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**RSPO  
PUBLIC SUMMARY REPORT**

**INDEPENDENT SMALLHOLDER  
FIRST ANNUAL SURVEILLANCE ASSESSMENT (ASA1)**

**ASOSIASI PETANI SAWIT SWADAYA AMANAH  
Ukui – Pelalawan District, Riau Province  
Indonesia**

*Report Author:*

**Haeruddin – July 2014  
Revised September 2014**

<b>TABLE of CONTENTS</b>	<b>page No</b>
SUMMARY.....	1
Abbreviations Used.....	1
<b>1.0 SCOPE OF CERTIFICATION ASSESSMENT.....</b>	<b>1</b>
1.1 National Interpretation and Assessment Document Used.....	1
1.2 Certification Scope.....	1
1.3 Location and Maps.....	1
1.4 Description of the Independent Smallholder as a FFB Producer.....	1
1.5 Area of Plantation.....	4
1.6 Date of Planting and Age profile.....	4
1.7 Approximate Tonnages Certified.....	4
1.8 Time Bound Plan.....	5
1.9 Date of Certificate Issued and Scope of the Certificate.....	6
1.10 Other Certification Held.....	6
1.11 Organisational Information / Contact Person.....	6
<b>2.0 ASSESSMENT PROCESS.....</b>	<b>6</b>
2.1 Certification Body.....	6
2.2 Qualifications of the Lead Assessor and Assessment Team.....	6
2.3 Assessment Methodology, Programme, Site Visits.....	6
2.4 Stakeholder Consultation and List of Stakeholders Contacted.....	7
2.5 Date of Next Surveillance Assessment Visit.....	7
<b>3.0 ASSESSMENT FINDINGS.....</b>	<b>7</b>
3.1 Summary of Findings – Assessment against RSPO Standard for Group Certification.....	7
3.2 Summary of Findings – Assessment against RSPO P&C (INA-SWG) for Independent Smallholder.....	11
3.3 Detailed Identified Nonconformities, Corrective Actions and Auditor Conclusion.....	18
3.4 Noteworthy Positive Components.....	19
3.5 Issues Raised by Stakeholders and Findings with Respect to Each Issue.....	19
<b>4.0 CERTIFIED ORGANIZATION ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITIES.....</b>	<b>19</b>
4.1 Date of next Assessment .....	20
4.2. Date of Closing Nonconformities (Major and Minor).....	20
4.3. Acknowledgement of Internal Responsibility and Formal Sign-off Assessment Findings.....	20

### **LIST of TABLES**

1	GPS Location of the Group Office.....	1
2a	Total Smallholder Members and Total Planted Area for each Subgroup .....	1
2b	Actual FFB Production for 2013 and Estimated FFB Production for 2014 .....	4
3	Total mature and Immature Area .....	4
4	Age Profile of the Palms.....	4
5a	Approximate FFB and CPO Tonnages Produced in 2013 and Budgeted for 2014.....	5
5b	Approximate PK Tonnages Produced in 2013 and Budgeted for 2014 .....	5
5c	Approximate PKO Tonnages Produced in 2013 and Budgeted for 2014.....	5
5d	Approximate PKE Tonnages Produced in 2013 and Budgeted for 2014.....	5
6	Status of Nonconformities .....	20

### **LIST of FIGURES**

1	Location Maps of Asosiasi Petani Sawit Swadaya Amanah, Riau Province - Indonesia.....	3
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### **List of Appendices**

A	RSPO Certificate Details – Asosiasi Petani Sawit Swadaya Amanah
B	Assessment Programme
C	List of Stakeholders Contacted
D	Supply Chain Assessment for the FFB Sales

## SUMMARY

BSI has conducted the first annual surveillance assessment of Asosiasi Petani Sawit Swadaya Amanah operations comprising group of Independent Smallholder members, Group Management/Group Manager, FFB supply chain, support services and infrastructure. This group meets the requirement for the group certification based on the RSPO definition whereby this group members growing oil palm, where the family provides labour, the farm provides the principle source of income and the planted area of oil palm is below 50 hectare in size. The continual assessment visit 1 was conducted on 21 – 24<sup>th</sup> May 2014.

BSI recommends that Asosiasi Petani Sawit Swadaya Amanah be continue certification as a producer of RSPO certified sustainable Fresh Fruit Bunches.

## ABBREVIATIONS USED OBTAIN

BPN	Badan Pertanahan Nasional/National Land Agency
CPO	Crude Palm Oil
EFB	Empty Fruit Bunch
FFB	Fresh Fruit Bunch
GPS	Global Positioning System
HCV	High Conservation Value
ICS	Internal Control System
INA-NIWG	Indonesian National Interpretation Working Group
INA-SWG	Indonesia Smallholders Working Group
IPM	Integrated Pest Management
KER	Kernel Extraction Rate
KT	Kelompok Tani/Farmer sub-group
NGO	Non Government Organisation
OER	Oil Extraction rate
OHS	Occupational Health and Safety
P&C	Principle & Criteria
PK	Palm Kernel
PKE	Palm Kernel Expeller
PKO	Palm Kernel Oil
PPE	Personal Protective Equipment
PT IIS	PT Inti Indosawit Subur
R&D	Research and Development
RSPO	Roundtable on Sustainable Palm Oil
SEIA	Social & Environmental Impact Assessment
SOP	Standard Operation Procedure
TUS	Tim Unit Semprot/Spraying Unit Team
WWF	World Wildlife Fund

## 1.0 SCOPE OF CERTIFICATION ASSESSMENT

### 1.1 National Interpretation and Assessment Document Used

The operations of the independent smallholder group, group management, Group Manager, Group Members and their supply bases of FFB were assessed against the following documents as a reference:

RSPO Group Certification Standard, July 2010; Indonesian National Interpretation of RSPO P&C for Independent Smallholders (INA-SWG: July 2010); and RSPO Supply Chain Certification Systems: November 2011.

### 1.2 Certification Scope

The scope of Certification covers Asosiasi Petani Sawit Swadaya Amanah, its 10 farmer Sub-Groups, Group

Manager, and the Group Members who have been formally accepted to join the group and comply with the group rules, requirements of the RSPO Standard for Group certification and Sustainable palm oil production.

### 1.3 Location and Maps

Asosiasi Petani Sawit Swadaya Amanah is located in Ukui Sub District, Pelalawan District, Riau Province – Indonesia (Figure 1). The GPS location of the group office is shown in Table 1.

**Table 1: GPS Locations of the Group Office**

Group	Longitude	Latitude
Asosiasi Petani Sawit Swadaya Amanah	102°06'09.46 E	0°09'36.85 S

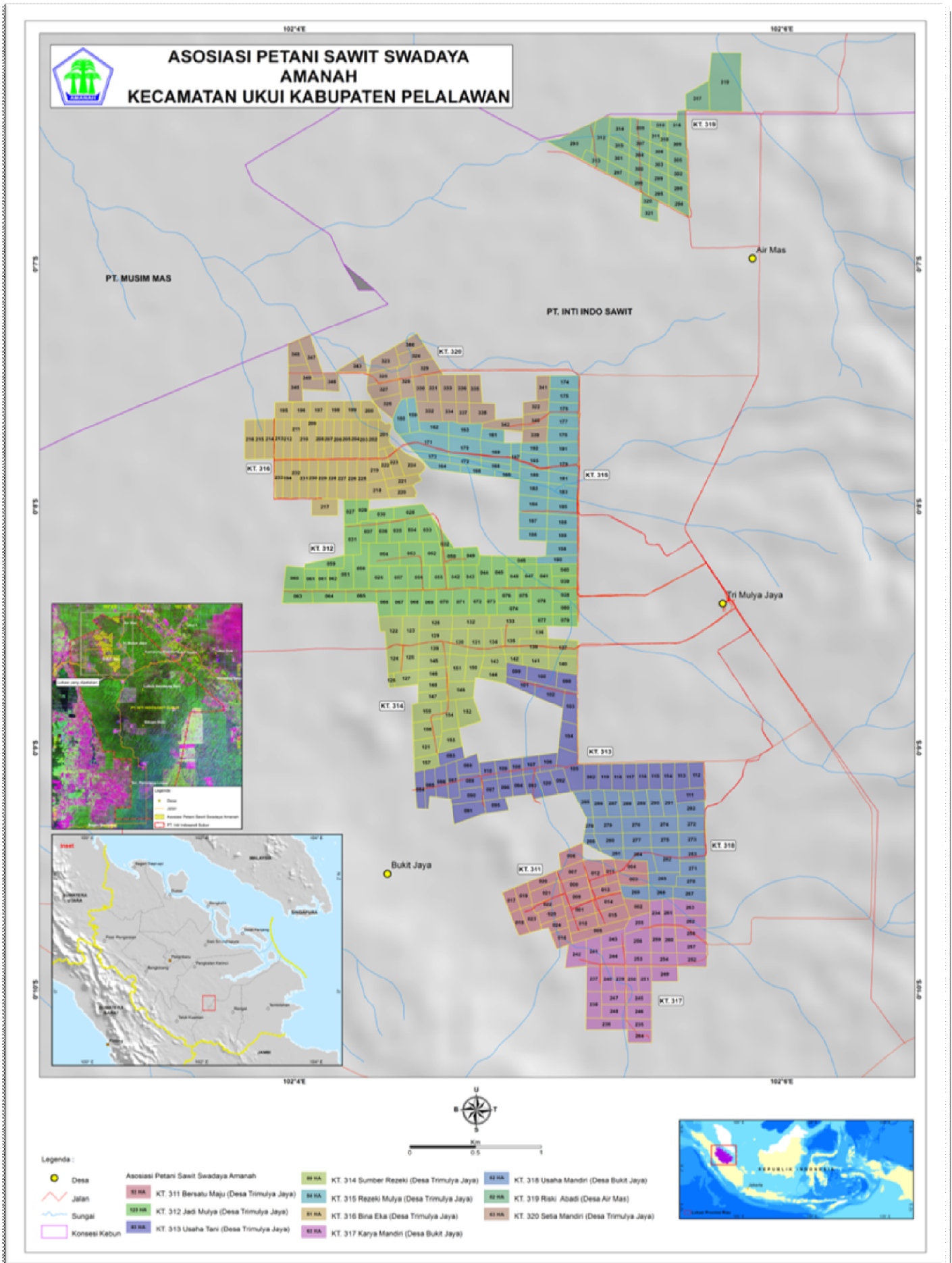
### 1.4 Description of the Independent Smallholders as a FFB producer

Fresh Fruit Bunch is produced from farmer's plots owned and managed by group members. These FFB is sold mostly to nearby mill belongs to PT Inti Indosawit Subur (PT IIS) namely Ukui Palm Oil Mill, although in particular case they could sell freely to other neighbouring mills. However, this Smallholders group has good relationship with PT IIS due to PT IIS's contribution for local development of Plasma scheme Smallholder to communities since 1980s. The land of smallholder group members was originally obtained from government lease. All of land status is officially issued by National Land Agency in term of "Sertifikat Hak Milik" (Land Ownership Certificate). The smallholder group consists of ten (10) farmer sub-groups where initially was proactive to be merged into an independent smallholder group.

Smallholder numbers and planted area is shown in Table 2a. The budgeted FFB productions (certified) for the year 2014 is listed in Table 2b below. As per RSPO requirement, the Independent Smallholders Group Management has collected actual FFB production data for the year 2013 and 2014 as shown in Table 2b.

**Table 2a: Total Smallholder Members and Total Planted Area for each Sub-Group**

Farmer sub-group	Villages	Planting Year	Total Area (Ha)	Number of farmers
311	Trimulya Jaya	2000	53	25
312	Trimulya Jaya	2000	123	56
313	Trimulya Jaya	2000	83	39
314	Trimulya Jaya	2000	89	37
315	Trimulya Jaya	2000	84	36
316	Trimulya Jaya	2000	81	40
317	Bukit Jaya	2001	63	31
318	Bukit Jaya	2001	62	28
319	Air Mas	1997-98	62	29
320	Trimulya Jaya	2000	63	28
<b>TOTAL</b>			<b>763</b>	<b>349</b>



**Table 2b. Actual FFB production for 2013 and Estimated FFB Production for 2014**

Farmer sub-group	Planting Year	Total Area (Ha)	Actual FFB Production 2013	Estimation production for 2014 (tonnes)
311	2000	53	1,198.29	1,258.20
312	2000	123	2,238.13	2,350.03
313	2000	83	1,661.07	1,744.12
314	2000	89	1,475.78	1,549.57
315	2000	84	1,820.36	1,911.37
316	2000	81	1,680.32	1,764.33
317	2001	63	1,168.04	1,226.44
318	2001	62	1,292.32	1,356.94
319	1997-98	62	1,709.93	1,795.43
320	2000	63	1,357.23	1,425.09
<b>TOTAL</b>		<b>763</b>	<b>15,601.47</b>	<b>16,381.52</b>

Note: The average projected increase of 4.99 % is justifiable because majority of the planted area is coming into stabile phase of prime mature stage in 2013/2014. Furthermore the best management practice in oil palm cultivation such as correct application of fertilizer affects FFB production.

Asosiasi Petani Sawit Swadaya Amanah was developed as an Independent Smallholders farmers group through initiative from farmer member and supported by WWF Indonesia in which acted as consultant for implementation of the RSPO requirements for the Group Certification. This initiative was part of WWF Indonesia in close cooperation with Fondation Carrefour commitment to certify the Independent Smallholders towards RSPO certification.

Asosiasi Petani Sawit Swadaya Amanah comprise 10 farmer sub-groups and managed by a central committee (formally named as Internal Control system) which act as a group management led by Group Manager. Advice through training in best oil palm management practices was initiated by WWF Indonesia since 2011. There are 349 independent smallholder members in this group covering an area of 763 ha planted with oil palm. The independent smallholders are selling the FFB to a particular Ukui Palm Oil mill which is acting as a partnering mill although the independent smallholders do not have any obligation to sell the FFB to this mill. Ukui palm oil mill already developed traceability records for the FFB received from the Asosiasi Petani Sawit Swadaya Amanah.

Asosiasi Petani Sawit Swadaya Amanah group members are farmers who depend on the income from their farming work. The farming land was originally from the government or individual farmer and now have various types of ownership such land title, lease title, land use right and allowed to plant agriculture crops. It is also noted that no planting was carried out after 2005. The audit team's inspection in the field, document verification, land history review and interview with neighbouring land owners and government officials confirm that these lands was previously planted with other agriculture crops. There is no evidence of any replacement of primary forest or loss of HCV.

In order to bring the independent smallholders into compliance of RSPO certification requirement, group management was formed comprising smallholder members who were elected. This group management acted as group manager and started to communicate all the RSPO certification requirements to each of the members since 2011 to ensure the members can be included into the RSPO certification assessment.

BSI audit team visited a sample of the group members during the certification assessment and checked their status and compliance with RSPO group certification requirements and relevant standards. The methodology is explained in section 2.3 below.

### 1.5 Area of Plantation

The area of palms at the independent smallholders is listed in Table 3 below. All the area is in matured.

**Table 3. Total Mature and Immature Area**

Group	Mature (ha)	Immature (ha)	Total (ha)
Asosiasi Petani Sawit Swadaya Amanah	763	-	763
<b>Total</b>	<b>763</b>	<b>-</b>	<b>763</b>

### 1.6 Date of Plantings and age profile

Palms of the independent smallholder members in the Asosiasi Petani Sawit Swadaya Amanah were planted between 1997/1998 and 2000. All the palms are matured and still in the first planting cycle. Replanting cycle is 25 years. Since the oldest palm is 17-18 years old, there is no replanting program has been developed. The age profiles of the palms for each farmer sub-group are shown in Table 4.

**Table 4. Age profile of the palms**

Farmer sub-group	Planting Year	Total planted Area (Ha)	Age of the palm (years)	% of total Planted area
311	2000	53	14	6.9
312	2000	123	14	16.1
313	2000	83	14	10.8
314	2000	89	14	11.6
315	2000	84	14	11.0
316	2000	81	14	10.6
317	2001	63	13	8.2
318	2001	62	13	8.1
319	1997-98	62	17-18	8.1
320	2000	63	14	8.2
<b>TOTAL</b>		<b>763</b>	<b>-</b>	<b>100.0</b>

### 1.7 Approximate Tonnages Certified

The approximate tonnages of FFB certified reported during this certification assessment was based on the budget for the year 2014. As per the RSPO Standard for Group Certification and Indonesian National Interpretation for Independent Smallholder requirement

all the members have at least previous year's (2013) FFB production record. These records were checked and audited during the document audit. During this assessment, the approximate tonnage certified includes the production from each farmer sub-group. The group management control system is using the OER given by the partnering palm mill to make FFB conversion to CPO. The FFB production is converted to CPO based on the 19.73% Oil Extraction rate (OER) for CPO and 4.44% for PK (KER) given by the partnering palm oil mill. This OER and KER are calculated from laboratory analysis of sample smallholder's FFB by the mill in early 2013. This OER and KER figures was also confirmed to the Independent Smallholder members, Group Management and the representative from the palm oil mill. The OER and KER are based on the palm oil mill's grading procedure. While PKO and PKE are based on RSPO Standard for Group certification document of which 45% is counted as Certified Palm Kernel Oil and 55% as Certified Palm Kernel Expeller. The detail of the Certified FFB, CPO, PK, PKO and PKE production is shown in Table 5a, 5b, 5c and 5d below.

**Table 5a: Approximate FFB and CPO Tonnages produced in 2013 and budgeted for 2014**

Source (farmer subgroup)	CPO tonnages @ 19.73% and 20% of OER *			
	2013 Actual FFB	2013 Actual CPO	2014 Budget FFB	2014 Budget CPO
311	1,198.29	236.42	1,258.20	251.64
312	2,238.13	441.58	2,350.03	470.01
313	1,661.07	327.73	1,744.12	348.82
314	1,475.78	291.17	1,549.57	309.91
315	1,820.36	359.16	1,911.37	382.27
316	1,680.32	331.53	1,764.33	352.87
317	1,168.04	230.45	1,226.44	245.29
318	1,292.32	254.97	1,356.94	271.39
319	1,709.93	337.37	1,795.43	359.09
320	1,357.23	267.78	1,425.09	285.02
<b>Total</b>	<b>15,601.47</b>	<b>3,078.16</b>	<b>16,381.52</b>	<b>3,276.30</b>

\* The actual 2013 of CPO extraction was based on 19.73% OER that was given by FFB purchasing mill (Ukui palm oil mill) for the group members. The budget for CPO extraction rate of 20% was referred to Smallholders Announcement on Green Certificate for Independent Smallholders dated 11 April 2013, posted on RSPO website on 11 May 2013.

**Table 5b: Approximate PK Tonnages produced in 2013 and budgeted for 2014**

Source (farmer subgroup)	PK tonnages@ 4.44 % and 5% of KER*			
	2013 Actual FFB	2013 Actual PK	2014 Budget FFB	2014 Budget PK
311	1,198.29	53.20	1,258.20	62.91
312	2,238.13	99.37	2,350.03	117.50
313	1,661.07	73.75	1,744.12	87.21
314	1,475.78	65.52	1,549.57	77.48
315	1,820.36	80.82	1,911.37	95.57
316	1,680.32	74.61	1,764.33	88.22
317	1,168.04	51.82	1,226.44	61.32
318	1,292.32	57.38	1,356.94	67.85
319	1,709.93	75.92	1,795.43	89.77
320	1,357.23	60.26	1,425.09	71.25
<b>Total</b>	<b>15,601.47</b>	<b>692.65</b>	<b>16,381.54</b>	<b>819.07</b>

\* The actual 2013 of PK extraction was based on 4.45% OER that was given by FFB purchasing mill (Ukui palm oil mill) for the group members. The budget for PK extraction rate of 5% was referred to Smallholders Announcement on Green Certificate for Independent Smallholders dated 11 April 2013, posted on RSPO website on 11 May 2013.

**Table 5c: Approximate PKO Tonnages produced in 2013 and budgeted for 2014**

Source (farmer subgroup)	PKO tonnages@45% of PK*			
	2013 Actual PK	2013 Actual PKO	2014 Budget PK	2014 Budget PKO
311	53.20	23.94	55.86	25.14
312	99.37	44.72	104.34	46.95
313	73.75	33.19	77.44	34.85
314	65.52	29.48	68.80	30.96
315	80.82	36.37	84.86	38.19
316	74.61	33.57	78.34	35.25
317	51.82	23.32	54.45	24.50
318	57.38	25.82	60.25	27.11
319	75.92	34.16	79.72	35.87
320	60.26	27.12	63.27	28.47
<b>Total</b>	<b>692.65</b>	<b>311.69</b>	<b>727.33</b>	<b>327.29</b>

\* 45% of PK counted as Certified Palm Kernel Oil was referred to Smallholders Announcement on Green Certificate for Independent Smallholders dated 11 April 2013, posted on RSPO website on 11 May 2013.

**Table 5d: Approximate PKE Tonnages produced in 2013 and budgeted for 2014**

Source (farmer subgroup)	PKE tonnages@55% of PK*			
	2013 Actual PK	2013 Actual PKE	2014 Budget PK	2014 Budget PKE
311	53.20	29.26	55.86	30.72
312	99.37	54.65	104.34	57.39
313	73.75	40.56	77.44	42.59
314	65.52	36.04	68.80	37.84
315	80.82	44.45	84.86	46.67
316	74.61	41.03	78.34	43.09
317	51.82	28.50	54.45	29.95
318	57.38	31.56	60.25	33.14
319	75.92	41.76	79.72	43.85
320	60.26	33.14	63.27	34.80
<b>Total</b>	<b>692.65</b>	<b>380.95</b>	<b>727.33</b>	<b>400.04</b>

\* 55% of PK counted as Certified Palm Kernel Expeller was referred to Smallholders Announcement on Green Certificate for Independent Smallholders dated 11 April 2013, posted on RSPO website on 11 May 2013.

### 1.8 Time Bound Plan

#### Asosiasi Petani Sawit Swadaya Amanah

is a member of RSPO since 5<sup>th</sup> October 2012.  
RSPO Membership No: 1-0133-12-000-00

Time Bound plan is not applicable for independent smallholders.

**1.9 Date of Certificate Issued and Scope of Certificate**

The scope of the certificate includes the production of FFB from the Independent Smallholder Group: Asosiasi Petani Sawit Swadaya Amanah, group manager and group members. RSPO Certificate details are included as Appendix A.

**1.10 Other Certifications Held**

No other certification held by the group or the members.

**1.11 Organisational Information / Contact Person**

The contact details as follows:

Asosiasi Petani Sawit Swadaya Amanah  
Desa Trimulya Jaya Kecamatan Ukui  
Kabupaten Pelalawan Provinsi Riau  
Indonesia

Contact Person: Mr. Sunarno

Phone: +62 813 7165 6847

Fax: N/A

Email: [hnarno@gmail.com](mailto:hnarno@gmail.com)

[asosiasi.amanah@gmail.com](mailto:asosiasi.amanah@gmail.com)

**2.0 ASSESSMENT PROCESS****2.1 Certification Body**

BSI Group Singapore Pte Ltd  
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Fax: +65 6270 2777  
RSPO Scheme Manager: Mr Aryo Gustomo  
Email: [Aryo.Gustomo@bsigroup.com](mailto:Aryo.Gustomo@bsigroup.com)

BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI has a Regional Office in Singapore and an Office in Thailand, Kuala Lumpur and Jakarta.

**2.2 Qualification of the Lead Assessor and Assessment Team****Haeruddin – Lead Auditor**

Graduated from the Faculty of Forestry of Hasanuddin University and has experiences in timber concession, wood industry, sales of medical equipment, and oil palm plantation since 1995. He is experienced in international training and auditing in Organic standard, Common Code Coffee of Community (4C), UTZ certified, FSC, PEFC, RSPO, and ISO 9001. During this certification assessment sample of independent smallholder members and their plots were selected and focus on the aspect of Group certification standard, legal, and social.

**Aryo Gustomo – Auditor**

He holds degree in Agriculture science and graduated from Bogor Agriculture University. He is a specialist in oil palm plantation with Agronomy background. He had more than 5 (five) years working experienced related to oil palm industries i.e. as a Plant breeder/agronomist in the one of Malaysian oil palm seed producer, and as a field assistant in oil palm Plantation Company in Indonesia. Several relevant Training he has completed include ISO 9001 and 14001 Lead Auditor, RSPO Lead auditor endorsed courses which also covered RSPO SCCS, Social Report Assurance training, ISPO auditor training, and training on HCV identification and management. Currently he works for BSI Group based in Jakarta office as a RSPO scheme manager and one of the BSI qualified RSPO lead auditor. He had been involved in several RSPO certification audits including New Planting Procedure assessment as a lead auditor/auditor with geographical audit experiences cover Indonesia, Malaysia, Thailand and Liberia - Africa. During this assessment, he mainly focused on the aspect of Group certification standard, legal, environment, smallholder best practices; working safety, and supply chain requirement..

**Pratama Agung Sedayu - Auditor**

He graduated from University of Jenderal Soedirman on 2008, majoring in Social Economic of Agriculture. He involved in RSPO certification since 2009 as a team member covering assessment with RSPO P&C in Indonesian and Malaysia. He completed the ISO 9001 and OHS 18001 Lead Auditor training, HCV identification and management, ISPO auditor training, and has planned to attend RSPO Lead auditor endorsed course in May 2013. He can communicate fluently in Bahasa Indonesia and English both oral and written. During this assessment, he assessed the smallholder best practices, environment, working safety, and emergency preparedness.

**2.3 Assessment Methodology, Programme, Site Visits**

The assessment was conducted to assess the compliance of the Independent Smallholder Group and its members against the RSPO requirement for Independent Smallholder Group certification. The assessment program is included in **Appendix B**.

This assessment was conducted using the documents as per in section 1.1 above as a reference during the assessment of the independent smallholder Group Manager, Group Members and Internal Control System.

BSI Audit team conducted the certification assessment of the Independent Smallholders operation by conducting document review, field visit, and interview with Group Management Committee, Group Manager, ICS Staff, Group Members and stakeholders. During this certification assessment sample of independent smallholder members and their plots were selected. The sampling was based on RSPO sampling formula.

### ***Sampling formula and method of calculating the smallholder members to be assessed***

BSI conducts the assessment based on sample in which regulated under RSPO Certification Requirement for Group Certification (2010). Under the requirement, size of samples was based on formula  $(0.8\sqrt{y}) \times (z)$ ; where  $y$  is the total number of independent group member and  $z$  is the multiplier based on risk assessment.

For the purpose of sampling, risk assessment of group members and the group manager was carried out prior to the certification assessment through document review on the application details provided by the group manager. This includes details of members, size of the plot, management structure, sloping area, planting year, result of internal assessment, the geographical location, distance from the palm oil mill and information gathered from stakeholder. Based on the information gathered prior to the assessment, BSI audit team concluded that the risk is *medium* with 1.2 as multiplier coefficient.

During this assessment, Asosiasi Petani Sawit Swadaya Amanah, selection made for:  $(0.8 \times \sqrt{349}) \times (1.2) = (0.8 \times 19) \times (1.2) = 18$  individual farmer plots.

Plots of the members selected were visited and inspected followed by document assessment for each member's records and data relevant to group certification and RSPO P&C INA-SWG for Independent Smallholder. Interview was conducted at the field during the visit to the plot. Field operations such as harvesting, chemical spraying and FFB transportation were checked during the field visit.

The assessment program includes assessment against all the applicable RSPO requirements for Independent Smallholder Group Certification. The methodology for collection of objective evidence includes physical inspection of the independent smallholders' facilities, members' plots, and interview with members, Group Manager, Group Management Committee, ICS Administrator, workers and review of documents. The field inspection was aligned with the field operation schedule in order to inspect the operation and interview the smallholder member and workers.

Mr. Senniah Appalasy, who has been involved in BSI RSPO activities and one of the BSI internal reviewer, reviewed this report for conformance with BSI Procedure, RSPO Certification System and RSPO Procedure for Annual Surveillance Assessment.

### ***2.4 Stakeholder Consultation and List of Stakeholders Contacted***

During the Independent Smallholder Assessment stakeholder consultation was conducted involving internal and external stakeholders. During the assessment, meeting were held with internal and external stakeholder in the absent of the group members and group management to allow the stakeholders give their feedback freely.

During the meeting, the stakeholders were asked open end questions to seek feedback on the performance of

the Independent Smallholder Group's performance with respect to RSPO requirements and aspects that they consider need improvements. Issues discussed were related to legal issues, land ownership issues, agriculture practices, environment and social performance. Stakeholders included are those immediately linked with the operation of the Independent Smallholder Group such as workers, group members, village head, government officials and representatives from the partnering mill. Stakeholder consultation took place in the form of meetings and interviews without the present of the group management members and interview with workers was without the present of the smallholder member.

It is noted that during the Independent Smallholder assessment there was no negative comments or complaints received. Issues raised and discussed are summarized in section 3.5. The list of stakeholders contacted is included as Appendix C.

### ***2.5 Date of Next Surveillance Assessment Visit***

The next surveillance assessment visit is planned in May 2015 and within 9-12 months after anniversary of certificate.

## ***3.0 ASSESSMENT FINDINGS***

The assessment findings are reported in Section 3.1 referring to the finding based on RSPO Standard for Group Certification: July 2010, and Section 3.2 is referring to the findings of the Independent Smallholder assessment based on RSPO P&C for Independent Smallholders, Indonesian National Interpretation: 2010.

During Surveillance sssessment Visit, no nonconformities against P&C for Independent Smallholders were identified. 2 (two) Observation/Opportunity for improvements against RSPO P&C for Independent Smallholders identified, another 2 (two) Opportunity for improvements against RSPO Group Certification Standard were also highlighted. Verification upon minor nonconformities from Initial Assessment has been carried out. Compliance was found on all corrective action taken for previous minor non conformities. The detail of findings during initial certification assessment is explained in the summary of the findings below.

BSI recommends Asosiasi Petani Sawit Swadaya Amanah and its farmer sub-groups, Group Manager and Group Members complied with the RSPO requirements for the independent smallholder group certification; and recommend to be continues approved as a RSPO Certified FFB producer of Sustainable Palm Oil.

### ***3.1 Summary of Findings – Assessment Against Standard for Group certification***

*(Based on the RSPO Standard for Group certification: July 2010 reference to requirement for the Group Manager, Group members, Independent Smallholders group structure, Internal Control System and FFB Supply Chain Elements).*



During the Independent Smallholder Assessment, the group manager and a sample of group members were assessed against the compliance to the requirement of RSPO Standard for Group Certification. It was assessed how the internal control system documentation and mechanism supports the group members, controls the group members' sustainable oil palm management, monitors the group members through internal assessment to ensure they meet the RSPO requirement for group certification and assessed the supply chain mechanism of the FFB produced and sold.

**Requirement 1: Group requirements. Producers can form or join a group for group certification. The organization and its members shall demonstrate their ability to meet the RSPO Standard for Group Certification and the relevant RSPO Standard for Sustainable Palm Oil Production.**

### 1.1. Group Elements

Asosiasi Petani Sawit Swadaya Amanah is an Independent Smallholder Group formed and trained to be certifiable standard with support from external consultants WWF Indonesia. The group is managed by a group manager who reports to internal group management committee consisted by selected group members. Organization chart for ICS (Internal Control System) has been developed consist of appointed personal for each section, such as: Group Manager, Internal Approval Committee, Section for Registration and Counseling, Section of Internal Auditor, and Section for FFB Purchasing and Sales. The group manager ensures that the group members meet the requirement RSPO standard for Group Certification. There is changes noted in Internal Control System structure as Letter No. 003/Dok.Amanah/SK/I/2014, dated 6<sup>th</sup> January 2014, due to inactive ICS member. The current organization structure consists of Group Manager, Internal Approval Committee, Penyuluhan dan pendaftaran (Registration and Guidance), Penilaian Internal (Internal Assessor), Pembelian dan Pemasaran (Purchasing and Sales).

The current procedure for farmer registration is available under Buku Pedoman ICS Petani Kelapa Sawit Swadaya, Periode July 2012 - July 2013, Section 5.1 Registration of farmer. Member registration has been made. Flow chart of registration is clear, starting from application form, pre-inspection and checking on appropriate documents of farmers, and internal approval. SOP No. 003/DOK/SOP/APSSA/2013 stated Registration of each member shall be agreed during panel committee of internal approval. Once accepted to join the group, the members sign an agreement with the group manager to follow the group rules and meet the RSPO requirement for group certification. Review on record of farmer member of Asosiasi Petani Sawit Swadaya Amanah found that only formal group members are joined within the group. All 349 farmers are formally registered as group member. All farmer member has undersigned contract with Asosiasi Swadaya Amanah, as written in "Kontrak Petani". The contract explains the rights and obligation of farmer member to follow and abide RSPO programme, agreed to be inspected (both internal and external body).

Record sampled: contract under name Siti Rukhanah, dated 10<sup>th</sup> July 2012; Sumadi, dated 10<sup>th</sup> July 2012; Pujianto, dated 10<sup>th</sup> July 2012.

Contract documents annexed with farmer application form and block location with appropriate scale and information.

Group manager established a system to check membership status, production process, and RSPO requirements of principles and criteria for each farmer member (i.e. record of Checklist "Pemeriksaan Internal" Internal Inspection). Checklist consists of Land information and status, replanting area (if any), commitment to comply with RSPO requirements, and checklist of compliance with RSPO P&C. A procedure has been established by group manager as guidance to monitor all individual group membership status and risk evaluation i.e. SOP No.011/DOK/SOP/APSSA/2013 ("Monitoring dan Pemantauan Kualitas dan Profesionalisme Grup Sertifikasi"). Current procedure covers documenting and monitoring all individual group membership status, risk evaluation.

Group manager specified maximum capacity of the prospective members that can be supported by management system and technical capacity is 500 individual famers. The current formal group member is 349 individuals. There is no new member at this point of time. The relevant procedure provided by smallholder group is SOP No.003/DOK/SOP/APSSA/2013.

### 1.2. Compliance with Standard

Monitoring on formal group member under group certification is scheduled every 4 month. Latest records shown internal inspection for each individual formal member was done on January 2014. Group Manager has produced yearly programme to monitor all member within the group to comply with relevant RSPO Standard for Sustainable Oil Palm Production.

Group manager continue plans a program to support formal group member and prospective members in achieving compliance with RSPO requirements. (Record: "Rencana Kerja Tahun 2014" Work Programme of 2014). Program covers identification of prospective member, training related to ICS, RSPO P&C requirements, gap assessment in compliance with RSPO requirements, regular internal inspection, registration of prospective member, internal assessment, internal approval committee meeting, formal agreement, and regular counselling on the field.

Group Manager is aware that once the prospective members are in compliance with the RSPO standard through initial internal assessment before accepting into the group, they shall be formally included as a member of the group. Until RSPO compliance is achieved through an initial assessment by external certification body, the FFB production from prospective member sites is not included to the total certified production of the group. There has been no new formal member acquired since the last Initial Assessment. Prospective members are in database completion-stage.

All the 349 formal group members have agreement with the Group Manager showing a commitment to achieve compliance to RSPO requirements for group certification. A copy of the agreement is kept at the ICS administrator and by the group members.

Group Manager ensures that group members continuously committed to improve their compliance with relevant RSPO requirements by adhering to group rules and system. Interview with 18 farmers member sampled, knowledge of understanding upon group internal requirement including ICS, policy and programme developed by Group Manager increased. Group manager is committed to implement socialization of the programme consistently.

Group Manager ensures that group members continuously committed to improve their compliance with relevant RSPO requirements by adhering to group rules and system. Interview with 18 farmers member sampled, knowledge of understanding upon group internal requirement including ICS, policy and programme developed by Group Manager increased. Group manager is committed to implement socialization of the programme consistently.

Group manager shows further improvement on the understanding of compliance to RSPO group certification standard including retention time of record keeping for each ICS document. Group manager has also understood and able to explain the requirement for supply chain management. Furthermore, routine internal inspection for each farmer plot continues as according to programme.

Group manager and its farmer members show continuous effort to maintain compliance with RSPO standard. 40 procedures related to Group Certification standard (similar to Initial Assessment) sets out to support compliances with RSPO standard requirements including programme to conduct routine inspection and corrective action against non-compliance.

**1.3. The Group Manager of the Group shall demonstrate its capacity for managing group certification and performance assessment against the RSPO Standard for Group Certification.**

Group manager was appointed during member meeting on 25<sup>th</sup> April 2012; Minutes of meeting record is available. The appointed group manager is an individual acting as legal entity. The detail responsible for group manager is provided in SOP No.005/DOK/SOP/APSSA/2013 with regards to Appointment of Group Manager. The group manager and the group management committee are elected by members and have the capacity to manage the group certification through the formation of the group committee. Decision making is through meeting with members. The last changes of ICS members committee No. 002/Dok. Amanah/SK/I/2014, dated 6 January 2014, where Mr. H. Sunarno as Group Manager and assist by ICS team.

Group manager is local people and able to communicate fluently within members. During the audit, it is

confirmed the group manager was able to communicate with the members in both spoken and written.

Based on interview with The Group Manager and ICS personnel, e.g. Mr. Edy Sumarmin, Mr. Jaswijaya and Mr. Rusman Effendi) are able to demonstrate knowledge of the requirements of RSPO Standard for Sustainable Oil Palm Production, RSPO Standard for Group Certification, and internal group procedures and policies as stated in the sustainability manual. It is also noted that there is no conflict of interest in the group management structure and they are elected by the group members.

During the audit, based on interview with group manager, field visit and observation to group office, audit team seen the sufficient resources in term of human capital, financial, buildings and other infrastructure such as agriculture tools, emergency response equipment, vehicles, etc

Group Manager has set out the procedures of internal audit programmes which planned every 4 months. The last internal audit was conducted on 08 – 09 January 2014 (sample taken 22 members) e.g. Mr. Nyaman (farmer code 125/Block 314) and Mr Jumiyo (farmer code 239/Block 317). Internal audit in April 2014 was conducted on 10 - 11 April 2014 (sample taken 22 members), e.g. Mr. Sutikno (farmer code 166/Block 315 and Mr Suktar (farmer code 271/Block 318)

The cooperative has vision and mission, objective, policies and procedures to manage their members, during field visit found that its implemented well, e.g. Policy and procedures of ICS “Buku Pedoman ICS Petani Kelapa sawit Swadaya – Januari 2014 – Januari 2019”

There is a policy and procedure for communication i.e. SOP No.007/DOK/SOP/APSSA/2013 (“Komunikasi Internal Grup Sertifikasi”). Policy has been communicated within group member. Interview with some sampled farmers show understanding of internal communication policy established by group manager.

Group manager has established a yearly program for prospective and formal members to develop strategic plan including the training need for its member. Record: *Rencana Kerja Tahun 2014*

Based on document review, FFB production seeling as certified does not exceed from total certified FFB production.

**Requirement 2.0: Group Management Documentation Requirement**

**2.1. The Group Manager shall have its operational structure, policies and procedures, and basic information on individual group members documented. The system verifies whether operations within the group comply with the RSPO Standard for Group Certification Requirement and the relevant RSPO Standard for Sustainable Oil Palm Production.**

Organization chart for ICS was established by Group Manager. Detail of ICS job description in “Tugas dan Tanggung Jawab Kerja”, issued on 26 April 2012

Retention time of document is 5 years as regulated in procedure no.002/DOK/SOP/APSSA/2013

There is no change in procedure for membership requirement (from Initial Assessment). The documented membership requirements for the participation of individual members in the group included in the Manual Book and procedures such as:

- Membership requirement and procedure to join the group SOP No.003/DOK/SOP/APSSA/2013 with regards to “Prosedur Penerimaan Anggota”. Group manager stated that new procedure for member registration is also applicable for prospective member to join the group.
- Procedure for leaving the group SOP No.010/DOK/SOP/APSSA/2013 with regards of “Keluar atau Mengundurkan Diri dari Keanggotaan”
- Procedures for incorporating a remedial system for member non-compliance, stated in Manual Book (Guidance Book of Internal Control System, Asosiasi Petani Sawit Swadaya Amanah). Procedure covers requirement and penalty to group member whom are not complied with internal policies and procedures.
- Procedure for expulsion from the group, stated in Legal Authority of Asosiasi Petani Sawit Swadaya Amanah, dated on 1<sup>st</sup> Aug 2012 issued by a law consultant Mr. Asri Thaher, S.H., M.Kn; and SOP No.026 / DOK/ SOP / APSSA /2013 “Pemecatan anggota grup sertifikasi”. Member who are not followed and complied with internal procedures and policies of the group will be removed from the membership.

There is no change in group-level operation manual and procedures (from Initial Assessment):

- Procedure for internal assessment protocol and entry requirement stated in SOP No. 012/DOK/SOP/APSSA/2013 with regards “Program Kerja Inspeksi Internal”. For sampling method procedure is detailed in SOP No.014/DOK/SOP/APSSA/2013 with regards “Penentuan Sample Inspeksi Kebun Anggota Grup Sertifikasi”
- Procedure for accepting / removing members – *see indicator*
- Procedure for issuing Corrective Action Request (CAR) to members with non-compliance during internal assessment and external assessment including communicating CAR and timeline to respond to the CAR, stated in No.031/DOK/SOP/APSSA/2013 and No.033/DOK/SOP/APSSA /2013 (2.1.4.3; 2.1.4.4; and
- Procedures for handling complaints, appeals, corrective action requests (CARs), and group member performance assessment, stated in 007/DOK/SOP/APSSA/2013 with regards to “Komunikasi Internal Group Sertifikasi”
- Procedures for group monitoring and internal assessment, including carrying out and updating group risk assessment and annual surveillance of group members based on the RSPO sampling formula stated in SOP No.011/DOK/SOP/APSSA/2013 with regards “Monitoring dan Pemantauan kualitas dan Profesionalisme Group Sertifikasi”

Result of last internal assessment is available for each group member conducted in 2014, no any NCs was found during internal assessment.

Date of acceptance of group member started on since the agreement letter between group manager and each group member was signed. The information is provided in Database Anggota Group Sertifikasi updated 2013. No change in 2014.

Maps of the farmer plot for each group member incorporated into farmer group maps are available. Records are kept in ICS documentation. Record provided in “Database Anggota Group Sertifikasi 2013”. No change in 2014.

Summary of all the data on land use (in hectares) for each formal member is available in “Database Anggota Group Sertifikasi updated 2013” *Database of Group Certification member 2013*. The information cover location maps for each farmer plot, total area, total planted area, Total RSPO certified production area, and other related information. There is no other crop production and infrastructure areas within farmer plot. All farmer plot areas are planted with oil palm. Most of smallholders are living in the village nearby the plots area.

## 2.2. Internal Assessment System

There is no new prospective member accepted since the last Initial Assessment Visit.

Internal assessment programme February 2014 and April 2014 for implementation of 2013 – 2017 is current. Procedure related to internal assessment programme is also in place (i.e. SOP No.012/DOK/DOP/APSSA/2013 with regards “Penilaian Inspeksi internal” *Internal Inspection*; and SOP No. 029/DOK/SOP/APSSA/2013 with regards to Sampling size methodology). Asosiasi Petani Sawit Swadaya Amanah has carried out the internal assessment as planned. Program for regular internal assessment has been developed. In the internal audit programme, internal audit against all smallholder members will be completed by 2017. e.g. internal audit in 2013, sample taken Mr. Arif Aswari (010) and Mr. Salimin (016), 2014: Mr. Parnata (200) and Mrs. Sriwahyuni (201), in 2015: Mr. Juwadiyanto (023) and Mr. Sutejo (024), in 2016: Mr. Tukimin (115) and Mr. Tahir, in 2017: Mr. Tahir (116) and Mr. Taryono (329)

Risk factor, sample size, methodology and result evaluation has been determined and recorded. This was confirmed in line with Group Certification Standard and internal procedure. 22 samples continued to be assessed from different KT (farmer sub-group). The result of internal assessment recorded under “form checklist pemeriksaan internal” *Form of Internal Inspection Checklist* and “Notulen Kegiatan Tim Penilai” *Meeting Minutes of Internal Inspection Team*. The internal audit result counter-signed by smallholder inspected and will be maintained for 5 years. There has been no complaint from interested party and/or stakeholders received by Asosiasi Petani Sawit Swadaya Amanah.

Internal Assessment is conducted based on RSPO P & C for Independent smallholders and Group Certification System, Internal Assessment checklist is signed by ICS and members who is audited.

In the last 2 internal assessment is not found any non conformities, if any NCs, the corrective action and preventive action will be taken and no any comments was received from stakeholders in this year related sustainable oil palm production by group members.

**Requirement 3.0: Chain of Custody. The Group Manager shall have a system in place to enable the trading of RSPO certified Fresh Fruit Bunches (FFB) produced from the group**

A procedure has been established SOP No.021/DOK/SOP/APSSA/2013 with regards "Prosedur Penjualan Buah kelapa Sawit Asosiasi Petani Sawit Swadaya Amanah" (Procedure of FFB sales and purchasing).

The Group Manager and ICS monitor sales of FFB from members, based on document review, the document able to trace to the member through documents:

1. Buku Timbang (Weight Receipt), consist of date, name of farmer, number of bunch, e.g. "Buku Timbang" dated 9 Februari 2013, Farmer group no. KT 319, Mr. Ssabar, FFB: 100 bunch (1,648 kg) and Mr. Mulyadi: 211 bunch ((3,632 kg).
2. Surat Pengantar TBS (FFB Delivery Note), consist of name of farmer group, farmer group no., serial no., date, vehicles no., quantity (kg). Marking of RSPO Certified and RSPO certificate no., e.g. FFB delivery Note serial no. 00003896, dated 19 March 2014, Farmer group no.KT 319, vehicles no. BM 9189 CG, quantity (9,580 kg) .
3. Kartu Timbangan (Weight Bridge Receipt), consists of the origin serial number.
4. Record of certified FFB.

FFB certified Delivery Note is marked with "RSPO certified and record separately with non certified.

Delivery Note and Weigh-bridge receipt able to trace based on "Delivery Note Number". FFB produced by group members is recorded daily and monthly basis.

No Intermediary was involved in FFB certified trading in Group members.

### **3.2 Summary of Findings Assessment Against RSPO P & C – INA SWWG for Independent Smallholders**

*(Based on the RSPO Principles & Criteria for Independent Smallholders, Indonesian National Interpretation: 2010)*

#### **Principle 1: Commitment to transparency**

**Criteria 1.1: Oil palm growers and mills provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation in decision making.**

Organization records of request information from stakeholders in Log Book "*Petani Swadaya Kecamatan Ukui Kabupaten Pelalawan tahun 2012-2014*". Based on document review, it was found that request information is responded timely manner> The retention time of record determined for 3 years.

**Criterion 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.**

Organization determined the list of document accessible for public under "Daftar Dokumen yang dapat Diakses". The list dated 1 October 2012 and retention time determined for 5 years.

There is also Publicly available documents such as location map and farm layout of the group members plots/blocks, application and agreement between the group manager and group members, internal audit documents, registration of the group with the local authority, safety and health plan, details of complaints/grievances, group policies, copies of relevant government regulation, agriculture manual covering oil palm best practices, Guidance Book of ICS, farm operation and production records, training records, FFB sales records and continuous improvement plans.

#### **Principle 2: Compliance with applicable laws and regulations**

**Criterion 2.1 – There is compliance with all applicable local, national and ratified international laws and regulations.**

Smallholder group updated the list of applicable laws and regulation to ensure that group and member comply with laws and regulation as documented in "*Dokumen Kepatuhan pada Peraturan dan Hukum yang berlaku*". The list of legal requirements covering legal permit, environmental, social and best practices.

**Criterion 2.2 – The right to use the land can be demonstrated and is not legitimately contested by local communities with demonstrable rights.**

All farmers acquired land use rights from local Government in the form of "Surat Keterangan Tanah"/Letter of Land Status (Scheet-kaart Land) or Land Ownership Certificate.

All the group members have maps, farm layouts and evidence showing legal land ownership in the form of land title and land use right. Group members understand the terms of the ownership and able to explain the history of the land use prior to oil palm planting. These details are made available to the group manager prior to joining the group.

Group manager ensure that group members lands are not claimed or contested by any third parties or local communities and there is no violation of customary rights. There is no dispute noted during this annual

surveillance assessment and no issues were raised by the stakeholders during interview.

Organization continues the programme to implement boundary concrete poles and maintenance under “Program pemasangan Patok Batas Kavling dan Realisasi Pemasangan Patok Batas tahun 2013”. Based on the record in 2014, there are 349 farmer plots are completely installed with boundary poles. Field inspection to sampled 18 farmer plots, found the boundary poles are visibly maintained. Furthermore, palm fronds stacking are also arranged along the boundary lines at several farmer plots.

**Criterion 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.**

Based on review of land title record found that all members hold the land title (Sertifikat Hak Milik), Interview with head of villages confirmed, there are no traditional rights or land dispute with any third party.

**Principle 3: Commitment to long-term economic and financial viability**

**Criterion 3.1. – There is an implemented management plan that aims to achieve long-term economic and financial viability**

The group manager and the group management committee with participation from members developed operational work plan in term of “Rencana Kerja Kebun Sawit Swadaya 2014”/Operational Plan for Independent Smallholders 2014. Under the document, the target of projected FFB production for three years, production and maintenance cost, total income, and other related activities are provided such as training programme, manuring schedule, Internal inspection, weed control, boundary poles upkeep, prevention erosion and upkeep of land subsidence.

There is no change in replanting plan. The replanting programme is available under “Dokumen Rencana Replanting”/Document of Replanting Programme in which the programme will commence in 2028 for all farmer plots.

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

**Criterion 4.1: Operating procedures are appropriately documented and consistently implemented and monitored.**

Smallholder group is referring to “Agricultural Policy Manual for Smallholders” No.AA-PLASMA-PP-KS-01. The manual is similar to Scheme Smallholder’s agriculture manual provided by PT Inti Indosawit Subur – Ukui Group. The manual explains the procedures for seedling preparation, pest and disease control, fertilizer application, harvesting. There are also reference documents issued by national government in relation to oil palm plantation such as “Buku Operasional Pengendalian Hama Terpadu Kelapa Sawit” Dirjen Perlindungan Perkebunan Departmen Pertanian 2007”

(Book of Pest and Disease management, Directorate of Protection and Plantation, Agriculture Minister 2007); “Kumpulan Diskripsi Varietas Benih Bina Tanaman Tahunan”, Dirjen Bun 2005 (Journal of Seedling Variety, Plantation Directorate General 2005), “Pedoman Pengamatan dan Pengendalian OPT Penting Kelapa Sawit”, Direktorat Jenderal Perkebunan 2010 (Guidance on Monitoring and Management of Oil Palm Disorder, Plantation Directorate General 2010); and “Pedoman Teknis Pengembangan Kelapa Sawit Program Revitalisasi Pertanian”, Direktorat Jenderal Perkebunan 2009 (Technical Guidance on Oil Palm Development of Revitalisation Programme, Plantation Directorate General 2009).

Additional guidance have been prepared and communicated on peat soil management under *Pembuatan dan pemeliharaan parit – Parit Drainase* (Development and maintenance of drainage on peat soil) No.018/APSS.A/13 and *Standar Pengukuran Pengelolaan Air* (Water management and Measurement Standard)” No.AA-APM-OP-1100.17-R0 as a guideline in water management for peat soil.

The independent smallholder group was given external support and assistance by WWF Indonesia and partnering Mill in implementation of agricultural practices. Review on document and field visit confirmed the smallholder group are implementing their own agriculture practice appropriately, for instance: Fertilizer application based on leaf sampling test recommendation, U-shape frond stacking to reduce land erosion, Empty fruit bunch application, Pesticide application using spraying unit team, pest and disease census, water level monitoring and harvesting activity. Records of those activities are kept in group manager office. Group Manager and ICS staff ensures to regularly check on the smallholder activity through internal audit and monthly field inspection to the selected member plots. The group manager organises regular training for the group members in order to review and enhance their knowledge on good agriculture practices.

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

The fertilizer application recorded under “Daftar Jenis dan Volume Pupuk yang disalurkan Petani” (List of Fertilizer application for smallholder member) includes “Laporan Realisasi Pemupukan Tahun 2014” (report of Fertilizer application for 2013). Smallholder group was completed applying fertilizer to all member plots as per April 2014, such as ZA and Kieserite. April 2014: KT 317 planned 12,300kg Kieserite, applied 13,400kg Kieserite

Organization recorded the productivity history and realization of year 2009–2013. The monthly record is also checked and verified by the Group Manager and ICS administrator and updated in the ICS documentation.

**Criterion 4.3: Practices minimise and control erosion and degradation of soils.**

Most of smallholder group member are located on flat area. Nevertheless, smallholder group has implemented

the frond stacking on letter “U” in particular slope area. Group manager planned to monitor implementation of frond stacking and drainage maintenance under document of “*Monitoring pelepah letter U dan Perawatan parit*” year 2014. Field visit and interview with 18 sampled farmer plots confirmed they are understand on the practice to minimise and control erosion.

During the field visit it is noted that only selective and circle herbicide spraying carried out. No blanket spraying noted. Soft grass and soft weeds are maintained to maintain humidity and minimize erosion during heavy rainfall. There is no immature area during the audits, the latest planting years was back in 2000. Field visit to 18 sampled farmer plots suggest no blanket spraying practised.

**Criterion 4.4: Practices maintain the quality and availability of surface and groundwater.**

Smallholder group are able to demonstrate sufficient knowledge and understanding, as well demonstrate effort for surface and groundwater conservation. Smallholder group recorded the pesticide application under document of “*Rekap Biaya Herbisida TUS*” (Recapitulation of Herbicide cost through Spraying Unit Team) recording Pesticide used from January - May 2014. Fertilizer application recorded under “*Daftar Jenis dan Volume Pupuk yang Disalurkan Petani*” (List of Fertilizer Distribution Type and Volume to the farmers) in which the dosage were recorded “*Dosis Rekomendasi Pemupukan tahun 2014*” include the fertilizer recommendation per type of fertilizer: ZA, MOP and Kieserite

Smallholder plots member of Asosiasi Petani Sawit Swadaya Amanah located in relatively flat area. Nevertheless, the smallholder group consistent to implements U-shape frond stacking in some particular slope area. For example farmer plot area of KT 314, KT 315, KT 317 and KT 318. Buffer zones are managed along the water stream. Inspection to the field confirmed, no chemical treatment carried out along the buffer area. Group members are employing TUS team to maintaining the quality and availability of water resources such as maintaining buffer zones by avoiding spraying and maintaining natural vegetation.

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

IPM is documented in the Manual and procedures. This manual describes all the IPM techniques and methods to be used by the smallholder group members in managing oil palm pest and disease. The techniques include prevention through planting beneficial plants such as *Tunera subulata* and *Neprolepis*.

Smallholder group has trained officer to monitors pest and diseases through census of bagworm and rat under “*Laporan Hasil Pengamatan dan Pengendalian Hama dan Penyakit*” (Report of Monitoring and Control of Pest & Disease). Census is conducted on monthly basis.

Smallholder group continues to control pests and diseases through plan for planting *Turnera subulata* and barn owl box.

Group manager in coordination with PT Inti Indosawit Subur provides knowledge to group members to understand the IPM techniques such as biological control for pest. Manuals related to IPM practices kept in the group office and copy is distributed to group members. Group members aware how to identify pest attacks if any through visual observation. Training of IPM planned for October 2014. Based on interview to 18 sample farmers were able to demonstrate adequate knowledge on integrated pest management and the implementation.

**Criterion 4.6: Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives and this is documented.**

Asosiasi Petani Sawit Swadaya Amanah is having agreement with KUD Bakti to use the service of “*Tim Unit Semprot/TUS*” (Spraying Unit Team). Tim Unit Semprot/TUS is responsible to carry out chemical spraying activities on farmer plots within the independent smallholder group. Group manager ensures all of TUS operators are trained sufficiently before joining the spraying team. Record of training for each spraying operator is in place and kept in group office. “*Tim Unit Semprot/TUS*” (Spraying Unit Team) has been prepared with appropriate training on Limited pesticides “*Pelatihan Pesticida Terbatas*” dated back in 19<sup>th</sup> December 2012. The trainer was from Plantation Department of Riau province. Interview with TUS operators confirmed knowledge of spraying and chemical application.

Organization listed all the agrochemical used in smallholder group. All agrochemical used listed under “*Bukti Penggunaan Agrokimia Terdaftar*” (Record of Registered Agrochemical used) referred to Agriculture Ministry office Book “*Buku Pesticida Terbatas*”. Visit to agrochemical storage and crosscheck with the list, all agrochemical stored holds valid registration license. (4.6.2)

Record of Agrochemical used for the targeted weeds with appropriate dosage as per the recommendation on the label is recorded in “*Rencana Kerja Harian*” – Daily Work Order Book. Record shows date, type of herbicide used and quantity used. Asosiasi Petani Swait Swadaya Amanah does use Class II agrochemical such as *Paraquat*. The group manager and its members are aware of the requirement in RSPO related to use of *Paraquat* and considering alternative agrochemicals such as glyphosate. The use of *paraquat* in 2014 declines compare to 2013. No blanket spraying noted during the field visits to 18 sample farmer plots.

Asosiasi Petani Sawit Swadaya Amanah has provided training for limited use of pesticide. Zen Ahmadan, Mandor has been trained on 2<sup>nd</sup> January 2013. Hartoyo, agrochemical store keeper joined Pelatihan Pesticida Terbatas on July 2011, Certificate No.1505/Set-K3/VII/2011. Organization has also provided *Tim Unit Semprot/TUS* (Spraying Unit Team) with appropriate PPE such as goggles, masker, apron, impermeable gloves and rubber boot.

Agrochemicals are stored at the store near to group office separated from the housing area and stock records maintained by the group members who keep stock. MSDS is available in local language understood by store keeper. Group Manager is in agreement with partnering mill to send the empty agrochemical container produced by smallholder group for disposal into licensed temporary hazardous waste storage located in PT IIS Ukui Mill area. Record observed by auditor was 2014 and the minutes of handover of hazardous waste. Minutes of handover “Berita Acara Serah Terima Limbah B3”, dated 11<sup>th</sup> February 2014 from KUD Bakti (on behalf Asosiasi Petani Sawit Swadaya Amanah) delivered to Traksi Ukui (PT IIS); the delivery consist of 1 jerry can 20 liters ex-Paraquat, 4 jerry cans ex- Glyphosate, 41 bottles ex-Trichlophyr.

Interview with group manager and “Tim Unit Semprot/TUS” (Spraying Unit Team) reveal that there is no intoxication case. Group manager kept “*Rekaman Pengobatan bagi Aplikator jika terjadi Kasus Keracunan*” (Record of Medication for Chemical Operator in case of Toxicity) from 2013; it shows no intoxication case occurred at present. Smallholder group monitors the health of chemical operator through routine medical check-up once a year. Example: Record of “*Daftar Presensi Karyawan TUS yang mengikuti Medical Checkup*” listed all of TUS Chemical operator tested, including 11 TUS operator, 1 field overseer and 1 storekeeper. The next medical check planned for December 2014.

**Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented.**

Smallholder group established Health and safety policy under “*Kebijakan Lingkungan, Sosial Kesehatan dan Keselamatan Kerja*” (Policy of Environment, Social, Health and Safety); to establish measureable objective and target to prevent accident, ill health among member and employee towards continual improvement performance. OHS programme under “*Rencana Keselamatan Kerja*” (Programme of Work Safety) was produced on February 2013 as guidance for health and safety in smallholder’ plantation. The plan applied for training on work safety, prohibition of under-age worker and prohibition of sexual harassment and protects its reproductive right.

The health and safety plan is implemented in areas of harvesting, FFB transport, farmer plot maintenance and fertilizer application, office activities, fertilizer and agrochemical store through provision of appropriate PPE, signage and training.

Guidelines on accident and emergency procedures are available and briefed to all group members. Standard form is prepared for recording any accident occurred. During assessment it is noted that there is no any major accident. This was confirmed by the stakeholders interviewed, surrounding farmers, group members and workers. Safety measures explained to workers by group members and included in safety training. Interviews with workers confirmed knowledge of the plans and procedures for emergency. The subsequent safety training planned for August 2014. Record: Training on occupational health and safety under “*Notulensi Pelatihan Kesehatan dan Keselamatan Kerja (K3)*” dated 12<sup>th</sup> November 2013, attended by 15 farmer members from KT 311–KT 320. Training on first aid recorded under “*Notulensi Pelatihan Pertolongan Pertama Gawat Darurat*” dated 27<sup>th</sup> May 2013, attended by 3 farmer members.

Smallholder group made available “*Prosedur Kesehatan dan Keselamatan Kerja*” (Procedure of Health and Safety) where include Risk analysis for each activities covered under smallholder group scope. Working activities cover such as Harvesting (frond cutting, FFB harvests, FFB transport, and frond stacking), Fertilizer application, Farmer plot upkeep (spraying, mixing of pesticide) and office activity. No changes in document.

**Criterion 4.8: All staff, workers, smallholders and contractors are appropriately trained.**

Training programme and realization documented and recorded under “*Rencana dan Realisasi Pelatihan Tahun 2014*” (Training Programme and Realisation for 2014). Training programme for 2014 such as RSPO P&C training, Limited pesticide and handling of hazardous waste training, soil and water conservation training, OHSAS training, First aid training, IPM training, Land Fire Emergency training, HCV and social impact training, harvesting with PPE, and Balance fertilizer application training. Most of the training planned for second half of 2014. Training record from 2013 is also in place.

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

**Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored to demonstrate continuous improvement.**

Assessment of environmental impacts has been identified all parameters to be monitored by the smallholder group includes management of biological, physical, and social Aspects. The document reviews the efforts to control upon environmental impacts from oil palm plantation activities such as spraying, fertilizing and harvesting. Record observed by auditor was document of “*Identifikasi Sumber Polusi di Perkebunan Petani 2013*”.

Identification made under Identifikasi Aspek Lingkungan No.AA-431-001-LT rev.05 dated 1<sup>st</sup> October 2009. The measurement described in Impact produced, Control

efforts, Time frame of completion, and personnel in charge. (5.1.1; 5.1.2).

**Criterion 5.2: The status of rare, threatened or endangered species and high conservation value habitats if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.**

Asosiasi Petani Sawit Swadaya Amanah has made the identification of environmental impact on High Conservation Value (HCV) in oil palm plantation, carried out on October 2012. The Group manager and group member have been monitored the flora and fauna within farmer member plots during the year 2012 and has compiled on a list of protected animal dated on 4<sup>th</sup> February 2013; there are 39 protected species are identified. The list is classified protected species based on the status of protection and scarcity (e.g. legislation, IUCN and CITES).

There has been no change in SOP for management of conflict with protected species. Document No.015/doc/SOP/APSSA/2013 dated 27<sup>th</sup> January 2013 explaining the mechanism of handling conflicts with protected species. Consideration has been taken in relation to the current location of the Smallholder group area close to the existing Tesso Nilo National Park. Interview with 18 sampled smallholder members confirm the understanding in conflict with protected species.

The Smallholder group has appointed a dedicated officer within ICS staff to conduct management of HCV area as refer to Decision letter of Group Manager No. 005/DOK/SK.KPI/APSSA/2013 dated 7<sup>th</sup> January 2013. The appointed officer is Mr.Dadang. Training of HCV has been conducted for appointed officers back on 12<sup>th</sup> October 2012. Record of training is available in term of Meeting minutes, training materials and a list of attendance, conducted by WWF Indonesia officer (Mr. Dani Rahardian).

Group manager shows *Notulen Pelatihan dan Penyuluhan HCV Asosiasi Amanah dengan Petani dan Kelompok Tani* (HCV training for Asosiasi Amanah with farmer and farmer sub-group) dated 9<sup>th</sup> September 2013. The training attended by 21 ICS and delivered by Tim Manajemen Pembina Plasma PT IIS. The subsequent HCV training will be done in September 2014. (5.2.3)

**Criterion 5.3: Waste is reduced recycled, re-used and disposed of in an environmentally and socially responsible manner.**

Agrochemical waste products have been identified and documented – see *Criterion 4.6*. Interview with 18 sampled smallholders confirmed understanding on disposal of empty agrochemical containers although no longer use agrochemical. Group manager has an agreement with PT IIS for Management of agrochemical used containers by sending the waste store of PT IIS Ukui Mill. Agreement letter No.10/Amanah/Adm/VI/2010 dated 7<sup>th</sup> June 2012 and the minutes of handover of hazardous waste. Minutes of handover “Berita Acara

Serah Terima Limbah B3”, dated 11 February 2014 from KUD Bakti (on behalf Asosiasi Petani Sawit Swadaya Amanah) delivered to Traksi Ukui (PT IIS); the delivery consist of 1 jerry can 20 liters ex-Paraquat, 4 jerry cans ex- Glyphosate, 41 bottles ex-Trichlophyr. Agrochemical waste management is handled by spraying unit team (TUS consists of 13 people) conducted by personnel who had received training. The empty agrochemical container is triple rinsed and punched at bottom before disposal. The remains of the agrochemical and contaminated water from the washing of used container are re-using for the next pre-mixing compound.

Based on interview with group manager admitted that there is no complaint from the stakeholder in relation to disposal of agrochemical waste container. Interviews with officials and local communities surrounding from Bukit Jaya, Air Emas and Tri Mulya Jaya villages confirmed there are no irresponsible hazardous waste disposal from smallholder group and no complaint from community at present.

**Criterion 5.4: Efficiency of energy use and use of renewable energy is maximised.**

This criterion is not applicable to Independent Smallholders Group as stated in Indonesian National Interpretation of RSPO P&C for Independent Smallholder, July 2010.

**Criterion 5.5: Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situation, as identified in the ASEAN guidelines or other regional best practice.**

Organization has compiled a replanting plan that will be implemented starting in 2028 and has developed technical guidelines based on the opening of the Technical Instructions Land without Burning, published by the Ministry of Agriculture which explains the opening system with Manual-Mechanical combination. The land fire likelihood analysis was based on soil type (mineral or peat), palm density, estate location from water source, topography, distance from afdeling office and history of fire occurrence.

Asosiasi Sawit Swadaya Amanah has improve the substance in the replanting plan adapted to the conditions that exist in the work area where the Amanah Association based on field verification results found shallow peat areas.

A team called “Masyarakat Peduli Api” has been established. The team has prepared a emergency response procedure for fire break, under “Rencana Kesehatan dan Keselamatan Kerja”. “Notulensi Penyuluhan kebakaran Laha Petani Sawit Swadaya Amanah” tanggal 16<sup>th</sup> October 2013, attended by 33 members. Group Manager has also established Land Fire Emergency Response Mechanism included in Health and Safety Plan. Interview with ICS staff and sampled farmer member confirmed understanding of emergency land burning procedure.

Simple fire control equipments are available and kept in group office such as fire extinguisher equipment, hoses



reel, axes, shovels, bamboo stick, plastic bucket, and water pump.

**Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases are developed, implemented and monitored.**

This criterion is not applicable to Independent Smallholders Group as stated in Indonesian National Interpretation of RSPO P&C for Independent Smallholder, July 2010.

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

**Criterion 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 continuous improvement.**

The group manager and the group members are able to explain the social impacts of their operations. They have not received any complaints regarding their operation. The social impacts identification is documented – see *Criterion 5.1*. Most of social impacts identified within farmer member as well as efforts of smallholder operations including negative and positive impact.

**Criterion 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.**

Asosiasi Petani Sawit Swadaya Amanah maintain record of consultation and communication with local stakeholders in form of Logbook information requests and responses, Logbook of complaint and response received, and Logbook of assistance requests and responses. Interview with community village heads of Bukit Jaya, Air Mas, and Trimulya confirmed they are aware of these mechanisms.

Records of communications/consultations, request and action taken are recorded in Information request Logbook as above and kept at the group office. Stakeholder lists are available and up-to-date. The group manager communicates with the stakeholders internally and externally.

Group manager is responsible for communication and consultation with interested parties and relevant stakeholders.

**Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.**

Systems for complaints are in place at smallholder group office – see *Criterion 6.2*. Group manager and members are aware of the procedure as well as external Stakeholders. This was confirmed by stakeholders during interview.

During the assessment it is noted that there are no complaints/grievances reported to the group management. Interview with local village heads (Trimulya Jaya and Air Mas) confirmed no complaints or grievances are taken place within smallholder group.

**Criterion 6.4: Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.**

*Similar to Initial Assessment* - It is noted that the land was initially developed as a forest production area taken over by government when the permit was ended since 1990s. Most of smallholder members were obtained a land use right from local government to cultivate those lands for oil palm planting since 1997; and now smallholder members are holding land title for those occupied land. There are various types of land ownership noted and each ownership comes with particular rights or term of use. Interview with head of villages (Air Mas and Trimulya Jaya) confirmed there are no traditional rights over the land or land dispute (between Asosiasi Petani Sawit Swadaya Amanah) with any third party. There was no issue related to loss of legal right to land since the group members are having their own land ownership documents. Stakeholders interviewed did not raise any issues related to compensation or lost of legal and customary rights.

**Criterion 6.5: 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.**

There are no permanent workers hired for oil palm operation. Temporary or seasonal workers are hired during harvesting maximum twice per month, and some for herbicide spraying through Spraying Unit Team (TUS). Contract between harvesting workers and group members are made verbally and accepted by the workers. Group Manager and group members are make an effort to follow Industrial Minimum Wage regulation issued by District of Pelalawan, Riau Province for oil palm harvesting and chemical spraying operator. Wage payment is documented and checked. Workers countersign to acknowledge receipt of their wage.

**Criterion 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.**

This criterion is not applied for independent smallholders as stated in the Indonesian National Interpretation of RSPO P&C for Independent Smallholder, July 2010

**Criterion 6.7: Child labour is not used. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes. Children are not exposed to hazardous working conditions**

Smallholder members are provided with training and briefing to understand the requirements of national labour law, and RSPO requirements related to child labour. Interview with head of KT/farmer sub-group, 4 (four) chemical sprayers and storekeeper indicated that the current workers have been recruited as aged over 18 years old. Field visit suggest no child worker employed on member's plot.

**Criterion 6.8: The employer shall not engage in or support discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age.**

As found during Initial Assessment, there is a publicly available equal opportunities policy as stated in Policy of Environmental, Social, Health and safety issued January 2013 at Section 4 consists of Treat all members and employees fairly in admissions, assessment, conditions and working environment as well as representation regardless of caste, ethnicity, country of origin, religion/belief, disability, gender, sexual orientation and Union membership. No evidence of discrimination among workers. Workers are treated equally with regard to working opportunities. This was confirmed by workers interview (Spraying Unit Team) and feedback from stakeholder consultation (head of Village of Trimulya Jaya, Bukit jaya, and Air Mas).

**Criterion 6.9: A policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.**

Policy on preventing sexual harassment and violence against women and protection is documented as one of the group Policy (Policy of Environmental, Social, Health and safety issued January 2013). The grievance mechanism to address sexual harassment issues is similar to the complaint procedure as highlighted in Criterion 6.3 above. Interview with workers and external stakeholder reveal that there is no kind of harassment or violence reported. Interview with female sprayer, member of TUS confirmed that fellow female workers are able to claim pregnancy and menstruation leave without fear of reprisal.

**Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.**

Group Manager has set up a policy of business collaboration with its members or other local party fairly and transparently as stated in Group Policy (Environment, Social, Health and Safety, issued January 2013).

The pricing mechanism for FFB and other services provided by the partnering mill's officer to the group

manager and this information is available to all members through phone SMS and Group notice board. This has also considered some major parameters within price calculation such as the price of FFB refers to regional district market price, and average bunches weigh (based on palm age).

There is an agreement between independent smallholder group and partnering mill with regards to price determination (Record: Agreement letter No.01/PKDPS/VIII/2012 dated 31<sup>st</sup> August 2012 article 7 – Purchasing price of FFB. There is only one mill servicing this group at the moment i.e. Ukui Mill of PT IIS. The group is not purchasing any FFB from external source. Asosiasi Petani Sawit Swadaya Amanah is maintaining contract with FFB transporter.

Calculation of FFB production and FFB sales are made publicly available within group member. Monthly FFB sales payment received from the mill to the group's bank account, subsequently transferred to each individual KT/farmer sub-group. The group members will receive their FFB sales payment from head of KT/farmer sub-group collectively. The group members have evidence of payment receipt. These records are kept by ICS administrator for documentation.

**Criterion 6.11: Growers and millers contribute to local sustainable development wherever appropriate.**

Asosiasi Petani Sawit Swadaya Amanah continues to provide donation and contribution to local development as agreed by the group members. Example: allocation of cash money for villages of Bukit Jaya: IDR 4/Kg FFB, Trimulya Jaya: IDR 5 Kg/FFB, and Air Emas: IDR 5/Kg FFB. Smallholder group is also actively donated to national holiday celebration on the villages such as Independent days, Muslim festival, etc.

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

Similar to Initial Assessment, during this annual surveillance assessment it is noted that no new planting after November 2005.

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

**Criterion 8.1: Group managers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.**

The continuous improvement plan includes training enhancement to the group members focusing on best agriculture management practices. The Group Manager in consultation with the group members developed improvement plan based on the social and environmental impacts and internal inspection. This includes maintaining the best oil palm practices through continuous training (such as harvesting, IPM, fertilizer, zero burning). Furthermore, improving group member farm records, minimise herbicide usage, and encourage new members to be part of the group.

### 3.3 Detailed identified Nonconformities, Corrective Actions and Auditor Conclusions

#### 3.3.1 Non Conformities and Observation was raised during this surveillance.

There is no new Major and/or Minor nonconformities issued during ASA1. There is only 2 observations in relation with indicator 3.1.1 and 4.3.3 of RSPO P&C for Independent smallholder. Another 2 observations noted in relation to indicator 2.2.2.1 and 3.5.3 from RSPO Group Certification Standard, as listed below:

##### **OBS 1 (2.2.2.1 RSPO Group Certification Standard):**

Asosiasi Swadaya Amanah could consider to completing the internal assessment plan with progress information related to number of individual farmer plots assessed and planned to be assessed.

##### **OBS 2 (3.5.3 RSPO Group Certification Standard):**

Asosiasi Swadaya Amanah may wish to consider the identification of individual plot number in Surat Pengantar Buah (complementing the farmer name and sub-group identity number) in order to trace back the original plot of FFB transported.

##### **OBS 3 (3.1.1 RSPO P&C INA-SWG for Independent Smallholder):**

Asosiasi Petani Sawit Swadaya Amanah may wish to consider incorporation of marketing/sales plan into "Rencana Kerja Asosiasi Sawit Swadaya Amanah".

##### **OBS 4 (4.3.3 RSPO P&C INA-SWG for Independent Smallholder):**

Asosiasi Swadaya Sawit Amanah need to install water level pole as appropriate. Furthermore, association need to demonstrate appropriate effort to maintain water level, based on monitoring result, as recorded under "Dokumen monitoring ketinggian air di lahan gambut - Paras air dan drain block I".

#### 3.3.2. Non Conformities and observation was raised in previous initial assessment

##### **Major Nonconformities**

**There is no outstanding Major NC from previous audit.**

##### **Minor Nonconformities**

##### **CAR reference A843471/1**

##### **4.3.3 RSPO P&C INA-SWG for Independent Smallholder: Peat soil management**

Peat soil identified during field visit (two farmer plots under farmer sub-group KT 312 and two farmer plots under KT 315); and there is no sufficient evidence of water table management has been implemented. Organization just recently established procedure and action plan of peat soil management for its member on February 2013, and implementing for those members identified with peat soil commencing March 2013. These will be further verified during subsequent surveillance visit.

##### **ASA1 Findings:**

Organization demonstrates efforts for best management practice related to peat soil management. Organization has installed water gates and water level poles. The installation has taking into consideration contour of the area. Monitoring and recording of water level carried out on regular basis. Record entitled "Dokumen monitoring ketinggian air di lahan gambut - Paras air dan drain block I" available during the assessment. Organization also shows plan for water gate and water pole installation, applicable for other blocks identified with peat soil. **Audit team consider to close out the NC Minor.**

##### **CAR reference A843471/2:**

##### **4.6.4 RSPO P&C INA-SWG for Independent Smallholder: Safe agrochemical application**

Based on Group Manual and procedure, PPE for TUS operator must be kept at PPE storage near to group office. While based on field visit it was found that Apron, working suit, rubber gloves, and rubber shoes were taken home by the operator. This may pose hazard to the operator back home. This also has been observed by auditor during pre-assessment and since no significant progress evidence, auditor raised into nonconformity.

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

Asosiasi Petani Sawit Swadaya Amanah has improved the mechanism for sprayer's PPE storage. Based on visit during surveillance, all PPE such as apron, mask, rubber glove, working suit and rubber boot cleaned up and stored in agrochemical storage. Objective evidence found to be sufficient.

Audit team consider NC Minor closed out.

##### **Observation:**

##### **Obs. 1. (RSPO Group Certification Standard 1.2.4)**

Group Manager is to be consistently implementing awareness programme in relation to group certification standard for all group members sufficiently.

**ASA1 Verification:** Group Manager manages to demonstrate improved consistency. All smallholder group members consistent to implement all programmes and policies to comply with group certification standard

##### **Obs. 2. (RSPO Group Certification Standard 2.1.1)**

It is consider providing detail job description for sales and purchasing staff to running Green Palm Programme.

**ASA1 Verification:** Group Manager has provide detailed job description for sales and purchasing staff to running Greenpalm transaction interface. Training has been provided for the appointed Sales personnel. However, group manager is the only authorized decision-maker related to sales of certified product.

##### **Obs. 3 (RSPO Group Certification Standard 2.2.2)**

It could be advantage if the internal assessment team are adequately trained with audit techniques and writing non-conformance report to make accurate result in the future.

##### **ASA1 Verification**

Based on interview with internal assessment and document review of internal assessment result found that the internal audit members improving their

*knowledge regarding audit and written non conformance techniques.*

**Obs. 4.** (RSPO P & C INA-SWG for Independent Smallholders – 5.1.2)

Smallholders group has opportunity to improve the environment impact document for all operational activities within the group to include for example land clearing, transport of FFB, etc.

**ASA1 Verification:** *Asosiasi Petani Sawit Swadaya Amanah has included environmental aspect from activity such as land clearing, FFB transportation into Environmental impact document.*

**Obs. 5.** (RSPO P & C INA-SWG for Independent Smallholders) – 5.2.1)

The list of protected animal is classifying protected species based on the status of protection and scarcity (e.g. legislation, IUCN and CITES) but need to be sufficiently updated in relevant with document reference.

**ASA1 Verification:** *List of protected animal is updated based on Indonesian regulation, IUCN and CITES.*

**Obs. 6.** (RSPO P & C INA-SWG for Independent Smallholders – 5.2.2)

Group Manager has produced a SOP for management of conflict with protected species. Document No. 015/doc/SOP/APSSA/2013, dated 27 January 2013 explaining the mechanism of handling conflicts with protected species, but can be improved by adjusting the need within the group area in relation to the current location of the smallholders group area is relatively close with the existing Tesso Nilo National Park and should supported with the necessary steps to mitigate conflict

**ASA1 Verification:** *Consideration has been taken in relation to the current location of the Smallholder group area close to the existing Tesso Nilo National Park. Interview with 18 sampled smallholder members confirm the understanding in conflict with protected species*

**Obs. 7.** (RSPO P & C INA-SWG for Independent Smallholders – 5.5.1)

*Smallholder group has opportunity to increase those parameters in replanting plan adapted to the existing conditions in the area of group member work place of which, based on the results of the field verification, found some farmer plots are shallow peat.*

**ASA1 Verification:** *Parameter such as peat soil has been considered into replanting planning and guideline.*

### 3.4 Noteworthy Positive Components

It is noted that the Independent Smallholder Group members including Group manager are mostly have had experience in the scheme smallholder cooperatives management; in which could be enhanced their willingness to maintain compliance to RSPO standard requirements. The group manager can demonstrate his capability in the group management due to his background experience in scheme smallholder

cooperative. The scheme smallholder (namely KUD Bakti) has already been RSPO certified under PT Inti Indosawit Ukui Group.

The Group Manager have future plans to strengthen financial aspect by producing good quality FFB and selling certified FFB for higher price.

The palm oil mill or partnering mill purchasing the FFB from the group members supports the group through its extension officer who consults with the group members regularly and assists in training and field practices.

During this assessment there was no any kind of dispute highlighted. Interview with local community and government department officials further confirm that they are supporting Asosiasi Petani Sawit Swadaya Amanah to continues the programme in line with RSPO standards.

During the annual surveillance assessment, member of organization demonstrates improved knowledge as a result from training programme. Implementation of good agriculture practices is improving in terms of water management for low-lying and peat soil.

### 3.5 Issues Raised by Stakeholders and Findings with Respect to Each Issue

Appendix C contains list of stakeholders contacted. Methodology used was group discussion and interview on their premises by the audit team member with social auditing background. Stakeholders interviewed include participants from community representatives, Scheme smallholder manager from partnering mill, group members, and government officials from Agriculture Office.

Stakeholders' interview had positive comments about the Independent Smallholder Group's practices. There were no issues related to legal or land disputes highlighted.

Some of the details comment received are listed below:

**Comment:** The new scheme smallholder manager from partnering mill is keen to maintain good relationship with Asosiasi Petani Sawit Swadaya Amanah since few years ago. Even now the smallholder group is trying to achieve RSPO certification; it would be good for them as value added significantly not only for group manager but also for all group members. The partnering mill extended a dedicated staff to consult and assist the smallholder regularly.

**Group Manager:** It is honour to know that partnering mill continues to support independent smallholder group.

**Auditor response:** this is positive issue.

**Comment:** Bukit Jaya, Air Mas, and Trimulya Jaya Village Heads mention there are many donations from Swadaya Amanah as local contribution to the village.

*Group manager:* This is positive comment and will strive to maintain properly.

*Auditor response:* positive comment; can be considered for whole certification audit process.

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

##### **4.1 Date of Next Assessment**

The next assessment will be Annual Surveillance Assessment 2 and scheduled not later than twelve months of the Annual Surveillance Assessment date.


##### **4.2 Date of Closing Nonconformities (Major and Minor)**

Table 6. Status of Nonconformities

<b>Reference</b>	<b>Category</b>	<b>ISSUED</b>	<b>CLOSED</b>
A829199/11 – 2.2.2	Major	14/01/2013	15/03/2013
A829199/12 – 2.2.3	Major	14/01/2013	15/03/2013
A843471/1 – 4.3.3	Minor	14/01/2013	24/05/2014
A843471/1 – 4.3.3	Minor	14/01/2013	24/05/2014


##### **4.3 Acknowledgement of Internal Responsibility and Formal Sign-off Assessment Findings**

Signed for on behalf of  
Asosiasi Petani Sawit Swadaya Amanah



Mr. H. Sunarno  
Group Manager

Signed for on behalf of  
BSI Group Indonesia



Haeruddin  
Lead Assessor

## Appendix A: RSPO Certificate Details

**Group Name:** Asosiasi Petani Sawit Swadaya Amanah

**Certificate Number:** SPO 594864

**Initial Certificate Issued Date:** 29 July 2013

**Latest issued Date:** approval of the report

**Expiry of Certificate:** 28 July 2018

**Standard:** RSPO Group Certification Standard Guidance, July 2010; Indonesian National Interpretation of RSPO P&C for Independent Smallholders (INA-SWG: July 2010); and RSPO Supply Chain Certification Systems: 2011.

Details of Asosiasi Petani Sawit Swadaya Amanah.	
Location Address	Trimulya Jaya, Bukit Jaya, and Air Mas Villages, Ukui Sub District, Pelalawan District, Riau Province – Indonesia.
GPS Location	102'06'09.46 BT 0'09'36.85 LS
Total Planted Area (ha)	763
Total Number of Members	349
Projected FFB Tonnage for the year 2014	16,381.52
Projected CPO Tonnage Total* (Certified)	3,276.3
Projected PK Tonnage Total* (Certified)	819.07
Projected PKO Tonnage Total** (Certified)	327.29
Projected PKE Tonnage Total** (Certified)	400.04

\* This OER (20%) and KER (5%) was referred to Smallholders Announcement on Green Certificate for Independent Smallholders dated 11 April 2013, posted on RSPO website on 11 May 2013.

\*\* PKO and PKE are based on RSPO Standard for Group certification document of which 45% is counted as Certified Palm Kernel Oil and 55% as Certified Palm Kernel Expeller

Farmer sub-group	Villages	Planting Year	Total Area (Ha)	Number of farmers	Projected FFB production for 2014 (tonnes)
311	Trimulya Jaya	2000	53	25	1,258.20
312	Trimulya Jaya	2000	123	56	2,350.03
313	Trimulya Jaya	2000	83	39	1,744.12
314	Trimulya Jaya	2000	89	37	1,549.57
315	Trimulya Jaya	2000	84	36	1,911.37
316	Trimulya Jaya	2000	81	40	1,764.33
317	Bukit Jaya	2001	63	31	1,226.44
318	Bukit Jaya	2001	62	28	1,356.94
319	Air Mas	1997/1998	62	29	1,795.43
320	Trimulya Jaya	2000	63	28	1,425.09
<b>TOTAL</b>			<b>763</b>	<b>349</b>	<b>16,381.52</b>

## Appendix B: Assessment Programme

Assessment date: 21 – 24<sup>th</sup> May 2014.

Date	Time	Subjects	Haeruddin	Aryo	Sedayu
Tuesday, May 20 <sup>th</sup>	08.00 – 09.30	Auditor team travelling From Jakarta to Pekanbaru, Riau.	√	√	√
	09.30 – 12.30	Auditor team arrive in Pekanbaru, travelling to Sorek, Pelalawan, Riau by road.	√	√	√
Wednesday, May 21 <sup>st</sup>	07.30 – 08.00	Auditor team travelling to Asosiasi Petani Sawit Amanah	√	√	√
	09.00 – 08.30	Opening Meeting e.g.: <ul style="list-style-type: none"> <li>• Introduction</li> <li>• Presentation by the Asosiasi Petani Sawit Swadaya Amanah’s representative (Smallholder activities, Supply Chain related to the FFB supplied to the mill)</li> <li>• Presentation by Audit Team Leader and confirmation on the assessment scope</li> <li>• Finalize Audit schedule (including stakeholders consultation)</li> </ul>	√	√	√
	08.30 – 12.00	Document review for the independent smallholder (General Documentation e.g. Legal, Manual and Procedure, Smallholder best practices, HCV identification, SEIA documents, Health and Safety, working safety, etc)	-	√	√
	08.30 – 12.00	Document review for Group Certification (Group requirement, Group management documentation, Chain of Custody)	√	-	-
	12.00 – 13.30	<i>Break/lunch/pray</i>	√	√	√
	13.30 – 17.00	Document review for the independent smallholder (General Documentation e.g. Legal, Manual and Procedure, Smallholder best practices, HCV identification, SEIA documents, Health and Safety, working safety, etc)	-	√	√
	13.30 – 17.00	Document review for Group Certification (Group requirement, Group management documentation, Chain of Custody)	√	-	-
Thursday, May 22 <sup>nd</sup>	07.30 – 08.00	Auditor team travelling to Asosiasi Petani Sawit Amanah	√	√	√
	08.00 – 12.00	Stakeholder consultation meeting – Independent Smallholders: Meeting and interview with stakeholders from local government, local authority, head of villages, NGO, contractors, etc.	√	-	-
	08.00 – 12.00	Inspection to independent smallholder’s field (Estate Best Practice, Occupational Safety and Health, Worker welfare, Stakeholder consultation)	-	√	√
	12.00 – 13.30	<i>Break/lunch/pray</i>	√	√	√
	13.30 – 17.00	Inspection to independent smallholder’s field (Estate Best Practice, Occupational Safety and Health, Worker welfare, Stakeholder consultation)	√	√	√
Friday,	07.30 –	Auditor team travelling to Asosiasi Petani Sawit	√	√	√

May 23 <sup>rd</sup>	08.00	Amanah			
	08.00 – 11.00	– Inspection to independent smallholder’s field (Estate Best Practice, Occupational Safety and Health, Worker welfare, Stakeholder consultation)	√	√	√
	11.00 – 14.00	– <i>Break/lunch/pray</i>	√	√	√
	14.00 – 17.00	– Continue document audit and gather outstanding data/information, preparation for closing meeting	√	√	√
Saturday, May 24 <sup>th</sup>	07.30 – 08.00	– Auditor team travelling to Asosiasi Petani Sawit Amanah	√	√	√
	08.00 – 10.00	– Closing meeting	√	√	√
	10.00 – 12.00	– Auditor travelling for Pekanbaru	√	√	√
	12.00 – 13.00	– <i>Break/lunch/pray</i>	√	√	√
	18.00 – 19.30	– Auditor travelling for Jakarta	√	√	√



## Appendix C: List of Stakeholders Contacted

<p><b><i>Smallholders group member</i></b></p> <p>Sunarno – Group Manager          Jaswijaya – ICS Staff (Internal approval committee)          Agung Ardi – ICS Staff (Internal approval committee)</p>	<p><b><i>Local Communities</i></b></p> <p>Head of Villages: Bukit Jaya, Trimulya Jaya, and Air Mas</p>
<p><b><i>Internal Stakeholders</i></b></p> <p>Three members of Spraying Unit Team (TUS)          Four harvester          Family members</p>	<p><b><i>External Stakeholders</i></b></p> <p>Partnering Mill Scheme smallholder Manager          Margaretha – WWF Indonesia</p>

**Appendix D: Supply Chain Assessment for the FFB Sales (Segregated by Individual Independent Smallholder Members) (Reference to Chain of Custody section under RSPO Standard for Group Certification)**

<b>Requirements</b>	
<b>1. Documented procedures</b>	
The Group Manager shall have written procedures and/or work instructions to ensure implementation of all the elements specified supply chain requirements.	No any changes of procedures since the last year, the procedures was established to ensure that all elements in supply chain is implemented, such as: 1. Prosedur “Penjualan Buah kelapa Sawit Asosiasi Petani Sawit Swadaya Amanah/Procedure of FFB sales and purchasing” No.021/DOK/SOP/APSSA/2013. 2. Procedures of segregation of certified FFB and non certified FFB No. 008/DOK/SOP/APSSA/2013
The group Manager shall have documented procedures for selling and receiving certified and non-certified FFBs.	Procedure of selling and receiving certified and non certified FFB is regulated in SOP No. 008/DOK/SOP/APSSA/2013
<b>2. Purchasing and goods in</b>	
The Group Manager shall verify and document the volumes of certified and non-certified FFBs received.	All incoming FFBs from members is claimed as Certified, FFB produced last year is <b>15,601.47 tonnes</b>
The Group Manager shall inform the CB immediately if there is a projected overproduction.	The group management and Group Manager aware of this requirement. The previous year projection is 16,807.39 tonnes and actual is 15,601.47 tonnes
<b>3. Record keeping</b>	
The Group Manager shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of certified and noncertified palm products.	Records and reports of certified product and non certified product is updated, complete and accurate, e.g. Laporan Produksi Harian (Daily Production), Summary of FFB Produced, FFB delivery note/Nota Timbang TPH and Monthly report.
Retention times for all records and reports shall be at least five (5) years	The retention period is specified as five years.
(a) The Group Manager shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.	All the sales of FFB records are maintained and updated on monthly basis by the group management. CPO and PK selling by Green Palm is recorded monthly and three monthly basis.
(b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.	Delivery/sales of FFB are deducted from the annual budgeted FFB to monitor any over production.
(c) The Group Manager can only deliver Segregated sales from a positive stock.	Selling of CPO and PK based on CPO and PK certified through Green Palm
The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model used should be clearly indicated.	So far, no any claimed certified product for purchasing and selling products physically due to CPO and PK selling through GreenPalm.
In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.	Not applicable for the Independent Smallholders.
<b>4. Sales and goods out</b>	
The Group Manager shall ensure that all sales invoices issued for RSPO certified products delivered include the following information	So far, no any claimed certified product for purchasing and selling products physically due to CPO and PK selling through GreenPalm.
(a) The name and address of the buyer	
(b) The date on which the invoice was issued	
(c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance)	
(d) The quantity of the products delivered	
(e) Reference to related transport documentation	
<b>5. Training</b>	
The Group Manager shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.	The Independent Smallholder group members and ICS administer were given basic understanding of the supply chain requirement and records maintained by the Group Manager – see Criterion 4.8 RSPO P&C INA-SWG above.
<b>6. Claims</b>	
The Group Manage shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims.	No claims made by the group.