeholders (surrounding communities). It causes the <b>Non-conformance No. 2015.13 in Major category.</b></p> <p><b>Special Audit indicator 6.3.1:</b>  <b>Observation of Non-conformance No. 2015.13 in Major category.</b></p> <p>The company has revised communication procedure ref no. FR.EMS.CIE dated on 29 July 2011 (Rev1). In clause no. 3.15, company's management will provide anonymous quarantees of complainment (whistleblower) including confidentiality, safety, reputation to any stakeholders who conveys confidential information to the company.</p> <p>The company has also evaluated for communication and every complaint submission every 2 years. Communication and compliant handling evaluating were available for 2015 and 2017. <b>Therefore, non-conformity no. 2015.13 has closed.</b></p>	
<b>6.3.2 Major</b>	
<p>From the interview with the representatives of the company management, interview with relevant stakeholders ( government of Kampar District and surrounding communities), it is known that the entire land issues have been resolved and during the audit there are no disputes related to operational activities of PT Arindo Trisejahtera.</p>	
<b>6.3.1</b>	<b>Status: Non-conformance No. 2015.13 in Major category</b>
<b>6.4</b>	
<b>Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	
<b>6.4.1 Major</b>	
<p>Study of document showed that PT ATS Plantation had been established from 1993. No new plantation development after 2000. However, the company has already had procedure of FPIC application in the opening of new oil palm plantation as follows:</p> <ol style="list-style-type: none"> <li>1. SOP with the code FR.EAC.FPC on 17 June 2013 on the Implementation of the Concept of Free, Prior and Informed Consent in the Area of New Development of Oil Palm Plantation. The SOP describes procedures to identify the customary legal rights, communication and consultation in land acquisition as well as conflict resolution process in case.</li> <li>2. SOP with the code UMM-PLH-2 on 3 September 2014 on Land Acquisition. The SOP describes definition, task division as well standard procedure in the process of land acquisition. The procedures are: dissemination of estate development, strengthening the village boundaries in the estate location, appointment of village measurement team, mapping, proposal submission of land acquisition, approval, minutes and inventory map, document verification and payment of compensation.</li> <li>3. Procedure of communication with the stakeholders is in the document with the code FR.EMS.CIE ratified on 1 September by Corporate Sustainability Head. Handling social issues is the shared responsibility of the entire management with task division in the handling.</li> </ol>	
<b>6.4.2 Minor</b>	
<p>The result of interview with the village residents and workers showed that during the audit stage-2 there were no activities of compensation related to the area development and land conflicts within the operational area of PT Arindo Trisejahtera.</p>	
	<b>Status: Comply</b>
<b>6.5</b>	
<b>Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</b>	



**6.5.1 Major**

The company is able to demonstrate Decree of the Governor on Provincial Minimum Wage 2015 No. Kpts.244/III/2015 dated 31 March 2015 on the minimum wage subsector of agriculture/plantation of coconut and oil palm as well as rubber plants on Riau Province in 2015. Based on the provision of the circular letter from Managing Director had been issued No. 02.0/SE/004/IV/15 dated 2 April 2015 regarding daily worker wages:

- Permanent Daily Employees (KHT) are paid IDR 2,000,250/month plus benefit in the form of rice amounting IDR 8,350/kg, overtime tariff of IDR 12,286/hour.
- Casual Daily Employees (KHL) are paid IDR 85,020 per day and overtime tariff as much as IDR 12,286/hour.

Evidence of payment of wages showed by the company is the document of payroll slip, for example:

- Employee with the NIK 20081000100313 for the period of April 2015 (permanent) with the component of wages such as: basic salaries, premium, social security benefits, accumulated wages, rice allowance and BPJS. The payroll deductions are: Income tax, social security deduction, BPJS deduction, SPSI deduction, benefit deduction, work tool deduction and others (cooperative unit debts).
- A casual employment with the NIK 20141100100024 (maintenance worker), component of accumulated wages and basic salaries.

Based on the study of document and interview with the employees, for example with manuring worker at Block 108 Afdeling 1 Patepahan 2 and harvest worker at Block 100 Afdeling 1 Patepahan 2, it is known that employees have understood the minimum wages, and current payment is conducted in accordance with applicable provision.

There is an evaluation to the wages for non-permanent workers, such as the nannies.

**6.5.2 Major**

The company has compiled employment agreement with employees detailing the work system, occupation, employment and wages payment system, for example:

- SPK No. GM/SK INT/27/VI/2014 concerning the appointment of KHT of harvest.
- SPK No GM/SK INT/27/VI/2013 concerning the appointment of an employee named Juliansyah Putra as KHT of Mill Compound per 18 June 2013.

Article 1 describes occupational relationship, article 2 describes remuneration and article 6 describes occupational termination. Provisions on sickness, holiday entitlement, working hours, overtime hours, resting time, shift division and working location have been explained in separated regulation namely in Collective Work Agreement (PKB). The company is able to show the PKB between PT ATS and PUK SP3-SPSI period of 2013-2015 which was ratified by Head of Labor Service of Kampar District through a Decree No. 560/DST-PHI/PKB/2013/12 on 5 September 2013.

Based on the interview with the worker, such as a paramedic in Patepahan 2, it is known that the employees and the company are attached to each other by a direct work agreement describing the job as well as the rights and obligation of the employees.

**Special Audit indicator 6.5.2:**

The Company represents the latest labor law in the Collective Labor Agreement for the period 2015-2017 with approval from the Social Service and Manpower of Kampar Regency with no. 560/DSTK-PHI/PKB/2016/15 dated 29 February 2016 with validity until December 29, 2019.

**6.5.3 Minor**

The company has been providing adequate facilities for employees such as the clinic, ambulance, sport field, religious places, educational facilities (Kindergarten, playgroup, elementary school), housing (G2 permanent, G2 semi-permanent, G4 permanent, G4 semi-permanent, G6 woods and G12 woods) and the school bus.

Company also provided a drilled-well as a source of clean water for employees.

The result of field observation to the employees' housing at Division 1 Patepahan 2 showed that the facilities provided by the company are adequate and it is also known that there are other public facilities such as religious place, clean water and school. The company needs to evaluate and improve environmental cleanliness management of the employees' housing.

The results of clean water source quality testing (well) at Petapahan Estate 1 showed parameters that are not in accordance with clean water quality standard in Regulation of Health Minister 416 year 1990, such as parameters of color and nitrate. However, the company has not been able to demonstrate evaluation and follow-up of the clean water quality handling that is not in accordance with the quality standard. **See non-conformance No. 2015.14 in Minor category.**

**6.5.4 Minor**

The company has been making efforts to monitor and improve the access for workers to food source that is decent, adequate and affordable by opening a grocery shop. The opening of this grocery shop is based on the circular by Estate General Manager No. ATS-1/SE/68/IX/2013 on 26 September 2013. In addition, there is a list of 39 daily active business persons for the period of 2015 around the mill and estate.

The result of field observation and interview with employees at Division 3 Patepahan 1 and Division 1 Patepahan 2 showed that the access to adequate, decent and affordable food source has been available. The company also provides the grocery shop which sells the basic needs of the employees.

**6.5.3** Status: **Non-conformance No. 2015.14 in Minor category.**

**6.6**

**The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.**

**6.6.1 Major**

Director of HRD has issued an Internal Memo No. 07/INT-MEMO/ATS/II/2013 on 5 February 2013 explaining that PT ATS as a subsidiary of First Resources Group is committed to support and facilitate the employees' rights to unite and assemble. The company's PKB in Chapter II Article 6 describes that the company recognizes the existence of current worker union (PUK SP3 SPSI) which had been recorded in Labor Service of Kampar District with the Record No. 01/SP3-SPSI-ATS-I/II/2008 on 19 February 2008. Structure of organization of the worker union PUK SP3 FSPSI for the period of 2014-2017 consists of Chairman: Zulkarnaen, Treasurer: Wagimin, Secretary: Ranto, Chairman of the Plenary: Syafrizal who is helped by plenary committee from each afdeling and division.

**Special Audit indicator 6.6.1:**

Policy related to freedom of association are still the same as the previous assessment contained in Internal Memo No. 017/INT-MEMO/ATS/II/2013 from HRD Director dated February 5, 2013 which explains that PT ATS as a subsidiary of First Resources Group is committed to support and facilitate the rights of employees in association and assembly.

**6.6.2 Minor**

The company is able to show evidence of meeting between SPSI and the representatives of management conducted every 3 months. For example, the meeting held on 4 April 2015 discussing among others dissemination of wages of permanent daily workers in 2015, dissemination of overtime payments and premiums, discussion related to bonus payments for the period of 2014, the number of participants present at the meeting were 28 participants. There is evidence of the meeting in the form of photos available.

Status: **Comply**

**6.7**

**Children are not employed or exploited.**

**6.7.1 Major**

To ensure that the company does not employ workers under the minimum age specified in government regulation, the company has published the children labor policy No. 011.B/SUSTAINABILITY-FR/P/VI/2012 mentioning that FR Group and its subsidiaries are committed not to employ children under the age of 18 and will make sure by checking identity card of workers at the time of the recruitment.

The company is able to show the monthly report of estate and POM personnel period of April 2015 informing NIK, name, position, religion, status, and start date of work, place of birth, date of birth, age of the worker, BPJS number, and KPJ number. Based on the list of employees, there are no workers under the age of 18.

Based on the field observation and interview with manuring worker at Block 108 Afdeling 1 Petepahan 2 and harvest worker at Block 100 Afdeling 1 Petepahan 2, it is known that the company does not employ people underage. The result of public consultation also showed that the company is quite strict in applying regulation related to the age of the workers; recruiting labor underage is prohibited by the company.

**Special audit indicator 6.7.1:**

There is no change in the policy/age requirements of workers in the Child Labor policy document number 011.B/SUSTAINABILITY-FR/P/VI/2012 stating that FR Group and its subsidiaries are committed not to employ children

with age under 18 years. Based on field observation at Petapahan 1 Estate and ATS POM, there are no workers under the age of 18 years.

**Status: Comply**

**6.8**

**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 Major**

The company already has equal right policy with No. SE: 02.0.4/SE/HRD/002/VIII/2011 issued by HR Director on 9 August 2011. The policy mentioned that:

- The company receives and recruits the employees without distinction of race, ethnic, religion and sex.
- The company provides equal opportunities to all employees to work and contribute.
- The company provides equal opportunities for promotion of class and positions in accordance with the work performance.
- There are sanctions for employees who engage in discriminatory practices.

**Special Audit indicator 6.8.1:**

The Company shows Directors Decree No. 011.A/Sustainability\_FR/P/VI/2012 dated June 15, 2012 authorized by the CEO on the Employment Equalization policy which decides that the FR Group did not discriminate against anyone in the matter of employment or in its business activities, the selection and promotion process shall be assessed on the basis of qualifications and experience.

**6.8.2 Major**

The company is able to show the monthly report of estate and POM personnel period of April 2015 informing NIK, name, position, religion, status, and start date of work, place of birth, date of birth, age of the worker, BPJS number, and KPJ number. Based on the study on the list of employees, there is no discrimination in terms of recruitment and career enhancement. Information from manuring worker at Block 108 Afdeling 1 Petepahan 2 and harvest worker at Block 100 Afdeling 1 Petepahan 2 showed that there is no discrimination in recruitment. Career enhancement is based on the competency and work performance of the employees.

**6.8.3 Minor**

The company is able to demonstrate procedure of recruitment and selection of employees with document No. FR.CHR.R&S.002 issued on 1 November 2012. This procedure was ratified and signed by VP of Human Resources. Point 4.6 describes the stages of recruitment and selection of PBT and Staff including process of administrative selection, written test, interview, admission decision, compensation pack offers, medical screening and the signing of SPK. Point 4.7 describes recruitment and selection for KHT, KHL and SPKL/D.

The company has informed the recruitment to the surrounding villages through the local government.

**Status: Comply**

**6.9**

**There is no harassment or abuse in the work place, and reproductive rights are protected.**

**6.9.1 Major**

The company has a policy of the ban of sexual harassment in the decree of directors No. 011.C.Sustainability-FR/P/VI/2012. The policy describes that FR Group and all its subsidiaries prohibit all forms of sexual harassment in the forms of physics, comments, jokes and/or showing and other behaviors.

To implement the policy, the company has formed a gender committee with the composition consists of the chairman: Santi, coordinator of equality: Marlinda, coordinator of counseling: Desnawati, coordinator of women's rights: Sumirah and coordinator of training: Farida.

There are several work programs of gender committee for the period of 2015, such as:

- Dissemination on gender equality planned in March and September.
- Gender committee meeting planned in June and December.
- Committee meeting with SPSI planned in March and November.

Dissemination on the ban of sexual harassment has been conducted on 21 February 2015 attended by 18 participants. Spray worker at Block 90 Afdeling 2 Petepahan 1 informed that the ban of harassment and sexual abuse has been disseminated by the company through gender committee and worker union.

**Special Audit indicator 6.9.1:**

There is no change in the policy to prevent sexual harassment in the Directors Decision Letter No. 011.C.Sustainability-FR/P/VI/2012 explaining that FR Group and all its subsidiaries prohibit all forms of sexual harassment in physical form, comments, jokes and/or shows and other behaviors.

**6.9.2 Major**

There is a policy of the protection of reproductive rights in the decree of directors No. 011.D/SUSTAINABILITY\_FR/P/VI/2012 mentioning that FR Group and all its subsidiaries are committed to ensure the reproductive rights of workers including providing reproductive health service.

Dissemination of the policy was held on 20 to 22 February 2015 to all employees. There were 85 participants in this dissemination.

In the interview during the spraying at Block 90 Afdeling 2 Petepahan 1, a spray worker informed that there is protection of reproductive rights by banning pregnant breastfeeding female workers to work in the area related to chemicals. From the paramedic, it is known that the company has a policy to provide recess time to female workers having menstrual period for 2 days and 3 months for female workers who give birth.

**Special Audit indicator 6.9.2:**

The Policy on Reproductive Rights does not change as stated in the decision letter of the directors No. 011.D/SUSTAINABILITY\_FR/P/VI/2012 stating that FR Group is committed to guarantee the reproductive rights of workers as well as providing reproductive health services.

In addition, the company has a Collective Labor Agreement period 2015-2017, that explain for the worker giving birth are given the leave for 3 months and for worker that menstruation are given leave period for 2 days.

**6.9.3 Minor**

Mechanism on submitting specific complaint is described in the policy of the ban of sexual harassment. It is stated that th employees who feel harassed can report to department of internal audit. There is a hotline number to be called in case of harassment.

Spray workers at Block 90 Afdeling 2 Petepahan 1 informed that workers have understood the mechanism of complaint submission. The result of interview with the chairman of gender committee stated that until the assessment there are no specific complaints reported to gender committee and to worker union.

**Status: Comply**

**6.10**

**Growers and mills deal fairly and transparently with smallholders and other local businesses.**

**6.10.1 Minor and 6.10.2 Major**

PT Arindo Trisejahtera does not receive FFB from other parties and only processes FFB from the nucleus estate belonged to the company namely Petepahan 1 Estate and Petepahan 2 Estate. Procedure of fruit receipt on 28 March 2014 with document No. MN.FR.COP.OPM.PNB stated that the company does not receive illegal fruits (fruits from the forest, stolen fruits and so forth).

**6.10.3 Minor**

There is evidence of document of **Agreement Letter** No. 01/P-Box Culvert/ATS/LGL/II/15 for the making of Box Culvert between PT Arindo Trisejahtera and the contractor located in Suka Harja Sub-village RT 01/RW04, Rimba Beringin Village, Tapung Hulu Sub-district, Kampar District of Riau Province. The letter was signed on 2 February and had been approved by the CEO and Contractor.

The content of the agreement describes the Scope of Work (Article 1), Technical (Article 2), Terms of Work (Article 3), Price (Article 5), Terms of Payment (Article 6) and Employment (Article 8).

The result of the interview with the contractor (Jusam Silalahi) during the public consultation in the office of Rimba Beringin Village showed that the work agreement with the company is signed without any force, fair, legal and accepted by each party.

**6.10.4 Minor**

PT Arindo Trisejahtera is able to demonstrate evidence that the payment of work agreement of the contractors have been done on time. It is proven by the payment of *the Making of 2 units Box Culvert Size 2 M x 2 M x 4 M x 4 M*. The documentation evidence can be shown are:

- Bank Payment to contractors.
- Minutes of Job Handover (BASTP)
- Completion Inspection Report (LP3)
- Detail of the Work (RHP)
- Recapitulation of the Minutes of Main Job Handover
- Payment receipt on 13 April 2015.
- Disposition memo of Finance No. 86/PTN-1/FRG/II/2015 dated 28 February 2015.

According to the interview with contractors during public consultation at Rimba Beringin Village office, it was stated that each accomplished job had been paid on time by PT Arindo Trisejahtera in accordance with prior agreement.

**Status: Comply**

**6.11**

**Growers and millers contribute to local sustainable development wherever appropriate.**

**6.11.1 & 6.11.2 Minor**

PT Arindo Trisejahtera does not cooperate with the community/farmers. The document showed that the company has the report of meeting with stakeholders in terms of RSPO certification process. The meeting with the stakeholders (plantation service, Environment Bodies, Labor and Transmigration Service, head of relevant villages, religious leaders, NGOs concerned with oil palm development) was held on 12 March 2015 and attended by 42 participants (attendance list and event photos available). The agenda of the meeting is to outreach the stakeholders on:

- Management of the estate (best management practices)
- Environmental management and conservation program
- CD/CSR of the company

The result of public consultation with the people of Rimba Beringin Village, Kasau Makmur Village, Sekaramai and Summersari Village, people feel that they are not involved in the local development program made by the company in the form of CD/CSR.

From the study of document and interview the auditor team assess that PT Arindo Trisejahtera has not been able to show that local development undertaken has been evaluated based on the result of public consultation and communication.

**Nonconformance No. 2015.15 in Minor category.**

**Special Audit indicator 6.11.1**

**Observation of Nonconformance No. 2015.15 in Minor category.**

CD-CSR evaluation for 2017 were available. Based on document review and interview, result of CD-CSR evaluation for 2017 as follow;

- ✓ The involvement of stakeholders need to be further enhanced in the implementation of CSR program activities.
- ✓ Scholersip program is very beneficial for surrounding communities
- ✓ Monitoring and evaluation will be carry out periodically by region sustainability.

The company has been developing CD-CSR program for 2018 such as scholersip program for 40 childrens, try out sponsorship, movement of helathy school children program, entrepreneurship program etc.

Based on information above the non-conformance 2015.15 is declared Closed.

6.11.1 **Status: Nonconformance No. 2015.15 in Minor category.**

**6.12**

**No forms of forced or trafficked labour are used.**

**6.12.1 Major**

There is a list of employees of the estate and mill for the period of 2015 informing NIK, name, position, start work date, origin, date of birth, age, religion, sex and domicile. The company does not employ workers from illegal trafficking. Generally the workers are from the area around the plantation.

**6.12.2 Minor**

The company is able to show the SPK of employee, for example SPK No. GM/SK INT/27/VI/2014 on the appointment of KHT for harvesting job and SPK No GM/SK INT/27/VI/2013 on the appointment of employee on behalf of Juliansyah Putra as KHT of Mill Compound per 18 June 2013. The company does not employ workers forcibly, they can resign without penalty.

The SPK of employees showed that the company does not undertake substitution contracts. For example, SPK No. GM/SK INT/27/VI/2014 on the appointment of KHT for harvesting job and SPK No GM/SK INT/27/VI/2013 on the appointment of employee on behalf of Juliansyah Putra as KHT of Mill Compound per 18 June 2013. The company can demonstrate that every worker knows the type of work written in the employment contract.

**6.12.3 Major**

The company does not use migrants and temporary workers. All employees of PT ATS are permanent daily workers and monthly workers. There is a list of employees in the period of 2015 informing origin and address of each employee.

**Status: Comply**

**6.13**

**Growers and millers respect human rights**

**6.13.1 Minor**

The company has had a policy of Human Rights stated in the decree of directors No. 018/Sustainability FR/P/03/2015 which states that:

- Company recognizes the right of everyone for recognition, security, protection and fair legal treatment.
- Everyone has the right to protection of human rights.
- The cultural identity of indigenous legal community including the rights over customary land is protected.
- Everyone has the right to live, to survive and to improve the standard of living.
- Everyone is entitled to a good, healthy living environment.
- Everyone has the right to develop and to benefit from science and technology.
- Everyone has the right to communicate and to obtain information.
- Everyone has the right to choose and to have a political faith.
- Everyone has the right to assembly and to associate.

Interview with the spray worker at Block 90 Afdeling 2 Petepahan 1 showed that the company has conducted dissemination related to the policy of human rights.

**Special Audit indicator 6.13.1:**

There is no change to the human rights policy stated in the decision letter of directors number: 018/Sustainability\_FR/P/03/2015

**Status: Comply**

**PRINCIPLE #7 Responsible development of new plantings**

**7.1**

**A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.**

Not Applicable. There is no development of new area after 2005. The document showed that company planted within the period of 1992 – 1997.

**Status: Comply**

**7.2**

**Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.**

Not Applicable. There is no development of new area after 2005. The document showed that company planted within the period of 1992 – 1997.	
<b>Status: Comply</b>	
<b>7.3</b>	
<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.</b>	
Not Applicable. There is no development of new area after 2005. The document showed that company planted within the period of 1992 – 1997.	
<b>Special Audit:</b>	
The company has shown proof of delivery of disclosure to RSPO secretariat on August 12, 2014 and there has been a response on 23 June 2015 which explains that in PT ATS is zero liability	
<b>Status: Comply</b>	
<b>7.4</b>	
<b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>	
Not Applicable. There is no development of new area after 2005. The document showed that company planted within the period of 1992 – 1997.	
<b>Status: Comply</b>	
<b>7.5</b>	
<b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	
Not Applicable. There is no development of new area after 2005. The document showed that company planted within the period of 1992 – 1997.	
<b>Status: Comply</b>	
<b>7.6</b>	
<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.</b>	
Not Applicable. There is no development of new area after 2005. The document showed that company planted within the period of 1992 – 1997.	
<b>Status: Comply</b>	
<b>7.7</b>	
<b>Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>	
Not Applicable. There is no development of new area after 2005. The document showed that company planted within the period of 1992 – 1997.	
<b>Status: Comply</b>	
<b>7.8</b>	
<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>	
Not Applicable. There is no development of new area after 2005. The document showed that company planted within the period of 1992 – 1997.	
<b>Status: Comply</b>	
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>	
<b>8.1</b>	
<b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>	

**8.1.1 Major**

The company has had a periodic sustainability program 2015 for estate and POM ATS as follows:

Activity	Aims	Target of time	Target
The use of renewable energy sources	Reduction in diesel consumption with the use of fiber and shells	December 2015	Optimizing the use of renewable energy
Optimization of CPO production machine	Reduction in losses CPO by periodic maintenance	December 2015	Reducing the losses CPO to waste pond
The use of water resources	Efficient use of water	December 2015	Reducing water consumption by improving and monitoring the use of water
Sustainable certification	Application of sustainable systems (ISCC, ISPO, RSPO, ISO, SMK3, and OHSAS)	December 2015	Implementing certification process voluntarily and implementing the systems in all related parts both in the estate and in the mill

**Occupational Health and Safety**

Internal and external audit of OHSAS. The company conducts internal audit of OHSAS annually and can show the report of internal audit for the period of 2014 which was held on 10 to 11 December 2014. There are 4 non-conformances arise and have been followed-up. The non-conformances are recorded in the form of *nonconformity corrective and preventive action*.

Management review of OHS is conducted annually. The company is able to show the report of review and improvement of OHSAS in the period of 2014. The document describes the things will be improved based on the activities during 2014. For example, to update the regulation related to OHS and to improve feedback from employees.

**Status: Comply**



**3.2. Summary of Assessment Report of Supply Chain Requirement**

**3.2.1 General chain of custody requirements for the supply chain**

Clause	Requirement
<b>5.1</b>	<b>Applicability of the general chain of custody requirements for the supply chain</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.
	Question: Does the organization take legal ownership and physically handles RSPO Certified Sustainable oil palm products at their premises or through the outsourcers?
	It will be apply when mill certified
	<b>Status: Comply</b>
5.1.2	Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.
	Question: Is the organization buying from RSPO licensed traders who pass the certification number of the product manufacturer and the applicable supply chain model?
	It will be apply when mill certified
	<b>Status: Comply</b>
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.
	Question: Is the site level or its parent company a member of RSPO and registered on RSPO IT platform?
	PT Arindo Trisejahtera is able to show that the mill of ATS has been registered through RSPO IT Platform (E-Trace) No. RSPO_PO1000002631
	<b>Status: Comply</b>
5.1.4	Processing aids do not need to be included within an organization's scope of certification.
	Question: Is the site level or its parent had a processing aids?
	It will be apply when mill certified
	<b>Status: Comply</b>
<b>5.2</b>	<b>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.
	Question: Has the organization applied the Supply Chain Model correctly?
	It will be apply when mill certified

	<b>Status: Comply</b>
<b>5.2.2</b>	
The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	
Question: Has the organization applied a combination of Supply Chain Model correctly?	
Based on the data of FFB Acceptance for period of 2017, it is known that the ATS POM received FFB from Petapahan 1 Estate, Petapahan 2 Estate, PT Karya Tama Bakti Mulya and PT Riau Agung Karya Abadi, so it is known that POM still receive from outside the scope of certification. Therefore, the mill applies Mass Balance module.	
	<b>Status: Comply</b>
<b>5.3</b>	<b>Documented procedures</b>
<b>5.3.1</b>	
The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.	
Questions : Documented procedures established and covering all provisions following:	
<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>	
At the special audit, there are no changes to SOPs relating to SCCS listed in:	
a. There is the SOP of supply chain implementation available in the document:	
<ol style="list-style-type: none"> <li>1. SOP with the code FR.CSM.SCP on 1 October 2011 on the Mechanism of Supply Chain that has obtained approval from Corporate Sustainability Head. The SOP adequately describes: definition and responsibility division of relevant officers from the level of CEO to afdeling clerk and weighbridge officer, procedure of receipt and processing of the FFB at the mill, grading control, bookkeeping administration, incoming and delivery of CPO, special notes, flowchart of supply chain in general, flowchart of supply chain at the POM, flowchart of receipt and delivery of CPO and relevant forms.</li> <li>2. SOP with the code FR.CSM.MTM on 1 March 2012 on the Traceability and Mass Balance In Estate and Palm Oil Mill.</li> <li>3. SOP No. FR.CSM.TIO on 2 July 2012 on Traceability of incoming and outgoing CPO at the Bulk/Storage.</li> </ol>	
b. Personnel in charge of implementing procedure of traceability and supply chain have been set by the management of PT Arindo Trisejahtera, namely:	
<ol style="list-style-type: none"> <li>1) Mill Manager</li> <li>2) Assistant of Mill Head</li> <li>3) Weighbridge Operator Head</li> <li>4) Weighbridge Operator</li> <li>5) Assistant of Laboratory</li> <li>6) Administrative Head</li> </ol>	
	<b>Status: Comply</b>
<b>5.3.2</b>	
The site shall have a written procedure to conduct annual internal audit	
Question :	
Documented annual internal audit procedures established and covering all provisions :	
<ol style="list-style-type: none"> <li>i) Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</li> <li>ii) Effectively implements and maintains the standard requirements within its organization.</li> </ol>	
It will be apply when mill certified	

	<b>Status: Comply</b>
<b>5.4</b>	<b>Purchasing and goods in</b>
<b>5.4.1</b> The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier	
Question : All RSPO product information is provided by suppliers in accordance with : <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 shipment / 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 of the seller;</li> <li>• A unique identification number</li> <li>• Information shall 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).</li> <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/Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.</li> <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 or through the RSPO IT Platform by confirmation of (shipping) announcements.</li> <li>• The validity of license for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements/announcements.</li> </ul>	
It will be apply when mill certified	
	<b>Status: Comply</b>
<b>5.4.2</b> The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents	
Question : Has the organization established mechanism in place for handling non-conforming oil palm products and/or documents?	
It will be apply when mill certified	
	<b>Status: Comply</b>
<b>5.5</b>	<b>Outsourcing activities</b>
<b>5.5.1</b> In cases where an operation seeking or holding certification outsources activities to 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. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.	
Question : Are the outsourcers RSPO certified?	

It will be apply when mill certified	
	<b>Status: Comply</b>
<b>5.5.2</b> Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following: <ol style="list-style-type: none"> <li>The site has legal ownership of all input material to be included in outsourced processes;</li> <li>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.</li> <li>The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</li> <li>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 accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance</li> </ol>	
Question : Has the site established outsourcing procedures, agreement and keeps legal ownership of the products during the outsourcing	
It will be apply when mill certified	
	<b>Status: Comply</b>
<b>5.5.3</b> The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	
Question : Has the site maintained names and contact details of all outsourcers?	
It will be apply when mill certified	
	<b>Status: Comply</b>
<b>5.5.4</b> 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 physical handling of RSPO certified oil palm products	
Question : Has MUTU informed about any new outsourcers?	
It will be apply when mill certified	
	<b>Status: Comply</b>
<b>5.6</b>	<b>Sales and goods out</b>
<b>5.6.1</b> The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer	
Question :	
All RSPO product information is provided by the organisation in accordance with : <ul style="list-style-type: none"> <li>The name and address of the seller;</li> <li>The loading or shipment / 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 of the seller;</li> </ul>	

<ul style="list-style-type: none"> <li>• A unique identification number.</li> <li>• Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products</li> <li>• For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.</li> <li>•</li> </ul>	
It will be apply when mill certified	
	<b>Status: Comply</b>
<b>5.7</b>	<b>Registration of transactions</b>
<b>5.7.1</b> Supply chain actors who: <ul style="list-style-type: none"> <li>• are mills, traders, crushers and refineries; and</li> <li>• take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable</li> </ul>	
Question : Has the organization registered their transactions in the RSPO IT platform? (mills, traders, crushers and refineries only)	
It will be apply when mill certified	
	<b>Status: Comply</b>
<b>5.7.2</b> The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform: <ul style="list-style-type: none"> <li>• Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.</li> <li>• Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.</li> <li>• Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> <li>• Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li> </ul>	
Question : Did the organization correctly perform the applicable actions on RSPO IT Platform?	
It will be apply when mill certified	
	<b>Status: Comply</b>
<b>5.8</b>	<b>Training</b>
<b>5.8.1</b> The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff	
Question : Has the organization established RSPO training plan?	

It will be apply when mill certified	
	<b>Status: comply</b>
<b>5.8.2</b> Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed	
Question : Has the organization Delivered Effective RSPO training?	
It will be apply when mill certified	
	<b>Status: Comply</b>
<b>5.9</b>	<b>Record keeping</b>
<b>5.9.1</b> The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements	
Question : All records are accurate, complete, up-to-date and accessible?	
It will be apply when mill certified	
	<b>Status: Comply</b>
<b>5.9.2</b> Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock	
Question : All records are kept for minimum two years and comply with legal and regulatory requirements?	
It will be apply when mill certified	
	<b>Status: Comply</b>
<b>5.9.3</b> The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	
Question : For all palm oil / palm kernel oil volumes purchased (input) and claimed (output) records kept over a period of twelve (12) months.?	
Estimates of CPO and Palm Kernel production from PT Arindo Trisejahtera have been recorded in the report and will be monitored on an annual basis at the time of Surveillance. The estimates are recorded in the period of 12 (twelve) months after the RSPO certification of PT Arindo Trisejahtera. FFB estimate is recorded at 162,712 tons CPO estimate is recorded at 31,729 tons Palm Kernel is recorded at 8,949 tons	
	<b>Status: Comply</b>
<b>5.10</b>	<b>Conversion factors</b>
<b>5.10.1</b>	

<p>Where applicable a conversion rate shall 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 shall 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>); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries</p>	
<p>Question : Conversion rates applied accurately?</p>	
<p>It will be apply when mill certified</p>	
	<p><b>Status: Comply</b></p>
<p>5.10.2 Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.</p>	
<p>Question : Conversion rates periodically updated?</p>	
<p>It will be apply when mill certified</p>	
	<p><b>Status: Comply</b></p>
<b>5.11</b>	<b>Claims</b>
<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 Market Communications and Claims.</p>	
<p>Question : Any communication to any stakeholder group / customers issued in accordance with RSPO Rules on Market Communications and Claims?</p>	
<p>It will be apply when mill certified</p>	
	<p><b>Status: Comply</b></p>
<b>5.12</b>	<b>Complaints</b>
<p>5.12.1 The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.</p>	
<p>Question : Documented procedures for stakeholders complaints established?</p>	
<p>It will be apply when mill certified</p>	
	<p><b>Status: Comply</b></p>
<b>5.13</b>	<b>Management review</b>
<p>5.13.1 The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken</p>	
<p>Question : Management reviews performed annually at planned intervals?</p>	
<p>It will be apply when mill certified</p>	

	<b>Status: Comply</b>
<p>5.13.2</p> <p>The input to management review shall include information on:</p> <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</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>Question :</p> <p>Has all input required above has been included in the management review?</p>	
<p>It will be apply when mill certified</p>	
	<b>Status: Comply</b>
<p>5.13.3</p> <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>Question :</p> <p>Has all output required above has been included in the management review?</p>	
<p>It will be apply when mill certified</p>	
	<b>Status: Comply</b>



**3.2.2 (Module E) CPO Mills - Mass Balance Requirements**

Clause	Requirement
E.1	<b>Definition</b>
E.1.1	<p><b>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</b></p> <p>Based on the data of FFB Acceptance for period of 2017, it is known that the ATS POM received FFB from Petapahan 1 Estate, Petapahan 2 Estate, PT Karya Tama Bakti Mulya and PT Riau Agung Karya Abadi, so it is known that POM still receive from outside the scope of certification. Therefore, the mill applies Mass Balance module.</p>
	<b>Status: Comply</b>
E.2	<b>Explanation</b>
E.2.1	<p><b>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</b></p> <p>Estimates of CPO and Palm Kernel production from PT Arindo Trisejahtera have been recorded in the report and will be monitored on an annual basis at the time of Surveillance. The estimates are recorded in the period of 12 (twelve) months after the RSPO certification of PT Arindo Trisejahtera.            FFB estimate is recorded at 162,712 tons            CPO estimate is recorded at 31,729 tons            Palm Kernel is recorded at 8,949 tons</p>
	<b>Status: Comply</b>
E.2.2	<p><b>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</b></p> <p>PT Arindo Trisejahtera is able to show that the mill of ATS has been registered through RSPO IT Platform (E-Trace) No. RSPO_PO1000002631</p>
	<b>Status: Comply</b>
E.3	<b>Documented procedures</b>
E.3.1	<p><b>The site 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:</b></p> <ul style="list-style-type: none"> <li><b>a. Complete and up to date procedures covering the implementation of all the elements in these requirements;</b></li> <li><b>b. 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 site procedures for the implementation of this standard.</b></li> </ul> <p>At the special audit, there are no changes to SOPs relating to SCCS listed in:</p> <ul style="list-style-type: none"> <li>a. There is the SOP of supply chain implementation available in the document:           <ul style="list-style-type: none"> <li>1. SOP with the code FR.CSM.SCP on 1 October 2011 on the Mechanism of Supply Chain that has obtained approval from Corporate Sustainability Head. The SOP adequately describes: definition and responsibility division of relevant officers from the level of CEO to afdeling clerk and weighbridge officer, procedure of receipt and processing of the FFB at the mill, grading control, bookkeeping administration, incoming and delivery of CPO, special notes, flowchart</li> </ul> </li> </ul>

	<p>of supply chain in general, flowchart of supply chain at the POM, flowchart of receipt and delivery of CPO and relevant forms.</p> <ol style="list-style-type: none"> <li>2. SOP with the code FR.CSM.MTM on 1 March 2012 on the Traceability and Mass Balance In Estate and Palm Oil Mill.</li> <li>3. SOP No. FR.CSM.TIO on 2 July 2012 on Traceability of incoming and outgoing CPO at the Bulk/Storage.</li> </ol> <p>b. Personnel in charge of implementing procedure of traceability and supply chain have been set by the management of PT Arindo Trisejahtera, namely:</p> <ol style="list-style-type: none"> <li>1) Mill Manager</li> <li>2) Assistant of Mill Head</li> <li>3) Weighbridge Operator Head</li> <li>4) Weighbridge Operator</li> <li>5) Assistant of Laboratory</li> <li>6) Administrative Head</li> </ol>
	<p><b>Status: Comply</b></p>
<p><b>E.3.2</b></p>	
<p><b>The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</b></p>	
	<p>At the verification audit, there are no changes to SOPs relating to SCCS listed in:</p> <ol style="list-style-type: none"> <li>a. There is the SOP of supply chain implementation available in the document:             <ol style="list-style-type: none"> <li>1. SOP with the code FR.CSM.SCP on 1 October 2011 on the Mechanism of Supply Chain that has obtained approval from Corporate Sustainability Head. The SOP adequately describes: definition and responsibility division of relevant officers from the level of CEO to afdeling clerk and weighbridge officer, procedure of receipt and processing of the FFB at the mill, grading control, bookkeeping administration, incoming and delivery of CPO, special notes, flowchart of supply chain in general, flowchart of supply chain at the POM, flowchart of receipt and delivery of CPO and relevant forms.</li> <li>2. SOP with the code FR.CSM.MTM on 1 March 2012 on the Traceability and Mass Balance In Estate and Palm Oil Mill.</li> <li>3. SOP No. FR.CSM.TIO on 2 July 2012 on Traceability of incoming and outgoing CPO at the Bulk/Storage.</li> <li>4. There is a format in the document of <b>Monitoring and Balancing Sustainable and Non Sustainable CPO/PK Stock (FR.CSM.SCP-6a/1-0/01-10-2011</b> explaining monthly and yearly data which is approved by Mill Manager and reported to Weighbridge Operator Head.</li> <li>5. There is a filling form available in the procedure of <b>Traceability and Mass Balance in Estate and Palm Oil Mill</b> FR.CSM.MTM.</li> </ol> </li> </ol>
	<p><b>Status: Comply</b></p>
<p><b>E.4</b></p>	<p><b>Purchasing and goods in</b></p>
<p><b>E.4.1</b></p>	
<p><b>The site shall verify and document the volumes of certified and non-certified FFBs received.</b></p>	
	<p>There is a filling form available in the procedure of <b>Traceability And Mass Balance In Estate And Palm Oil Mill</b> FR.CSM.MTM.</p> <p>The document form is:</p> <p><b>Form of Mass Balance Calculation FR.CSM.MTM-2</b> describing:</p> <ul style="list-style-type: none"> <li>• <b>Date</b></li> <li>• Incoming FFB (Ton) for Sustainable and Non Sustainable</li> <li>• FFB Restan (Ton) for Sustainable and Non Sustainable</li> <li>• FFB Process (Ton) for Sustainable and Non Sustainable</li> <li>• Incoming CPO (Ton) for Sustainable and Non Sustainable</li> <li>• Extraction Rate for CPO and Palm Kernel</li> <li>• Outgoing CPO for Sustainable and Non Sustainable (RSPO or other scheme)</li> <li>• Stock CPO of Sustainable and on Sustainable</li> </ul>
	<p><b>Status: Comply</b></p>

<b>E.4.2</b>	
<b>The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</b>	
There is Decree of Supply Chain Officer Appointment No. 001/SK-PRP/VI/2015 dated 5 June 2015 explaining that appointed officer to communicate to certification body in case of RSPO certified products exceed projected data is on behalf of Donald Ginting.	
	<b>Status: Comply</b>
<b>E.5</b>	<b>Record keeping</b>
<b>E.5.1</b>	
<p>a. The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p> <p>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.</p> <p>c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)</p>	
The balancing has not been able to be verified in the audit of ST1, but the company already had a policy of document storage and records of supply chain mechanism in the SOP No. FR.CSM.COR on 1 September 2011 on the Control of Records. The SOP document regulates mechanism and retention time of document storage with the minimum period of 5 years. It also arranges the stock balancing with the three-monthly basis.	
There is a format in the document of <b>Monitoring and Balancing Sustainable and Non Sustainable CPO/PK Stock (FR.CSM.SCP-6a/1-0/01-10-2011)</b> explaining monthly and yearly data which is approved by Mill Manager and reported to Weighbridge Operator Head.	
This will be verified again when the POM has been certified	
	<b>Status: Comply</b>

**3.3. Conformity Checklist of Certificate and Logo Use**

<b>1.</b>	<b>Evidence of permission or approval certificate and logo from Certification Body which submitted by Client</b>	<b>X or√</b>
<b>ST-2</b>	The company has not obtained the RSPO certificate and has not identified the use of the RSPO logo	√
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
<b>ST-2</b>	The company has not obtained the RSPO certificate and has not identified the use of the RSPO logo	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Logo is not used on product</b>	<b>X or√</b>
<b>ST-2</b>	The company has not obtained the RSPO certificate and has not identified the use of the RSPO logo	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Logo, including withdrawing inappropriate logo.</b>	<b>X or√</b>
<b>ST-2</b>	The company has not obtained the RSPO certificate and has not identified the use of the RSPO logo	√
	<b>Status: Comply</b>	

**3.4. Summary of RSPO Partial Certification.**

**Summary Partial Certification**

Compliance of the uncertified management units of First Resources Limited against the rules for partial certification was determined through Self Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below.

First Resources Limited Time Bound Plan (TBP) is explained in point 1.10. First Resources Limited has informed the TBP progress, MUTU has considered that Wilmar International Ltd is complied with the RSPO requirement for TBP. The Time Bound Plan was revised and declared by First Resources Limited on April 2018.

MUTU has verified partial certification for un-certified unit's subsidiary of First Resources Limited based on their Time Bound Plan. There are 25 subsidiaris of First Resources Limited. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- There are no significant land conflicts which have not been declared above.
- The company has follow RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There are no labour disputes that are not being resolved through an agreed process.
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above.

<b>2.1 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Yes and positive assurance is produced for these units.</p> <p><b>Auditor verification</b></p> <p>There is internal audit produced for</p> <ul style="list-style-type: none"> <li>- PT Persada Instisawit Perkasa</li> <li>- PT Meridan Sejatisurya Plantation</li> <li>- PT Panca Surya Agrindo</li> <li>- PT Surya Intisari Raya</li> <li>- PT Swadaya Mukti Perkasa</li> </ul> <p>And positive assurance is produced for these units.</p>
2.1.2	<p>No replacement after dates defined in Nis Criterion 7.3 of:</p> <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<ul style="list-style-type: none"> <li>• PT Panca Surya Agrindo has identified the HCV area with total areal of 105.15 Ha</li> <li>• PT Meridan Sejatisurya Plantation has identified the HCV area with total areal of 167.13 Ha</li> <li>• PT Persada Instisawit Perkasa has identified the HCV area with total areal of 33.15 Ha</li> </ul> <p>The company has shown proof of delivery of disclosure to RSPO secretariat on August 12, 2014 and there has been a response on 23 June</p>

		<p>2015 which explains that in PT SMP there is conservation liability with total area 27.3 Ha and PT GSI with total area 8 Ha.</p> <p><b>Auditor verification</b> Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.</p>
2.1.3	Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	<ul style="list-style-type: none"> <li>• PT Panca Surya Agrindo was built in 1990-2006 and there is no development after January 1, 2010</li> <li>• PT Meridan Sejatisurya Plantation was built in 1994-2005 and there is no development after January 1, 2010</li> <li>• PT Persada Instisawit Perkasa was built in 1993-2004 and there is no development after January 1, 2010</li> </ul> <p><b>Auditor verification</b> Auditor has verified the supporting evidence (Area Statement) of above the company statement. The above statement in accordance with the supporting evidence provided.</p>
2.1.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>There is no land conflicts.</p> <p><b>Auditor verification</b> There is no information from public source and RSPO website on any land conflict for uncertified unit of the group subsidiaries.</p>
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>There is no labor disputes.</p> <p><b>Auditor verification</b> There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p>There is no list of employee and stakeholder complaint and grievance.</p>
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>The subsidiaries of First Resources Limited has have land use right,</p> <p><b>Auditor verification</b></p> <ul style="list-style-type: none"> <li>• PT Perdana Intisawit Perkasa has have land use right in the document of HGU number 60/HGU/BPN/1995 on 1995 with total area is 2,467 Ha</li> <li>• PT Meridan Sejatisurya Plantation has have land use right in the document of HGU Certificate number 01 on 1995, Number 02 on 1995, Number 2 on 1996 and number 6 on 1999 with total area is 10,826.05 Ha</li> </ul>

		<ul style="list-style-type: none"><li>• PT Panca Surya Agrindo has have land use right in the document of HGU number 42-VIII-1995 on 1995 and number 09/HGU/BPN.RI/2010 on 2010 with total area is 11,078.52 Ha</li></ul>
--	--	---

3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

3.5.1 Identification of Findings, Corrective Actions and Observations at ST-2

NCR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
2015.01	2.2.2	<p><b>Legal Boundaries Monitoring System</b> The company has not yet had a system/procedure regarding the maintenance of legal boundaries (such as maintenance period, personnel in charge, poles rehabilitation and so forth).</p>	PT. ATS	Minor	ASA-01	The company must demonstrate the system/procedure as a guide in the maintenance of legal boundaries for the entire area cultivated.	<p><b>Root of the Problem:</b> Legal boundaries maintenance is carried out by the Security as a part of the job. However, there is no SOP of Boundary Maintenance.</p> <p><b>Corrective Action:</b> Making SOP of Boundary Maintenance including maintenance period, personnel in charge and poles rehabilitation.</p> <p><b>Preventive Action:</b> Conducting dissemination to relevant parties related to SOP of Boundary Maintenance to ensure the implementation on the field.</p> <p><b>Observation on 26 April 2018:</b> Based on document review, the company has developed boundary borders procedure reff no. WI-KBN-PPB dated on 28 September 2016. Procedures has regulated how to monitoring and maintenance the boundaries but has not regulated period of monitoring. <b>Therefore, non-conformity no. 2015.01 with minor category are still open.</b></p>	Open	
2015.02	4.3.1	<p><b>Marginal land map</b> Company has not been able to show the marginal land map as a guide to control erosion and soil degradation.</p>	Estate	Major	Before the report is	The company must be able to show the marginal land map as a guide to control erosion and soil	<p><b>Root of the Problem:</b> Soil analysis was conducted partially in 2012 but has not yet resulted in the overall marginal land map.</p>	Closed	30/08/2015



NCR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
					submitted	degradation.	<p><b>Corrective Action:</b> Marginal land map and its description for the area of PT ATS will be provided.</p> <p><b>Preventive Action:</b> Conducting dissemination of the result of periodic soil analysis to plantation management particularly on the location and marginal land management</p> <p><b>Observation on 27 June 2015:</b> There is evidence of improvement in the forms of Soil Distribution Map of ATS1 and Soil Distribution Map of ATS 2 in the scale of 1: 20,000 from Research % Development – Soil Survey and Land Evaluation, along with the samples of each type of soil from the estates of ATS 1 and ATS 2. The description of soil profile showed that the type of soil is sandy, namely: the sample of soil at Block 16 ATS 2 is included in the type of Dystrudepts (PPT Classification: Kambisol District) and the sample of soil at Block 90 ATS 2 is included in the type of Aeric Endoaquepts (PPT Classification: Gleisol District). However, the evidence of improvement has not clearly informed the location and the area of the sandy soil type.</p> <p><b>Observation on 30 August 2015:</b> There is evidence of improvement in the</p>		

NCR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>forms of soil distribution map of PT Arindo Trisejahtera, Petapahan 1 Estate and Petapahan 2 Estate in the scale of 1: 60,000 from Research &amp; Development – Soil Survey and Land Evaluation. Marginal land in Petapahan 1 Estate is covering an area of 484.69 Ha and in Petapahan 2 Estate is covering an area of 266.91 Ha. The marginal land is included in the type of Aeric Endoaquepts (USDA, 2014) or Gleison District (PPT, 1983). Based on the map, the marginal land is defined as the land located on the flat to wavy area and nearby the river, has sandy loam texture, crumb structure, with a crumbly consistency and drainage somewhat hampered so the roots of oil palm will not be found at the depth of 70 cm below the soil.</p> <p><b>Observation on April 25, 2018</b>            The marginal land maps are still the same as the previous corective action listed on the land distribution map of PT Arindo Trisejahtera, Petapahan 1 Estate and Petapahan 2 Estate with a scale of 1: 20.000 from Research &amp; Development - Soil survey &amp; Land evaluation. Marginal land in the form of sandy land in the Petapahan 1 Estate area of 484.69 Ha and in Petapahan 2 Estate covering 266.91 Ha.</p> <p>The Company has a Marginal Land</p>		

NCR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>Management SOP (No. MN.FR.COP.OPA.PLM dated July 1, 2012 which describes the management of sandy land by applying it by maintaining natural vegetation, using organic materials such as EFB application, fertilizing according to soil analysis results.</p> <p>Based on visits in blocks 146 and 147 of Petapahan 1 Estate, it is known that the area has a sandy clay type and there has been a EFB application to increase nutrients.</p> <p><b>Auditor Conclusion:</b> Based on the evidence of improvement provided, the non-conformance No. 2015.02 is declared <b>Closed</b>.</p>		
2015.03	4.4.1	<p><b>Surface water quality monitoring</b></p> <ul style="list-style-type: none"> <li>Evidence of Dumai River (Petapahan 2 Estate) water quality monitoring has not been available in accordance with the document of DPPL in 2010.</li> <li>The company has not demonstrated the evidence and follow-up of Hitam River (Petapahan 2 Estate) water quality showing the parameter of BOD that exceeds the quality standard. It is not in accordance with the applicable standard (Government Regulation No 82 year 2001 class 2).</li> </ul>	Petapahan 2	Minor	ASA-01	<p>The company must show:</p> <ul style="list-style-type: none"> <li>River water quality monitoring in the plantation area.</li> <li>Evaluation and follow-up the result of surface water quality monitoring which is not in accordance with the quality standard.</li> </ul>	<p><b>Root of the Problem:</b></p> <ul style="list-style-type: none"> <li>Document of DPPL maps Dumai River in the area of PT ATS. However, when the location is observed there is no river found.</li> <li>Hitam River water quality is monitored near the time of the stage 2 audit so the evaluation to the test result has not been conducted yet.</li> </ul> <p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>Revisiting the entire area of PT ATS to ensure the existence of Dumai River and</li> </ul>	Open	

NCR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>reporting the minutes to relevant institution.</p> <ul style="list-style-type: none"> <li>Evaluating and following-up all the results of surface water quality monitoring particularly the result exceeding the quality standard.</li> </ul> <p><b>Preventive Action:</b></p> <ul style="list-style-type: none"> <li>Coordinating with government institution related to survey of Dumai River existence.</li> <li>Disseminating and training environmental officers to evaluate the result of environmental quality analysis.</li> </ul> <p><b>Observation on 26 April 2018:</b> Based on interview with Region Sustainability Head, Dumai river do not across in HGU areal (Petapahan 2 Estate) as mentioned in the DPPL document. The company has conducted overlay between HGU map and landsat image to find the existence of Dumai river as mention in DPPL documents. But, the identification report has not been reported to relevant agencies. <b>Therefore, non-conformity no. 2015.03 with minor category are still open.</b></p>		

NCR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
2015.04	4.7.2	<p><b>Work environment cleanliness.</b> Potential safety and health problems caused by unsafe occupational environment have not been handled properly as shown at the time of field observation in the processing station (from sterilizer to clarification), as well as chemical and central fertilizer warehouse of the POM.</p>	PKS ATS	Major	Before the report is submitted	The company must demonstrate evidence of identification, follow-up plan and management of potential occupational health and safety problem due to unsafe and unsanitary workplace.	<p><b>Root of the Problem:</b> Foremen at sterilizer and clarification station have not been properly observed the cleanliness of the workplace. Head of mill chemicals warehouse and Head of Petapahan 1 estate warehouse have not properly observed the cleanliness of the warehouse at the time of the entry and expenditure of the materials.</p> <p><b>Corrective Action:</b> Cleaning the workplace in the sterilizer station, clarification station, chemical warehouse of the mill, central fertilizer warehouse of the estate as well as conducting dissemination on the cleanliness of the workplace.</p> <p><b>Preventive Action:</b> Conducting a field observation every day in the area of sterilizer station, clarification station, chemical warehouse of the mill, central fertilizer warehouse of the estate by using a cleaning schedule.</p> <p><b>Auditor Response 27 July 2015:</b> There has been evidence of improvement in the form of environmental management and ensure that the work environment does not interfere with the occupational health and safety for the workers. There are photos of the mill environment condition after</p>	Closed	27 July 2015

NCR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>treatment (becomes clean, safe and comfortable). For example, in the dictation sterilizer, clarification and chemical warehouse. The company also conducted dissemination related to the cleanliness management of the workplace to workers on 8 June 2015 attended by 17 participants. Thus, the non-conformance is declared closed.</p> <p><b>Observation on April 26, 2018</b> Based on field visits at the mill, fertilizer warehouse and pesticide warehouse, it is observed that the working environment condition has been well organized and not indicated any potential health problems, for example in sterilizer condition there is no oil spilled, the fertilizer and pesticide arrangement have been well organized and in pile fertilizer has been coated with a tarpaulin to avoid fertilizer spills.</p> <p>The Company also shows evidence of work environment inspection in the Document of Occupational Safety and Health Inspection, for example on the Estate warehouse area conducted on March 23, 2018.</p> <p>Based on the explanation, this non-conformity is stated Fulfilled</p>		
2015.05	4.7.3	Implementation of the proper use of protective equipment to workers.	Mill and	Major	Before the	The company must be able to show evidence that there	<b>Root of the Problem:</b> Foreman in sterilizer station of Petapahan 1	Closed	27 July 2015

NCR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
		<ul style="list-style-type: none"> <li>- In the activities of processing, it is known that employees have not been disciplined in using personal protective equipment. For example the sterilizer station operators do not wear earplugs when operating the machine.</li> <li>- The result of interview with the workers in Petapahan 2 workshop showed that PPE for welders (welding clothes) are not yet available.</li> </ul>	Estate		report is submitted	are PPEs for all workers and they are used properly according to the job risks. Workers should also obtain training for safety practices in operating machines.	<p>and foreman of workshop in Petapahan 2 estate are less considered to the hazardous identification, such as workers do not wear PPE (earplugs) in sterilizer area. Welders also do not wear apron/welding clothes at the estate workshop.</p> <p><b>Corrective Action:</b> Disseminating the workers regarding PPE and its benefits for them.</p> <p><b>Preventive Action:</b> Observing workers so they can use PPE every day.</p> <p><b>Auditor response on 27 July 2018</b> The company has demonstrated evidence in the form of minutes of dissemination on the use of PPE on 8 June 2015 for mill workers particularly 3 sterilizer station workers and 11 workers of the Petapahan 2 workshop. Attendance list, photos of the event and dissemination reports are attached on the minutes. Based on this evidence the non-conformance is met.</p> <p><b>Observation on April 26, 2018</b> The company shows the latest PPE Acceptance List, for example on 05 January 2018 to the process workers with helmet, shoes, gloves, masks and earplugs.</p>		

NCR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>Based on visits to mill areas, workshops, spray activities in block 146, harvesting activities in block 157 of Petapahan 1 Estate, it is known that workers have used PPE in accordance with risk identification eg spray has used apron, mask, rubber gloves, helmet with protective glass, in the workshop for the welder has been equipped with welding clothes and engine room operator has been equipped with ear muff.</p> <p>Based on the explanation, then this non-conformity is stated fulfilled</p>		
2015.06	4.7.5	<p><b>First Aid Emergency at Work</b></p> <ul style="list-style-type: none"> <li>- From the field observation at the mill, warehouse and workshop of Petapahan 2 as well at the spraying activity at Petapahan 1 Block 90 AFD II, it is known that there is no evidence of monitoring and the completeness of first aid emergency tools (only 5 items)</li> <li>- From the document study and interview with the employees living in Afdeling 3 Petapahan 1, the dissemination and understanding of the procedure of emergency handling such as fires have not been entirely conducted.</li> </ul>	Mill and Estate of Petapahan 2	Minor	ASA-01	Adequate first aid emergency equipment should be available, so is the procedure of emergency handling at work.	<p><b>Root of the problem:</b></p> <ul style="list-style-type: none"> <li>- First aid emergency equipment provided by health division of the Guiding Committee of OHS are minimum portable equipment therefore not in accordance with relevant regulation.</li> <li>- Dissemination of emergency response has been intensively conducted to all workers but has not been entirely understood.</li> </ul> <p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>- Providing first aid emergency equipment in accordance with applicable regulation and carrying out monthly monitoring to the completeness.</li> </ul>	Open	



NCR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<ul style="list-style-type: none"> <li>- Disseminating all workers and their families using the method of field practice in each afdeling.</li> </ul> <p><b>Preventive Action:</b></p> <ul style="list-style-type: none"> <li>- Officer from health division of Guiding Committee of OHS will periodically monitor the completeness of first aid emergency equipment.</li> <li>- Regularly inspecting the preparedness of emergency response from each afdeling.</li> </ul>		
2015.07	4.7.6	<p><b>Occupational accident insurance for KHL.</b> Based on the interview with the representative of management as well as the study on employees' payroll document, the company has not yet registered the KHL workers in the program of occupational accident insurance.</p>	Estate	Minor	ASA-01	The company should have evidence that all workers have already had accident insurance.	<p><b>Root of the Problem:</b> Daily casual employees are the responsibility of the contractors who had signed the work agreement with the company. One of the clauses is that they have to be registered in workers' insurance.</p> <p><b>Corrective Action:</b> Evaluating the contractors regarding the fulfillment of the agreement particularly the clause of providing occupational accident insurance.</p> <p><b>Preventive Action:</b> Giving warning to contractors who do not meet the employment agreement regarding the provision of occupational accident; terminating the employment relation if they ignore the warning.</p>	Open	

NCR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
2015.08	5.1.3	<p><b>Environmental management and monitoring reports</b></p> <p>The company has not managed and monitored the environment as recommended by RKL/RPL/DPPL on the aspects as follows:</p> <ul style="list-style-type: none"> <li>Quality testing of Tapung River is performed every 6 months, not <b>every 3 months</b> in accordance with the direction of RKL/RPL.</li> <li>There is no evidence available regarding sedimentation measurement in the river flow.</li> <li>Noise testing is performed every 6 months, not <b>every 3 months</b> in accordance with the direction of RKL/RPL.</li> <li>The company has not showed the result of ground water quality testing in the mess of employees and on community wells which is held <b>once in 6 months</b>.</li> <li>Plankton/benthos quality testing in Tapung River is still performed every 6 months, not <b>every 3 months</b> as directed in RKL/RPL.</li> <li>Upstream and downstream testing of the water quality of Hitam River and Dumai River has not been conducted <b>every 6 months</b>.</li> <li>Plankton/benthos testing on the upstream and downstream of Hitam</li> </ul>	POM & Estate	Minor	ASA-01	The company must be able to demonstrate that all activities of environmental management and monitoring have been carried out in accordance with recommendation in RKL/RPL/DPPL.	<p><b>Root of the Problem:</b> Incomplete monitoring in Semester II/2014 due to the lack of attention to the recommendation of the matrix of RKL RPL DPPL.</p> <p><b>Corrective Action:</b> Environmental monitoring has been conducted in accordance with the recommendation of RKL RPL DPPL and will be set forth in the report of Semester I 2015 published in August 2015.</p> <p><b>Corrective Action:</b> Adjusting the implementation of environmental management and monitoring of PT ATS with document of RKL RPL DPPL available, including the period of testing.</p> <p><b>Observation on 26 April 2018:</b> The company has showed Environmental Management Plan and Environmental Monitoring Plan Report that conducted every semester (6 month). This EMP report has submitted to relevan stakeholders. Based on document review, all environmental monitoring matrix has been monitoring yet, such as aquatic biota was still monitored every semester but in EIA are required every 3 months. <b>Therefore, non-</b></p>	Open	

NCR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
		<p>River is <b>every 3 months</b>.</p> <ul style="list-style-type: none"> <li>Evidence of social impact management and monitoring in the form of perception and the change of public attitude has not been included in the routine implementation report of RK/RPL.</li> </ul>					conformity no. 2015.08 with minor category are still open.		
2015.09	5.3.1	<p><b>Source of waste identification</b> The company has procedure of waste management (FR.CSM.OP-1 dated 1 September 2011). However, this procedure does not explain source of waste identification and its management action in the mill, for example, waste management related to boiler crust, boiler ash and boiler washing used water.</p>	PKS	Major	Before the report is submitted	The company must show the identification of the source of waste derived from POM operations and its management actions.	<p><b>Root of the Problem</b> Procedure of Waste Management FR.CSM.OP-1 does not in detail the management of boiler crust, boiler ash and boiler washing used water.</p> <p><b>Corrective Action:</b> Identification analysis of the source of waste in the form of boiler crust, boiler ash and boiler washing used water is available in the document of Environmental and Social Aspect and Impact Assessment for Palm Oil Mill completed with environmental impacts, consequences, the significant level and program of environmental management will be carried out.</p> <p><b>Preventive Action:</b> Revising the Procedure of Waste Management FR. CSM.OP-1 related to the management of boiler crust, boiler ash and boiler washing used water and conducting dissemination to the field management.</p> <p><b>Observation on 24 July 2015</b> The company demonstrated evidence of</p>	Closed	24 July 2015

NCR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>identification of the source of waste of POM ATS in the document of Environment and Social Impact Assessment for Palm Oil Mill in December 2014. Source of waste and pollution identification in the document includes all processing activities of POM starting from the weighbridge station to chemical warehouse.</p> <p>Waste identification at the boiler station resulted in the form of boiler ash, fiber burst, noise, the use of chemicals and boiler washing used water causing pollution of water, soil and air. Management actions performed by the company are among others:</p> <ul style="list-style-type: none"> <li>Boiler ash: collection and routine cleaning, as well as application in the field as street-paving.</li> <li>Boiler washing water: Installation of water reservoir trap before the water is disposed into the ditch.</li> </ul> <p><b>Auditor conclusion :</b> The company has demonstrated identification of the source of all waste derived from POM operations and its management actions. <b>Non-conformance No. 2015.09 is declared Closed.</b></p> <p><b>Observation on 26 April 2018</b> The company has conducted corrective action for non-conformity no. 2015.09. List of</p>		

NCR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							waste products and pollution source were available on Waste Management Procedure Ref FR.CSM.OP-1 dated 1 September 2011 and Environment and Social Aspect Impact Assessment for palm Oil Mill issued on Dec 2017 (FR.ESM.EAI-3a/1-0/01-08-2011). <b>Therefore, non-conformity no. 2015.09 has closed.</b>		
2015.10	5.3.3	<p><b>Handling the potential waste pollution in the mill and estate</b></p> <ul style="list-style-type: none"> <li>Facility of waste management (WWTP) of POM ATS is located near the Tapung River flow. However, there is no evidence of the analysis and plan of risk handling of the river contamination in case of leakage/waste burst from the WWTP.</li> <li>The company has not yet demonstrated evidence of waste water management and monitoring from the mill particularly the waste from boiler and drainage.</li> <li>Field observation in hazardous waste temporary warehouse (TPS LB3) in Petapahan 2 Estate showed that there is used oil that has not been properly managed in accordance with the established procedure (the used oil is put outside the warehouse).</li> </ul>	POM ATS	Minor	ASA-01	<ul style="list-style-type: none"> <li>The company should demonstrate evidence of document containing analysis and plan of risk handling of the pollution due to waste leakage.</li> <li>The company must manage all hazardous waste resulted in accordance with applicable regulation.</li> </ul>	<p><b>Root of the Problem:</b></p> <ul style="list-style-type: none"> <li>POM only piled and elevated the ground at the edge of WWTP as an act of contamination risk handling in case of leakage, but has not entirely analyzed the risk handling mentioned.</li> <li>Lack of control to waste water quality monitoring from POM to nature.</li> <li>Lack of understanding of the officers of TPS LB3 who put the used oil into a storage drum in front of the warehouse.</li> </ul> <p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>There will be analysis of the WWTP contamination risk to the river and the company plants vetiver grass in order to strengthen the embankment of WWTP near the river.</li> <li>Analyzing the wastewater of the boiler and drainage before disposing it to nature.</li> </ul>	Open	

NCR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<ul style="list-style-type: none"> <li>- Putting the drum of used oil into the warehouse.</li> </ul> <p><b>Preventive Action:</b></p> <ul style="list-style-type: none"> <li>- Thickening the ground stockpile around the WWTP near the river and planting plants to prevent erosion.</li> <li>- Making 'water trap' in wastewater channel of POM that will be disposed to nature and evaluating the result of wastewater quality analysis.</li> <li>- Disseminating procedure of waste handling to officers of TPS LB3.</li> </ul> <p><b>Observation on 26 April 2018</b>                      The company has conducted corrective action for non-conformity no. 2015.09. List of waste products and pollution source were available on Waste Management Procedure Ref FR.CSM.OP-1 dated 1 September 2011 and Environment and Social Aspect Impact Assessment for palm Oil Mill issued on Dec 2017 (FR.ESM.EAI-3a/1-0/01-08-2011). Based on visit to Palm Oil Mill at Petapahan 1 Estrate, empty oil container/drum are still used for other purpose. <b>Therefore, non-conformity no. 2015.10 with minor category are still open.</b></p>		
2015.11	5.6.3	Reporting of the GHG emission calculation	PT ATS	Minor	ASA-01	The company should be able to show evidence of having	<p><b>Observation on 27 April 2018:</b>                      Based on announcement on 14 December</p>	Closed	27 April 2018

NCR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
		The company has conducted emission calculation based on the standard of ISCC 205. However, the results of monitoring and GHG emission calculation from the company's operations have not been reported to the RSPO.				reported the GHG calculations to the RSPO	<p>2016, it is explained that from 01 January 2017 reporting for GHG summary calculations is as part of the annual summary report on criterion 5.6.</p> <p>Company has shown GHG calculations for the period 2017 using Palm GHG Calculator V3 and calculation results have been submitted in a report on the criteria 5.6.</p> <p>Based on the explanation then this nonconformity is stated fulfilled.</p>		
2015.12	6.2.3	<p><b>Response to the letters from stakeholders.</b></p> <p>There was Letter of Request sent on 19 March 2015 by SMK Negeri 1 Tapung Hulu. It is not responded yet by PT Arindo Trisejahtera.</p>	Petapan 1 Estate	Minor	ASA-01	PT Arindo Trisejahtera must be able to show evidence of responses and confirmation of all letters or information requests coming from the company stakeholders.	<p><b>Root of the Problem:</b></p> <p>The period of time to response information from stakeholders is 6 months.</p> <p><b>Corrective Action:</b></p> <p>Sending a reply letter to SMK Negeri Tapung Hulu on 6 June 2015.</p> <p><b>Observation on 27 July 2015</b></p> <p>The company showed evidence of the response to Request Letter sent on 19 March 2015 by SMK Negeri 1 Tapung Hulu with the No. ATS/Int/131/VI/2015 ratified by estate manager group of PTA TS and evidence of the receipt on 6 June 2015 by SMKN 1 Tapung Hulu. In the response, the company delivered several things such as:</p> <ul style="list-style-type: none"> <li>In principle, PT ATS supports the proposal of SMKN 1 Tapung Hulu on the construction of 3 new local rooms.</li> </ul>	Closed	27 July 2015

NCR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<ul style="list-style-type: none"> <li>The company has not been able to realize the proposal since it is not set in the fiscal year 2015. The company will budget the proposal of assistance in the fiscal year 2016.</li> </ul> <p><b>Observation on 26 April 2018:</b> The company has shown a response to application letters from SMK Neg 1 Tapung Hulu dated on 19 March 2015 by ref no. ATS/Int/131/VI/2015 dated on 6 June 2015. The company has also developed and evaluated response matrix to find out the response time of incoming letters/proposals. For period 2015-2017, response time are 1 weeks till 1 months. Based on the explanation, <b>Non-conformance of 2015.12 is declared Closed</b></p> <p><b>Preventive Action:</b> Evaluating the period of time to response inputs from stakeholders.</p> <p><b>Auditor Conclusion :</b> Based on the information above <b>Non-conformance of 2015.12 is declared Closed</b></p>		
2015.13	6.3.1	<p><b>Grievance mechanism</b></p> <p>a) The grievance procedure does not explain the guarantee of anonymity of the whistleblower.</p>	PT. ATS	Major	Before the report	The company must be able to show evidence of evaluation related the	<p><b>Root of the Problem:</b></p> <ul style="list-style-type: none"> <li>Procedure of whistleblower anonymity only applies for internal people of the company reporting to Department of</li> </ul>	Closed	11 September 2015



NCR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
		b) PT Arindo Trisejahtera has not been able to provide evidence related to the dissemination of grievance mechanism based on the result of public consultation with stakeholders (surrounding community).			is submitted	dissemination of grievance mechanism to stakeholders including the guarantee of anonymity of the whistleblower.	<p>Internal Audit and does not include others who complain.</p> <ul style="list-style-type: none"> <li>- General officers conducting the dissemination of grievance mechanism do not know that evaluation related to the result of dissemination is needed to be done.</li> </ul> <p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>- Revising the SOP related to public complaint submission particularly in terms of the anonymity of whistleblower.</li> <li>- Evaluating public understanding that has been disseminated regarding procedure of grievance submission.</li> </ul> <p><b>Observation on 27 July 2015</b></p> <p>a) The company has not demonstrated the procedure of grievance submission explaining the guarantee of anonymity of the whistleblower.</p> <p>b) The company showed evidence of communication and grievance mechanism evaluation document and responses to PT ATS. Chapter III of the document describes the aspects evaluated such as communication program with the stakeholders and its results, for example, the aspects showed that 85.01% of the stakeholders generally understand the procedure of grievance submission and responses.</p> <p><b>Observation on 26 April 2018</b></p> <p>The company has revised communication procedure ref no. FR.EMS.CIE dated on 29</p>		

NCR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>July 2011 (Rev1). In clause no. 3.15, company's management will provide anonymous quarantees of complainment (whistleblower) including confidentiality, safety, reputation to any stakeholders who conveys confidential information to the company.</p> <p>The company has also evaluated for communication and every complaint submission every 2 years. Communication and compliant handling evaluating were available for 2015 and 2017. <b>Therefore, non-conformity no. 2015.13 has closed.</b></p> <p><b>Preventive Action:</b></p> <ul style="list-style-type: none"> <li>- Disseminating the community related to the anonymity of the whistleblower in the procedure of grievance submission and evaluating public understanding on a regular basis.</li> </ul> <p><b>Auditor Conclusion:</b></p> <p>The company has demonstrated the Procedure of grievance submission explaining the guarantee of anonymity of the whistleblower. <b>Non-conformance No. 2015.13 is declared Closed.</b></p>		
2015.14	6.5.3	<p><b>Clean water provision</b></p> <p>The results of clean water resource testing (wells) in Petapahan 1 Estate indicated that there are parameters which do not in according to the regulation of clean water quality standard set in the Regulation of</p>	Petapahan 1 Estate	Minor	ASA-01	The company must show evidence of evaluation and follow-up on the results of the monitoring of surface water quality that does not comply with the standard.	<p><b>Root of the Problem:</b></p> <p>Quality testing of public wells is conducted in response to the RSPO audit stage I and in a short time so the officers have not yet evaluated the result of the field testing.</p>	Open	

NCR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
		Health Minister 416 year 1990, such as parameter of color and nitrate. However, the company has not demonstrated the evaluation and follow-up of the handling of clean water that does not comply with quality standard.					<p><b>Corrective Action:</b> Evaluating the incompatible value of nitrate and color.</p> <p><b>Preventive Action:</b> Increasing the capacity of environmental officers by providing training and reporting practices as well as environmental evaluation.</p>		
2015.15	6.11.1	<p><b>Participation of local communities (village residents) in the program of local development.</b></p> <p>PT Arindo Trisejahtera has not been able to show the program of local development that has been evaluated based on the results of public consultation and communication.</p>	PT Arindo Trisejahtera	Minor	ASA-01	PT Arindo Trisejahtera should be able to show the program of local development based on the results of consultation and communication with targeted local communities.	<p><b>Root of the Problem:</b> Program of local development is based on the communication with the public in the midyear earlier but CSR officers have not implemented the evaluation.</p> <p><b>Corrective Action:</b> Evaluating the program of local development with rural communities around as well as budgeting the CSR for the year 2016.</p> <p><b>Observation on 27 July 2015:</b> The company showed evidence of evaluation document of the communication and grievance mechanism and responses for PT ATS. There is evidence of consultation and communication in the form of the photos of field visit and dissemination to communities, attendance lists of communication and consultation event, as well as the questionnaires for public. For example, consultation and communication with people of Rimba Beringin Village,</p>	Closed	27 July 2015

NCR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>Petapahan Jaya Village, Suka Makmur Sub-village and Kusau Makmur Sub-village was conducted on 17 June 2015.</p> <p><b>Observation on 26 April 2018</b>            CD-CSR evaluation for 2017 were available. Based on document review and interview, result of CD-CSR evaluation for 2017 as follow;</p> <ul style="list-style-type: none"> <li>✓ The involvement of stakeholders need to be further enhanced in the implementation of CSR program activities.</li> <li>✓ Scholarsip program is very beneficial for surrounding communities</li> <li>✓ Monitoring and evaluation will be carry out periodically by region sustainability.</li> </ul> <p>The company has been developing CD-CSR program for 2018 such as scholarsip program for 40 childrens, try out sponsorship, movement of helathy school children program, entrepreneurship program etc.</p> <p><b>Preventive Action:</b>            There will be revision related to the preparation of CSR budget in the middle of current year. The procedure will be added</p>		

NCR No	Ref Std	Findings	Area	Grade	Time Limit	Corrective Action	Observation	Status	Closing Date
							<p>with evaluation of local development with surrounding communities.</p> <p><b>Auditor Conclusion:</b> Based on information above the non-conformance 2015.15 is declared Closed.</p>		

**3.5.2 Identification of Findings, Corrective Actions and Observations at Verification Audit**

<b>NCR No.</b> :		<b>Issued by</b> :	
<b>Date Issued</b> :		<b>Time Limit</b> :	
<b>NC Grade</b> :		<b>Date of Closing</b> :	
<b>Standard Ref. &amp; Requirement</b> :			
<b>Non-Conformance Description &amp; Evidence observed (filled by auditor):</b>			
there is no conformity in audit verification activities			
<b>Root Cause Analysis (filled by organization audited):</b>			
<b>Correction (filled by organization audited):</b>			
<b>Corrective Action (filled by organization audited):</b>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>			
<b>Verified by</b> :			
<b>Diverifikasi oleh</b>			

**3.5.3 Opportunity for Improvement**

No	Ref. Std.	Description Deskripsi
1	<b>Major</b> 1.1.1	Evaluation of response time to request for information (within 6 months)
2	<b>Minor</b> 4.6.4	Monitoring the implementation of a long-term plan target of reducing the use of limited pesticides for the period of 2014 – 2021.
3	<b>Minor</b> 4.7.5	The company needs to evaluate the training of first aid emergency for employees that has been done.
4	<b>Minor</b> 4.8.2	Evaluation of the training needs of employees, for example training of limited pesticide applicator.
5	<b>Major</b> 5.2.1	To ensure the quality of CV identification document, the company needs to clarify the qualification of the drafting team of HCV in the report of HCV identification result along with relevant supporting evidence in the process of HCV identification.
6	<b>Major</b>	Improvement of the quality of HCV area management through consistency of form-tagging

	<b>5.2.2</b>	(marking) of the buffer zone and the enrichment of perennials in the buffer zone.
7	<b>Major 6.2.1</b>	Evaluation of the effectiveness of knowledge and understanding of the stakeholders (particularly the rural communities) to the procedure of communication owned by the company.
8	<b>Major 6.5.1</b>	Evaluation of the wages of non-permanent workers (nannies).
9	<b>Minor 6.5.3</b>	The company needs to evaluate and increase the management of environmental hygiene of employee residence.
10	<b>SC Module. D-6.1</b>	Personnel assigned to physically ensure that the certified products are not mixed up with non-certified ones at the time of the filling of CPO/PK.

**3.5.4 Noteworthy Positive Components**

No	Ref Std	Descriptions
1	-	The company's commitment to implement the principles of sustainable palm oil management
2	-	Has earned ISPO and ISCC Certificates in 2014
3	-	Obtained the title Blue of PROPER award in 2014
4	-	Human resources who have the ability and good understanding of sustainability standards
5	4.7	Have implemented OHS Management System

**3.6 Summary of Arising Issues from Public, Management and Auditor Response**

Public Issues (Institution/NGO /Community)	Management Response	Auditor Response
<p><b>Environment Bodies of Kampar District</b></p> <ul style="list-style-type: none"> <li>• Until now there has never been a complaint people around the estate about environmental pollution.</li> <li>• The company has a good commitment related to environmental management.</li> <li>• All semester/quarter reporting has been routinely reported to relevant agency. For example, quarterly report of effluent, quarterly report of hazardous waste, semester report of RKL/RPL implementation.</li> <li>• The company also obtained blue proper and the company performance in environmental management in 2014 is good.</li> </ul>	<p>The company will continue to adhere and comply with the regulations so the environment can be well-maintained.</p>	<p>Observation of document and field visit indicated that the company has done the efforts to manage environment but has not met all parameters required in the DPPL and PIL (see criteria 5.1). All required reports related to waste and environmental management have been submitted to relevant agencies (<b>see indicator 5.1 and indicator 5.3</b>).</p>
<p><b>Labor Service of Kampar District</b></p> <ul style="list-style-type: none"> <li>• The company pays according to the minimum wage of Kampar District amounting IDR 1,918,000,-</li> <li>• There has never been a problem of industrial relation with the employees.</li> <li>• The company has a license of pesticide registration for the year 2014.</li> <li>• Mandatory reporting such as labor mandatory reporting (WLT), report of Guiding Committee of OHS and its structure have been routinely done to relevant agencies.</li> <li>• The company also has operator license such as the license for boiler operator and conveyors.</li> </ul>	<p>PT ATS does not have casual workers but the system of contracted work with System of SPKL. The payment of social assurance/Worker Social Security Agency (BPJS) becomes the obligation of the contractors to their employees. The company will help disseminate the application of the social assurance to the contractors and employees.</p>	<p>Study of document showed that the company had complied with the regulations regarding labor and OHS such as mandatory reporting of the Guiding Committee of OHS, operator license and applying minimum wage according to Decree of the Governor regarding Provincial Minimum Wage year 2015 No. Kpts.244/III/2015 on 31 March 2015 (see indicator 6.5.1). The company also has evidence of training for limited pesticide applicators (<b>see indicator 4.6.5</b>).</p>
<p><b>National Land Agency of Kampar District</b></p> <ul style="list-style-type: none"> <li>• There has never been a claim from the community regarding the land and there is no problem with the land for the program of plantation revitalization.</li> </ul>	<p>The company will ensure that the land legality rights owned this time will be well-monitored.</p>	<p>From the interviews with the representatives of the management, relevant stakeholders (government of Kampar district and people from</p>



Public Issues (Institution/NGO /Community)	Management Response	Auditor Response
<ul style="list-style-type: none"> <li>The company must ensure that all poles of Land Use Title are in good condition.</li> <li>There are no areas of occupation in the company at this time.</li> <li>The company is expected to adjust all coordinates of the poles of Land Use Title in the field.</li> <li>The company area is currently within the plantation area.</li> </ul>		<p>surrounding villages), it is known that all land disputes had been resolved and until the time of audit there are no disputes related to the operations of PT Arindo Trisejahtera (<b>see indicator 6.3.2</b>).</p>
<p><b>Plantation Service of Kampar District</b></p> <ul style="list-style-type: none"> <li>The company has obtained estate class II based on an assessment of plantation business year 2013.</li> <li>The company has not reported the required report of plantation business (LPUP) during the year 2014.</li> <li>There has never been a land fire in the area of the company.</li> <li>The company is expected to provide facilities and infrastructures of land fire handling according to the guideline of land fire control year 2010.</li> <li>In case of conflicts with the community, the company is expected to provide a chronological explanation to Plantation Service.</li> </ul>	<p>The report of LPUP for the period of 2014 has been submitted to Plantation Service on 5 June 2015.</p>	<p>The company demonstrated evidence of plantation business progress report for semester 1 and 2 year 2014 which was submitted to the plantation service on 5 June 2015. Regarding land fire facilities and infrastructures, the company has conducted training and provided equipment of fire extinguisher in the estate (<b>see indicator 4.7.5</b>).</p>
<p><b>Teachers of SMK Negeri 1 Tapung Hulu</b></p> <ol style="list-style-type: none"> <li>Cooperation in education through internship has been on going with the company.</li> <li>Scholarship is provided by the company for outstanding students.</li> <li>A proposal had been submitted to the company on 19 March 2015 but there is no written response.</li> </ol>	<p>The company will apply the sustainability of the programs that have been considered good by community including Internship Program and Scholarship Program through a joint study among school management, community and the company. To the proposal from SMK Rimba Beringin, it had been received, recorded and will be responded in writing by the company.</p>	<p>The company has commitment related to social responsibility and social environment so that the harmonious relationship between the company and community is well-established. Complete realization and records related to social responsibility can be seen in <b>indicator 6.1.3</b>.</p>
<p><b>Community Leaders of Rimba Beringin Village</b></p> <ol style="list-style-type: none"> <li>The contribution to local community is not perceived.</li> </ol>	<p>The company has and will further involve the community in the preparation and implementation of CSR Program. It will also increase the relation with both authorities and residents through</p>	<p>At the time of the field visit to the office of Rimba Beringin Village, there is a flow chart attached on the wall regarding communication and</p>

Public Issues (Institution/NGO /Community)	Management Response	Auditor Response
<p>b) Assistance to the community is just charity without involving people in the preparation of local community development.</p> <p>c) The meetings are conducted only with the officials, not involving other people.</p> <p>d) People in rural community do not recognize the leaders of PT Arindo Trisejahtera because they never meet before.</p> <p>e) It is complicated for people to enter the driveway access to PT Arindo Trisejahtera.</p>	<p>formal and informal meetings that involve public relation and corporate leaders. The company will also conduct dissemination on several regulations related to public visit.</p>	<p>consultation procedure/mechanism between PT Arindo Trisejahtera and the community. Based on the results of interviews with the village residents during public consultation as well as from the study of document, PT Arindo Trisejahtera has had procedure of internal and external communication <b>(see indicator 6.2.1)</b></p>
<p><b>Head of sub-village of Rimba Beringin Village.</b></p> <p>a) The composition and employment opportunities for local community are not balanced; there are still a lot of workers from outside the area coming to work in PT Arindo Trisejahtera.</p> <p>b) The relationship between the village residents and PT Arindo Trisejahtera is less harmonious.</p>	<p>The company will continue to provide employment and business opportunity to the surrounding community. As a common practice in the oil palm industry, the labors are adjusted to the needs and skills required.</p> <p>The company will establish communication and a better relationship with surrounding community through regular visits of public relation and implementation of CSR program.</p>	<p>Based on the study of documents and interview the auditor assessed that PT Arindo Trisejahtera has not been able to demonstrate that the program of local development performed had been evaluated based on the results of consultation and communication with the community, particularly the surrounding villages <b>(see indicator 6.11.1)</b></p>
<p><b>Local Contractors</b></p> <p>a) To maximize the use of local contractors in the job opportunities offered by the company, most of the contractors are from the city of Pekanbaru.</p> <p>b) There is hope to establish partnership with PT Arindo Trisejahtera by expecting the company to purchase the FFB from the community.</p>	<p>The company has and will provide more opportunities to local contractors and will continue to coach the contractors already cooperated with. To the request of accommodating fruits from the community, the company will explain that the capacity of the POM has already been sufficient to process FFB from its own estate as well as RSPO certification of supply chain so it is currently not possible to receive fruits from the community.</p>	<p>The company has a policy to not accept FFB from outside besides from nucleus estate <b>(see indicator 6.10.1 and 6.10.2)</b>.</p> <p>The company showed evidence of the implementation of the use of local contractors and timely payment such as Agreement No. 01/P-Box Culvert/ATS/LGL/II/15 for or the making of Box Culvert between PT Arindo Trisejahtera and the contractor located in Suka Harja Sub-village RT 01/RW04, Rimba Beringin Village, Tapung Hulu Sub-district of Kampar District of Riau Province. The letter was signed on 2 February <b>(see indicator 6.10.3 and 6.10.40)</b></p>

Public Issues (Institution/NGO /Community)	Management Response	Auditor Response
<p><b>Head of Kasau Makmur Village.</b></p> <p>a) Several times PT Arindo has helped development program in the village such as development of school, religious place and scholarship provision.</p> <p>b) Lack of community involvement in the preparation of program carried out by the company.</p> <p>c) Lack of job opportunities for local manpower.</p>	<p>Assistance to the community is basically an implementation of the company's CSR program. This activity will continue to be pursued as a corporate social responsibility to the community around. The company has and will further involve public in the planning and implementation of CSR program. It will continue to provide employment and business opportunities to the surrounding community. As a common practice in oil palm industry, the manpower is adjusted to the needs and skills required.</p>	<p>From the study of document and interviews the auditor assessed that PT Arindo Trisejahtera has not been able to demonstrate that the program of local development performed had been evaluated based on the results of consultation and communication with the community, particularly the surrounding villages (<b>see indicator 6.11.1</b>)</p>
<p><b>Secretary of Sukaramai Village.</b></p> <p>a) In 2015 PT Arindo Trisejahtera provides scholarship for outstanding students in the local school.</p>	<p>The scholarship program will be continued through a joint review among the company, the community/education department and the local school management.</p>	<p>The company has commitment related to social responsibility and social environment so that the harmonious relationship between the company and community is well-established. Complete realization and records related to social responsibility can be seen in <b>indicator 6.1.3.</b></p>

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> <p>PT Arindo Trisejahtera Management Representative</p>  <p><b>Bambang Dwi Laksono</b> Head Sustainability 14 May 2018</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b>Octo H.P.N Nainggolan</b> 14 May 2018</p> </div> </div>

**Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process**

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	Yes
1	Environment Agency	Bangkinang, Kampar District	0762-20622	Interview	4 June 2015	√	
2	Labor Agency	Bangkinang, Kampar District	0762322541	Interview	4 June 2015	√	
3	National Land Agency	Bangkinang, Kampar District	0762-322059	Interview	4 June 2015	√	
4	Plantation Agency	Bangkinang, Kampar District	0762-732006	Interview	4 June 2015	√	
5	Aliansi Masyarakat Adat Nusantara (AMAN)	Indonesia	+628297954 rumahaman@cbn.net.id	Email	25 May 2015		√
6	WWF Indonesia	Indonesia	021-7829461 supporter-service@wwf.or.id	Email	25 May 2015		√
7	Wahana Lingkungan Hidup Indonesia	Indonesia	021-79193363 informasi@walhi.or.id	Email	25 May 2015		√
8	Sawit Watch	Indonesia	02518352171 info@sawitwatch.or.id	Email	25 May 2015		√
9	Jikalahari	Indonesia	www.jikalahari.or.id	Email	25 May 2015		√
10	SMK Negeri 1 Tapung Hulu	Tapung Hulu subdistrict, Kampar District		Konsultasi langsung	4 June 2015	√	
11	Rimba Beringin Village	Tapung Hulu subdistrict, Kampar District		Konsultasi langsung	4 June 2015	√	
12	Local Contractor	Tapung Hulu subdistrict, Kampar District		Konsultasi langsung	4 June 2015	√	
13	Kasau Makmur Village	Tapung Hulu subdistrict, Kampar District		Konsultasi langsung	4 June 2015	√	
14	Sukaramai Village	Tapung Hulu subdistrict, Kampar District		Konsultasi langsung	4 June 2015	√	

**Appendix 2. Assessment Program**

3 – 6 June 2015		
DATE	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Wednesday, 3 June 2015</b>		
06.00 - 08.00	<b>JAKARTA → PEKANBARU (RIAU)</b>	• ON / SP / BB / RR / STV
08.30 - 11.00	<b>PEKANBARU → PT ARINDO TRISEJAHTERA</b>	• ON / SP / BB / RR / STV
11.30 – 12.30	<b>Opening Meeting</b> (Brief Introduction, Audit scope confirmation, Standards Use, Audit Objectives and Audit Agenda Explanation)	• ON / SP / BB / RR / STV
13.00 – 14.00	<b>BREAK</b>	
14.00 – 17.00	Field Observation to <b>ARINDO TRISEJAHTERA POM</b> <ul style="list-style-type: none"> <li>Supply Chain, Hazardous Waste Management, Waste Water Treatment, FFB Processing, Safety and Health (OHS).</li> </ul>	• ON / BB
14.00 – 17.00	<b>Document Review:</b> <ul style="list-style-type: none"> <li>Review of Previous Visit Non-conformance (Stage-1)</li> <li>Collect Basic Information (Mill and Estates)</li> <li>Clarification of Time Bound Plan</li> </ul>	• SP / RR / STV
<b>Thursday, 4 June 2015</b>		
08.00 - 12.00	Field Observation to <b>PETAPAHAN-2 Estate</b> <ul style="list-style-type: none"> <li>Legal operational boundary and Conservation (HCV) Area</li> <li>Worker facilities (housing, health clinic, clean water, etc)</li> <li>Worker Welfare (payments, complaint mechanism)</li> <li>Land Fire facilities, Chemical Storage, ect..</li> <li>Hazardous Waste Material management</li> <li>Manuring, Spraying, Harvesting, Best Agricultural Practices, Integrated Pest Management</li> </ul>	• ON / BB • SP • SP • SP • RR
08.00 - 12.00	<b>Stakeholders Meeting and Consultation:</b> <ul style="list-style-type: none"> <li>Nearest village and community leader (Rimba Beringin and Senamanenek Villages)</li> <li>Kampar District Government and local NGO</li> <li>Contractors, Labor Union, Gender Committee</li> </ul>	• SP/ON • STV • SP
12.00 – 14.00	<b>BREAK</b>	
14.00 – 15.00	<b>Continue Field Observation and outstanding issue</b>	• ON / SP / BB / RR / STV
15.00 – 17.00	<b>Document review:</b> <ul style="list-style-type: none"> <li>Review of Previous Visit Non-conformance (Stage-1)</li> <li>Follow-up and Clarification of Public Consultation</li> </ul>	• ON / SP / BB / RR / STV
<b>Friday, 5 June 2015</b>		

DATE	3 – 6 June 2015	
ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
08.00 - 12.00	<b>Field Observation to PETAPAHAN-1 Estate</b> <ul style="list-style-type: none"> <li>• Legal operational boundary and Conservation (HCV) Area</li> <li>• Worker facilities (housing, health clinic, clean water, etc)</li> <li>• Worker Welfare (payments, complaint mechanism)</li> <li>• Land Fire facilities, Chemical Storage, ect..</li> <li>• Hazardous Waste Material management</li> <li>• Manuring, Spraying, Harvesting, Best Agricultural Practices, Integrated Pest Management</li> </ul>	<ul style="list-style-type: none"> <li>• ON / BB</li> <li>• SP</li> <li>• SP</li> <li>• SP</li> <li>• STV</li> <li>• RR</li> </ul>
12.00 – 14.00	<b>BREAK</b>	
14.00 – 15.00	<b>Continue Field Observation and outstanding issue</b>	• ON / SP / BB / RR / STV
15.00 – 17.00	<b>Document review:</b> <ul style="list-style-type: none"> <li>• Review of Previous Visit Non-conformance (Stage-1)</li> <li>• Follow-up and Clarification of Field Observation</li> </ul>	• ON / SP / BB / RR / STV
<b>Saturday, 6 June 2015</b>		
08.00-09.00	<ul style="list-style-type: none"> <li>• <b>Audit finding discussion and preparation</b></li> <li>• <b>Closing Meeting</b></li> </ul>	• ON / SP / BB / RR / STV
09.30-12.00		• ON / SP / BB / RR / STV
15.00-17.00	<b>PT ARINDO TRISEJAHTERA → PEKANBARU → JAKARTA</b>	• ON / SP / BB / RR / STV

<b>Appendix 3. Special Audit Program</b>			
<b>DATE</b>		<b>25-27 April 2018</b>	
<b>PLANNED TIME</b>	<b>ACTUAL DURATION</b>	<b>PROCESSES / CLAUSES TO BE AUDITED</b>	<b>AUDITOR</b>
<b>Wednesday, 25 April 2018</b>			
06.00 - 08.00	06.00 - 08.00	<b>JAKARTA → PEKANBARU (RIAU)</b> <b>PEKANBARU → PT ARINDO TRISEJAHTERA</b>	• ALL Team
08.30 - 11.00	08.30 - 11.00		
11.00 - 12.00	11.00 - 12.00		
12.00 - 14.00	12.00 - 14.00	<b>Opening Meeting</b> (Brief Introduction, Audit scope confirmation, Standards Use, Audit Objectives and Audit Agenda Explanation)	
12.00 - 14.00	12.00 - 14.00	<b>BREAK</b>	• ALL Team
14.00 - 17.00	14.00 - 17.00	<b>Document Review</b> Measuring the System Document and corrective evidence of NCR	• ALL Team
<b>Thursday, 26 April 2018</b>			
08.00 - 12.00	08.00 - 12.00	<b>Field Observation of Arindo Trisejahtera POM &amp; Petapahan 1 Estate</b> Measuring the implementation of System Document and NCR that arise at the Initial Assessment	• ALL Team
12.00 - 14.00	12.00 - 14.00	<b>BREAK</b>	• ALL Team
14.00 - 17.00	14.00 - 17.00	<b>Document Review and Clarification of Field Observation</b>	• ALL Team
<b>Friday, 26 April 2018</b>			
09.00 - 11.00	09.00 - 11.00	<b>Closing Meeting</b>	• ALL Team
12.00 - 15.00	12.00 - 15.00	<b>PT Arindo Trisejahtera → Pekanbaru</b>	• ALL Team
16.35 - 18.25	16.35 - 18.25	<b>Pekanbaru → Jakarta</b>	• ALL Team