

Roundtable on Sustainable Palm Oil Certification R S P O

[✓] Initial Certification

Name of Management : Inecda Palm Oil Mill – PT Inecda subsidiary of S&G Biofuel PTE. LTD
 Organisation
 Plantation Name : PT Inecda – Estate 1 and Estate 2
 Location : Petala Bumi Village, Seberida Sub District, Indragiri Hulu District, Riau
 Province, Indonesia
 Certificate Code : **MUTU-RSPO/132**
 Date of Certificate Issue : 28 May 2019 Date of License Issue : 28 May 2019
 Date of Certificate Expiry : 27 May 2024 Date of License Expiry : 27 May 2020

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
IC	27 August to 01 September 2018	Leonada (Lead Auditor witnessing), M. Syarip Lambaga (Lead Auditor witnessed), Hasiholan Sihombing, Asystasya Aishah Silalahi, Radytio Puspanjana	Ganapathy Ramasamy	Taufik Margani

Assessment	Approved by MUTUAGUNG LESTARI on:
IC	28 May 2019

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 on March 12th, 2014 with registration number **ASI-ACC-055**

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Figure 1. Location Map of PT Inecda

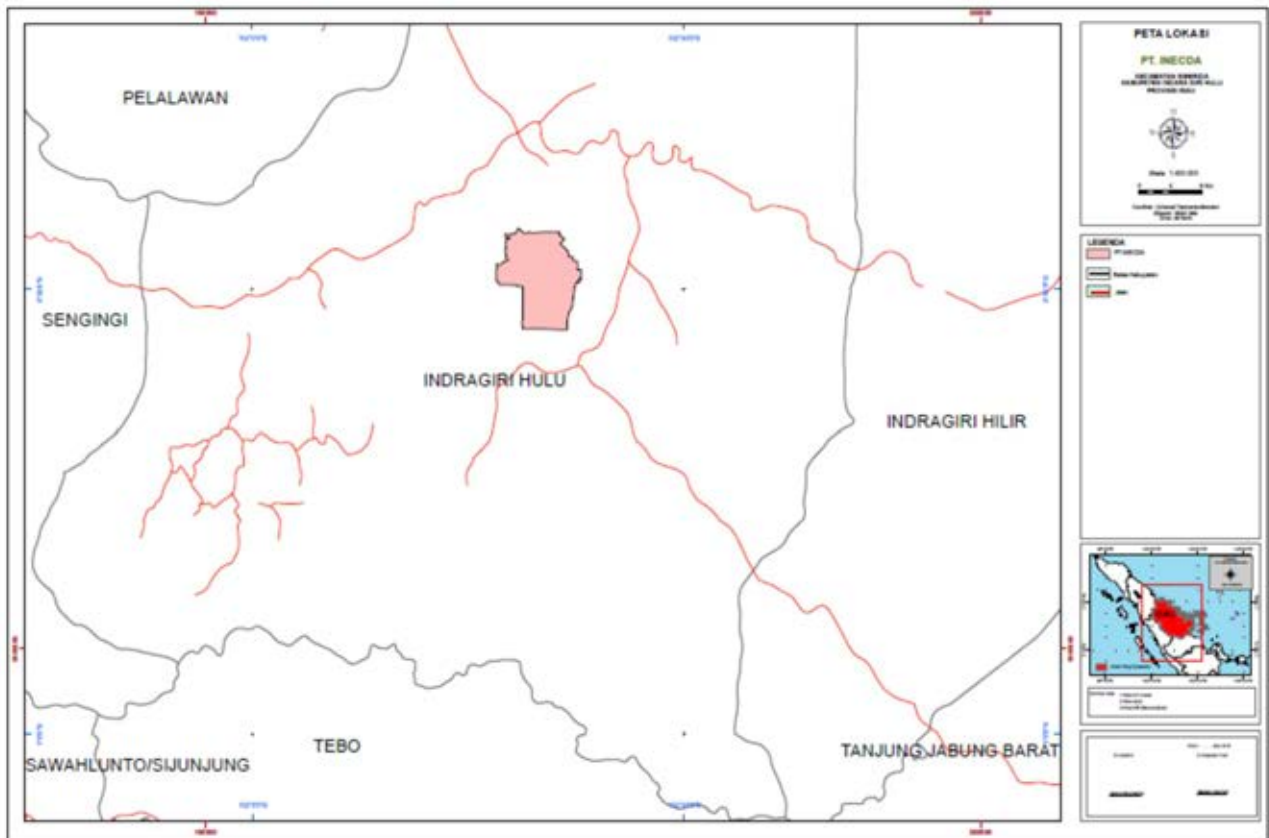
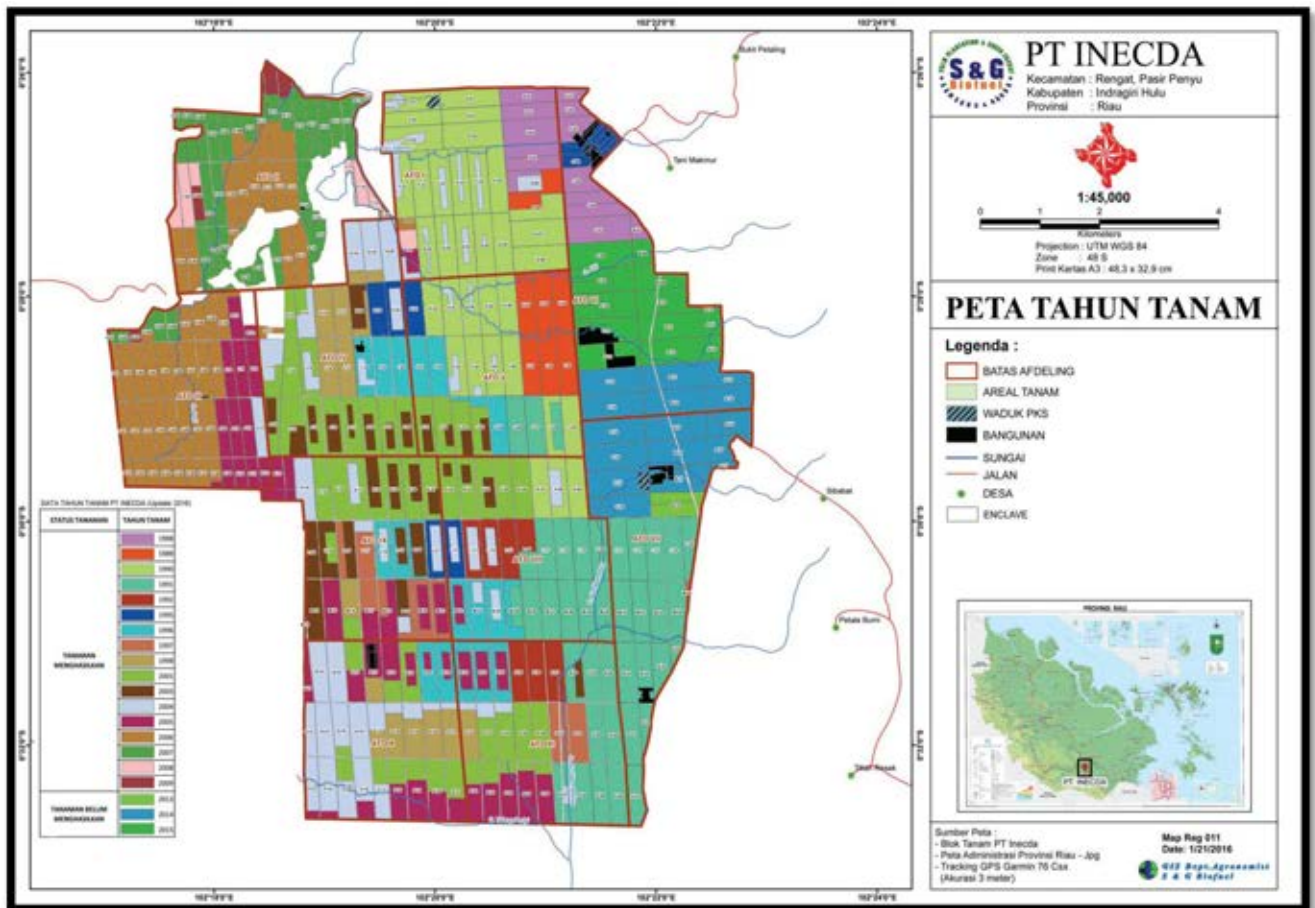


Figure 2. Operational Map of PT Inecda



Abbreviations Used

SOP	:	Standard Operational Procedure
OHS	:	Occupational Health and Safety
ANDAL	:	<i>Analisis Dampak Lingkungan</i> (environmental impact assessment)
HCV	:	High Conservation Value
IA	:	Initial Assessment
EHS	:	Environment, Health, and Safety
PIC	:	Person in Charge
FPIC	:	Free, Prior, Informed, and Consent
SIA	:	Social Impact Assessment
HRD	:	Human Resource Department
RSPO	:	Roundtable on Sustainable Palm Oil
OFI	:	Opportunity for Improvement
POM	:	Palm Oil Mill
CEO	:	Chief Executive Officer
CFO	:	Chief Financial Officer
COO	:	Chief Operational Officer
CU	:	Certification Unit
FFB	:	Fresh Fruit Bunch
EFB	:	Empty Fruit Bunch
CSR	:	Corporate Social Responsibility
BPJS	:	Badan Penyelenggara Jaminan Sosial / Social Security Agency
Capex	:	Capital Expenditure
CPO	:	Crude Palm Oil
EFB	:	Empty Fruit Bunch
FFA	:	Free Fatty Acid
FFB	:	Fresh Fruit Bunch
HIRARC	:	Hazard Identification Risk Assessment and Risk Control
IC	:	Initial Certification
IPM	:	Integrated Pest Management
KER	:	Kernel Extraction Rate
MSDS	:	Material Safety Data Sheet
OER	:	Oil Extraction Rate
OHS	:	Occupational Health and Safety
P2K3	:	Panitia Pembina Keselamatan dan Kesehatan Kerja/OHS Committee
PK	:	Palm Kernel
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	Personal Protective Equipment
SOP	:	Standart Operating Procedure
WHO	:	World Health Organisation
	:	

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none">Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governor 30th September 2016.RSPO Certification Systems for Principles & Criteria June 2017. Endorsed by the RSPO Board of Governors on 14th of June 2017The RSPO Supply Chain Certification Standard for Organization seeking or holding certification adopted by the RSPO Board of Governors on 21 November 2014 (Revised on 14 June 2017).	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Inecda subsidiary of S&G Biofuel PTE. LTD	
1.2.2	Contact person	Didik Sugeng Hariyanto	
1.2.3	Organisation address and site address	RSPO registered company: 3 Church Street, # 21-04 SAMSUNG HUB, 049483, Singapore Liaison Office: Mega Asri – Green Office, Block B2-8 Jl. Arifin Ahmad, Pekanbaru, Riau, 28282, Indonesia	
1.2.4	Telephone	(0761) 859774	
1.2.5	Fax	(0761) 859247	
1.2.6	E-mail	didik@gniplantation.com	
1.2.7	Web page address	-	
1.2.8	Management Representative who completed the application for certification	Didik Sugeng Hariyanto	
1.2.9	Registered as RSPO member	1-0238-17-000-00 – 14 August 2017	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	1 Palm Oil Mill (Inecda POM) and 2 Supply Bases (Estate 1 & Estate 2)	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			LatitudeLongitude
	Inecda POM	Petala Bumi Vilage, Sub-District of Seberida, District of Indragiri Hulu, Riau Province, indonesia	S 0° 29' 37"E 102° 22' 01"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			LatitudeLongitude
	Estate 1	Tani Makmur Vilage, Sub-District of Rengat Barat, District of Indragiri Hulu, Riau Province, indonesia	S 0° 27' 52"E 102° 19' 43"

	Estate 2	Petala Bumi Village, Sub-District of Seberida, District of Indragiri Hulu, Riau Province, Indonesia	S 0° 31' 5"	E 102° 20' 21"
1.5	Description of Area Statement			
1.5.1	Tenure			
	• State		9,442.51	Ha
	• Community		-	Ha
1.5.2	Area Statement			Total (Ha)
	• Total area			9,442.51
	• Mature area			7,100.13
	• Immature area			1,039.51
	• Mill			12.61
	• Road, housing, drainage, etc			648.73
	• Nursery			14.22
	• Pertamina			9.51
	• Occupation			358.65
	• Other			217.43
	• HCV			41.71
1.6	Planting Year and Cycles			
1.6.1	Age profile of planting year			
	Planting Year	Hectarage (Ha)		
		Estate 1	Estate 2	Total
	1990	365.33	76.61	441.94
	1991	75.17	914.40	989.57
	1992	-	93.52	93.52
	1995	102.52	36.32	138.84
	1996	173.12	154.14	327.26
	1997	-	152.68	152.68
	1998	126.28	155.63	281.91
	2001	315.38	555.91	871.29
	2003	119.30	207.61	326.91
	2004	204.89	433.88	638.77
	2005	189.63	384.47	574.10
	2006	679.83	-	679.83
	2007	374.44	-	374.44
	2008	66.25	-	66.25
	2009	31.33	-	31.33
	2013	-	31.89	31.89
	2014	218.15	297.06	515.21

	2015	354.61	-	354.61			
	2016	209.78	-	209.78			
	Mature Area	3,606.01	3,494.12	7,100.13			
	2015	15.14	-	15.14			
	2016	8.84	22.09	30.93			
	2017	342.69	2.53	345.22			
	2018	250.27	86.44	336.71			
	2019	192.66	118.85	311.51			
	Immature Area	809.60	229.91	1,039.51			
	TOTAL	4,415.61	3,724.03	8,139.64			
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		2 nd Cycle				
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Inecda	60	172,158.50	35,533.57	20.64	7,781.58	4.52
					*Production data source from August 2017 – July 2018		
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/ year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Estate 1	5,183.87	4,415.61	61,490.77	17.05	61,490.77	100
	Estate 2	4,258.64	3,724.03	66,556.83	19.05	66,556.83	100
	TOTAL	9,442.51	8,139.64	128,047.60	18.03	128,047.60	100
					*Production data source from August 2017 – July 2018		
1.7.3	FFB description from other source						
	Name of sources/Organisation (RSPO certified / non-certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	Nasira Tani Sawit (RSPO non-certified)	Independent Supplier	-	-	4.10		
	Bukit Karang Sawitri (RSPO non-certified)		-	-	72.54		
	Nuryani (RSPO non-certified)		-	-	44,034.26		
	TOTAL				44,110.90		
					*Production data source from August 2017 – July 2018		
1.7.4	Product categories			FFB, CPO, PK			

1.8	Tonnage of Product							
1.8.1	Past Annual Claim Certified Product			Previous Certificate Claim to (tonnes/year)		Actual certified product to (tonnes/year)		
	• FFB Production			-		-		
	• CPO Production			-		-		
	• Palm Kernel (PK) Production			-		-		
	<i>*Will be set at ASA 1</i>							
1.8.2	Product selling							
	Tonnage of selling product			Period of actual selling product (dd/mm/yy) to (dd/mm/yy)				
	• CSPO sold as RSPO certified product			-				
	• CSPK sold as RSPO certified product			-				
	• CSPO sold under other scheme			-				
	• CSPK sold under other scheme			-				
	• CSPO sold as conventional			-				
	• CSPK sold as conventional			-				
	<i>*Will be set at ASA 1</i>							
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)		Total Area (Ha)	Planted Area (Ha)		FFB (tonnes/year)	Yield (tonnes/ha/year)	
	Estate 1		5,183.87	4,415.61		63,810	17.90	
	Estate 2		4,258.64	3,724.03		70,405	19.34	
	TOTAL		9,442.51	8,139.64		134,215	18.63	
	<i>*Projected FFB production for 28 May 2019 to 27 May 2020</i>							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (tonnes) Extraction (%)		Palm Kernel Out put (tonnes) Extraction (%)		Supply Chain Module
	Inecda	60	134,215	41,712	22.00	8,911	4.70	
	<i>*Projected CSPO and CSPK production for 28 May 2019 to 27 May 2020</i>							
1.9	Other Certifications							
	Certified ISPO issued by PT Mutuagung Lestari (MUTU-ISPO/102) valid 04 August 2017 to 03 August 2022							
1.10	Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units							
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status		
	Mill	Time Bound Plan						
	Gandaerah Hendana POM (PT Gandaerah Hendana)	2018	Estate 1	2018	Village of Ukui II, Sub District of Ukui, District of Pelalawan, Province of Riau, Indonesia	IC		
			Estate 2	2018		IC		
			Estate 3	2018		IC		
	Inecda POM	2018	Estate 1	2018		IC		

	(PT Inecda)		Estate 2	2018	Village of Tani Makmur, Sub District of Rengat Barat, District of Indragiri Hulu, Province of Riau, Indonesia	IC
			Kebun 135.65 Ha	2023		-
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	There is no associated smallholder scheme in PT Inecda					

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
IC	<ol style="list-style-type: none"> Leonada (Lead Auditor witnessing). Bachelor of Agricultural Cultivation Department of Agriculture, Faculty of Agriculture, Department of Plant Breeding and Seed Technology, Bogor Agricultural University. Having experience of more than five years working as a plantation operations staff and Sustainability in the company private Indonesian oil palm plantations and is currently working on independent certification bodies as auditor. Training have been followed are: Auditor Training Indonesian Sustainable Palm Oil (ISPO), Training of RSPO lead auditor, ISO 17021; 2011, ISO 17065; 2012, ISO 19011; 2011, Lead Auditor ISO 9001; 2008, ISO 14001; 2005, Training Management Development Program Agronomy, training analysis base solution for operation, training integrated Pest Management (IPM), training Use of limited Pesticides, Training Management of Waste Pesticides and Fertilizers, training mediation and conflict resolution, general safety specialist training General specialist and Health and safety management system (SMK3) Auditor. In this audit He conducted an assessment on Legal, land dispute and SCCS. M. Syarif Lambaga. (Lead Auditor witnessed). Postgraduate of Postharvest Teknologi University of IPB, Bachelor of Agriculture University of Hasanuddin. Having experiences of more than 7 years working as plantation operation and researcher in the private oil palm company of Indonesia. Training have been followed are: Indonesian Sustainable Palm Oil (ISPO) Lead Auditor Training, RSPO lead auditor training, ISCC training, ISCC for smallholders training, ISO 17021; 2011, ISO 19011; 2011, ISO 9001, ISO 14001, Management Development Program Agronomy, analysis base solution for operation, Integrated Pest Management (IPM), Use of limited Pesticides, Management of Waste Pesticides and Fertilizers, mediation and conflict resolution, general safety specialist training, general specialist and Health and safety management system (SMK3), Malcolm Baldrige, Distribution Quality Management System, Supplier Quality Management System etc. In this audit, he conducted an assessment on Legal, Land Dispute and SCCS. Asystasya Aishah Silalahi (Auditor). Indonesia Citizen, Bachelor of Economy, Major of Agribusiness, Faculty of Economic and Management. She has one year experience in consultancy. She has followed training such as ISPO Auditor Training, Lead Auditor ISO 9001:2015, OHS General Expert, RSPO lead auditor training course, and several in house training related to environmental, BMP, etc. Has been involved in several audit activities since 2016 related to sustainable palm oil certification covering waste management aspect, Social Aspect, Health and Safety Aspect, and Worker Welfare. During this audit, she Social and Worker Welfare. Hasiholan Sihombing (Auditor). Indonesian citizen. Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty. He has working experienced for 7 (seven) years since 2009 as an Operational Staff in an Oil Palm Plantation Company in Indonesia. The training he has followed namely: Lead Auditor ISPO, RSPO P&C Lead Auditor Course by Checkmark, SA 8000 Awareness, Quality Management Systems (ISO 9001:2015), Environmental Management Systems (ISO 14001:2015), OHS General Expert, OHSAS 18001:2007, ISO 19011:2018, ISO 17021:2011 and ISO 17065:2012. He has experienced in various audit activities related to the certification system of sustainable palm oil plantation since 2016. During this audit, he assigned to verify Best Management Practices aspect and OHS aspect. Radytio Puspanjana (Auditor Trainee). Indonesian Citizen. Bachelor of agriculture, majoring in Soil Science. Agriculture Faculty. He was working as honorarium Officer at the Riau Province Plantation Agency in the division of huge estate for 1 year. The participated trainings are Survey and Mapping (GIS) Training which was held by National GMT, ISPO auditor training, ISO 9001/2008 auditor training, ISO 14001/2004 auditor training, IHT Geospatial Information System, IHT High Conservation Value, IHT Environmental Impact Assessment, IHT Green House Gas and RSPO Awareness In House Training. Since 2015 has been following many audit as auditor base on Best Management Practice and Environment. At the time of audit, has verify aspect of HCV and Environment.
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
IC	<p>Number of auditors : 3 auditor and 1 auditor trainee</p> <p>Number of days for IA at site : 6 days</p> <p>Number of working days for IA at site : 18 Working days</p>

2.2.2	Assessment Process
IC	<p>The assessment was conducted by measuring the sufficiency of implementation PT Inecda to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governors 30th September 2016 and Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on June 2017 (Module E for CPO Mill).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results IA delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase ASA-1.</p> <p>Improvement of findings from main assesment findings were observed by auditors at this IA assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-1.</p> <p>The assessment program please find Appendix 2</p>
2.2.3	Locations of Assessment
IC	<p>Number of unit in this certification activity is 1 (one) Mill and 2 (two) Own Estates. The auditor team used the 0.8√y formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the auditor team determined that the sampling locations are one palm oil mill (Inecda POM) and two estate (Estate 1 and Estate 2).</p> <p>Inecda POM</p> <ul style="list-style-type: none"> - Loading Ramp (3 workers). Observation and interview with sortation personnel related to personnel understanding over sortation procedure, the implementation of sortation, fruit criteria, fruit separation with ripeness and rawness criteria. - Sterilizer Station (1 worker). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. - Press Station (1 worker). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. - Boiler Station (1 workers). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. - Engine Room Station (1 worker). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. - Kernel Station (1 worker). Observation and interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare. - Workshop. Observations and interviews with workers related to the management and implementation of health safety, worker welfare, and hazardous waste management. (1 foreman, 1 worker) - Hazardous waste storage. Observations about condition of storage and interview with workers related to the implementation of OHS, worker welfare, and hazardous waste management. (1 foreman, 1 worker) - Chemical storage. Observation about condition of storage and interview with worker related to worker welfare, implementation of OHS, and training. (1 foreman, 1 worker) - Hydrant simulation No 2 (in front of power house). - WTP. Observations and interviews related to water management, recording of water use, health checks, PPE and waste management. - WWTP. Field observations related to Ban to entry to WWTP, run off, testing of effluent. Officers equipped with PPE

and Recording of effluent debit effluent.

- **Reservoir Block B17.** Observation the implementation of water management in water resource
- **Block J29 division 1.** Observation the conditions Land application and safety health.

Estate 1

- **Block C9 Division 6 (22 Pesticide Applicator).** Observation on safe working practices and interview with the spraying workers related type of pesticides use according to the procedure and also worker welfare.
- **Block I20 Division 4 (8 Fertilizer Applicator).** Observation on safe working practices and interview with the fertilizer workers related type of fertilizer use according to the procedure and also worker welfare.
- **Block G10 Division 4 (6 harvester).** Observation of procedure application related fruit ripeness, safe working practices and interview about worker welfare.
- **Block I13, I18, and J14 Division 4 (Peat Land Area).** Observations on the management of peat, water levels, piezometer, and subsidence poles.
- **Block I17 Division 4 (Barn Owl Nest Observation).** To check nest condition.
- **Block B10/11 Division 6 (EFB Application).** Field observations on application of empty fruit bunch.
- **Housing complex Afdeling VI Block C11.** Observation and interview to the resident related to workers facility, electricity, domestic waste, sources of fresh water, domestic waste management, and socialization of company policy
- **Daycare facilities.** Observation and interview with worker about wage and facilities provided by unit management for daycare.
- **Clinic.** Observation and interview with paramedic about worker welfare, management of infectious waste, and facilities in clinic.
- **Agrochemical material warehouse.** Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health.
- **Fertilizer Warehouse.** Observations relating to the implementation of storage hazardous material, Health safety and labor management.
- **Workshop.** Observations and interviews with workers related to the management and implementation of health safety, and social worker and hazardous waste management.
- **Body shower of spraying team and mixing area (TUS).** Observation the conditions body shower room and PPE handling.
- **Fire Fighting Equipment Storage.** Simulation the function of fire extinguishers and team readiness.
- **Land fill Block C4.** Observations related to the implementation procedures of domestic waste bins and disposal site is about 5 kilometers from the settlement.
- **Fuel Storage.** Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health.
- **Boundary pole BPN 8, Block G19, Division 4.** Ground check for legal operational boundary
- **Boundary pole BPN 7, Block G18, Division 4.** Ground check for legal operational boundary
- **Boundary pole BPN 64, Block H09, Division 4.** Ground check for legal operational boundary
- **Boundary pole BPN 65, Block G03, Division 4.** Ground check for legal operational boundary
- **Boundary pole BPN 61, Block H05, Division 3.** Ground check for legal operational boundary
- **Boundary pole BPN 59, Block H01, Division 3.** Ground check for legal operational boundary
- **Boundary pole BPN 58, Block I01, Division 3.** Ground check for legal operational boundary
- **Boundary pole BPN 57, Block I01, Division 3.** Ground check for legal operational boundary
- **Blok H06 Division 4,** Observation for HCV 4.1
- **Perkebunan S. Parit village.** Stakeholder's consultation.

Estate 2

- **Block P24 Division 11 (13 Pesticide Applicator).** Observation on safe working practices and interview with the spraying workers related type of pesticides use according to the procedure and also worker welfare.
- **Block B15 Division 7 (10 Fertilizer Applicator).** Observation on safe working practices and interview with the fertilizer workers related type of fertilizer use according to the procedure and also worker welfare.
- **Block O30 Division 11 (4 harvester).** Observation of procedure application related fruit ripeness, safe working practices and interview about worker welfare.

	<ul style="list-style-type: none"> - Block N17 and N18 Division 10 (Peat Land Area). Observations on the management of peat, water levels, piezometer, and subsidence poles. - Block N19 Division 10 (Barn Owl Nest Observation). To check nest condition. - Block N22 Division 11 (Replanting area). Observation replanting area and interview with contractor supervision about safety working, procedure, and contractor workers welfare. - Block P18/19 Division 10 (Pest Census – 2 workers). Observation related implementation of pest census and interview with the workers about the procedure and worker welfare. - Block C3 Division 6 (Nursery). Observation nursery location and management of nursery. - Housing complex Afdeling VI Block C11. Observation and interview to the resident related to workers facility, electricity, domestic waste, sources of fresh water, domestic waste management, and socialization of company policy - Daycare facilities. Observation and interview with worker about wage and facilities provided by unit management for daycare. (1 worker) - Generator house. Observation about condition of generator house. - Workshop. Observations and interviews with workers related to the management and implementation of health safety, and social worker and hazardous waste management. - Fertilizer Warehouse. Observations relating to the implementation of storage hazardous material, Health safety and labor management. - Agrochemical material warehouse. Field observations related to the fulfillment of health safety as well as interviews with a warehouse clerk of safety health. - Body shower of spraying team and mixing area (TUS). Observation the conditions body shower room and PPE handling. - Boundary pole BPN 23, Block N34, Division VII. Ground check for legal operational boundary - Boundary pole BPN 40s, Block P31, Division VII. Ground check for legal operational boundary - Boundary pole BPN 25, Block N15, Division X. Ground check for legal operational boundary - Boundary pole BPN 49s, Block O14, Division X. Ground check for legal operational boundary - Boundary pole BPN 40, Block P13, Division X. Ground check for legal operational boundary - Boundary pole BPN 13, Block N13, Division X. Ground check for legal operational boundary - Boundary pole BPN 33, Block P13, Division X. Ground check for legal operational boundary <p>Stakeholder:</p> <ul style="list-style-type: none"> - Petala Bumi Village - Tani Makmur Village - Titian Resak Village - Government institution of Indragiri Hulu District
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
IC	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for PT Inecda was held by:</p> <ul style="list-style-type: none"> • Public Notification at web www.mutucertification.com on 16 July 2018 • Public consultation meeting with local government district of Indragiri Hulu was conducted on 28 August 2018. • Consultation meeting and interview with locals of the nearby village (Tani Makmur, Petala bumi and Titian Resak) on 28 August 2018. • Consultation meeting and interview with Internal Stakeholder (Worker union, Employee cooperative, Gender committee and local contractor) on 28 August 2018. • Consultation with NGO (Jikalahari, Sawit Watch, Walhi and Jaringan Masyarakat Gambut Riau (JMG Riau) on 21 August 2018. <p>Numbers of input from stakeholders were clarified by PT Inecda</p>
2.3.2	Stakeholder contacted

	Please find appendix 1
2.4	Determining Next Assessment
	The next visit (ASA-1) will be determined 8-12 month after date of certificate.

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Inecda POM – PT Inecda operation consisting of one (1) mill and two (1) oil palm estates.

During the assessment, there were thirteen (13) Nonconformities were assigned against Major Compliance Indicator(s) three (3) nonconformity (s) were assigned against Minor Compliance Indicators, six (6) nonconformance(s) against supply chain requirement for CPO mill four (4) opportunity(s) for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective action(s) that had been reviewed and accepted by Auditor(s) in form of documentation evidence(s) e.g. (document record/photographic/etc). Those corrective action(s) taken that consist of thirteen (13) Major non-conformity(s) and three (3) Minor non-conformity(s) had been closed out shall be verified during next assessment.

MUTUAGUNG LESTARI found that Inecda POM – PT Inecda complied with the requirements of requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governors 30th September 2016 and Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on June 2017 (Module E for CPO Mill).

Therefore MUTUAGUNG LESTARI's auditors Recommends RSPO Certification of compliance is issued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1	<p>Management unit has the latest list of stakeholder updated on 25th April 2018, consist of statutory bodies, local government, community leaders, and worker organization. Based on interview with management, the list of stakeholders will updated if there is a revision. Based on interview with statutory bodies in Indragiri Hulu Regency, they've already know the mechanism and person in charge for communication with stakeholder.</p> <p>Mechanism for consultation is listed in SOP of Communication, Consultation, and Participation (004-SOP-ISP) dated 2nd January 2014. The procedure explains the mechanism of communication for internal and external stakeholder.</p> <p>Stakeholders also can access the management unit's documents such as land title certificate, environmental, social, and OHS document, company's procedures and policies. The list of document can be seen in separate from Communication Procedure. Based on interview with statutory bodies in Indragiri Hulu Regency, it is known that they don't have difficulties to communicate with the company for information request. It is also known that stakeholders recognize that company provide information that can be accessed by public.</p>	
1.1.2	<p>Mechanism for consultation is listed in SOP of Communication, Consultation, and Participation (004-SOP-ISP) dated 2nd January 2014. The procedure explains the mechanism of communication for internal and external stakeholder. Based on</p>	

interview with person in charge of incoming and outgoing letter, management unit will respond the letter not more than 1 month. The person in charge for communication and consultation is human resource department.

The documentation of information request is recorded in a logbook. Throughout the year 2018, it is known that the incoming letter from stakeholder is about request funding, visit letter, and invitation letter. For example: The letter dated 29th June 2018 from *Badan Pendapatan Daerah Rengat* about invitation to attend the request for data on the use / use of mineral materials. The letter was responded by the company by attending the invitation on 5th July 2018 by Mr. Joko according to the disposition of the Chief Operating Officer.

Based on interview with statutory bodies in Indragiri Hulu Regency, it is known that they don't have difficulties to communicate with the company for information request. It is also known that stakeholders recognize that company provide information that can be accessed by public.

Status: Comply

1.2

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

1.2.1

Management unit has list of document that can be accessed publicly. The public documents, such as legal document, environmental documents (environmental policy, ANDAL, HCV report, environmental management and monitoring report, etc), social document (social impact assessment report), OHS policy and program, company's procedures and policies, information logbook, et cetera. These documents are available in estate and mill office. For example: there are some company's policy that hang on the wall up in the office, so stakeholder (internal or external) can access the policy.

The management unit also submits mandatory reporting to relevant agencies, such as implementation of environmental management and monitoring report, Mandatory Labor Report, hazardous waste management report, OHS committee report, and other mandatory reports.

Status: comply

1.3

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

1.3.1

Management unit has Ethical conduct document listed on Collective Labour Agreement article 50 about obligation and prohibition for all operational activities. It is available in Indonesia Language. Ethical conduct that has been set by the management unit, among others:

- It is prohibited to misuse property of the company
- Abusing the authority and position to get personal benefits
- Collaborate with third parties who do work in a company or in a company environment that gets personal benefits.

This ethical conduct has been socialized to the workers in each unit. Based on interview with worker crèche facilities in Estate 1, it is known that they understand about the ethical conduct. This policy also has been socialized to contractor worker, for example socialization to infrastructure contractor on 5th December 2017 attended by 13 participants.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

2.1.1

OHS aspect:

- Has P2K3 structure and P2K3 report in accordance with Minister of Labor Regulation No. 4 year 1987.
- Has boiler operators, welders and heavy equipment operators certified in accordance with the regulations.

Manpower aspect:

- Mandatory labor report of Inecda Mill, submitted on 26th October 2017
- Minimum wage is in accordance with 2018 Governor Decree of Riau Province

Environment Aspect:

- Compliance with possession of a document related to EIA (Environmental Impact Analyst) and reporting RKL-RPL periodically to the government agency. Complied with UU Number 32 year 2009.
- Has a temporary storage hazardous wastes and reported the waste balance refers to PP No.101 of 2014. Permit storage of warehouse hazardous
- Land preparation without burning and has the infrastructure in fire anticipation, according to Decree of Agriculture Ministry No. 26 of 2007 section 15.
- Compliance with the permit to utilization effluent. According to Decree of Environmental Agency Number. 12 year 2018.
- The Compliance Regulatory, is owned by the sustainability team and SPO officer keep on estate and Palm oil Mill.

Legal Aspect:

Based on land right documents and field verification to block 1-00, area 3, estate 1, the company has been managing other area of 135 ha without land cultivation right title and operational permit from related parties. **Therefore, a non conformity No. 2018.01 with Major category is raised.**

2.1.2;

Management unit has documented regulations relating to the company's operational activities. The list of regulations is listed in the "Formulir Identifikasi Peraturan Perundangan" document that is updated annually. Regulations that have been documented include ratified international regulations. Following are examples of regulations that have been documented:

Environmental aspect:

- Instruction of the environment minister No 01/2013 about requirements and obligations in the permit for hazardous waste management
- Government regulation No 101.2014 about Hazardous waste management

Manpower aspect:

- Governor Decree of Riau Province about 2018 Minimum wage of Indragiri Hulu Regency

Legal aspect:

- Agrarian Minister Regulation No 7/2017 about Land Use Title

Best management practice aspect:

- Government Regulation No. 71/2014 about Protection and Management of Peat Ecosystems

2.1.3 and 2.1.4

To ensure compliance to regulations, company has SOP of Identification and Evaluation of Compliance with Laws and regulation (No 002-SOP-ISP). The procedure explain that evaluation of regulation compliance conduct annually. The evaluation and regulation update is done by by adding new regulations and removing old regulations that are no longer valid. The regulation update can be obtained by contacting related parties by phone, email/letter, or website. The PIC of regulation update is EHS officer. The documentation of regulation evaluation is listed on "2018 Compliance Evaluation" document for OHS, environmental, manpower, and legal aspect. Based on interview with statutory bodies, it is known that company has apply the national regulation.

Status: Non-Conformity No. 2018.01 with Major category

2.2

The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.

2.2.1

Samsung and Ganda Biofuel acquired PT Inecda based on deed of minutes of the meeting of PT Inecda No. 74 dated 10 July 2008 and notarial deed dated July 19, 2011 - Linaswati SH.

The management unit has 2 documents of land use rights (HGU) with a total area of 9,442.51 ha.

Land Use Right Stage 1

1. Decree of the Head of the National Land Agency no. 01 / HGU / 1991 dated January 2, 1991 concerning the Granting of Land Use Rights on behalf of PT Inecda. The decree granted PT Inecda's HGU permit for $\pm 7,500$ hectares of land located in Sungai Parit Village, Pasir Penyu District and Belilas Village, Siberida District, Indragiri Hulu Regency, Riau Province, valid until December 31, 2020 and can be extended with a maximum period of 25 years.
2. HGU Certificate No. 1 dated April 1, 1992 covering 6,357.9 ha.
3. Reduction in HGU no. 1 on September 28, 2016 covering an area of 4,325 m². The remaining area of HGU No. 1 is 6,357.4675 ha.

At present, PT. Inecda are in the process of submitting an extension of the HGU.

Land Use Right Stage 2

1. Decree of the Minister of Agrarian Affairs / Head of the National Land Agency No: 42 / HGU / BPN / 99 dated April 28, 1999 concerning Provision of Land Use Rights on behalf of PT Inecda. The decree granted PT Inecda HGU permits for State land covering $\pm 3,108.147$ Ha located in Pasir Penyu District and Simpang Kelayang District, Indragiri Hulu Regency, Riau Province.
2. The number 19 certificate of HGU in 2000 is located in Talang Parit Village, Pasir Bongkal and Petalongan. Published October 26, 2000 in accordance with Letter of Measurement No. 04 / Kab. Inhu / 2000 dated October 24, 2000. Valid until June 29, 2034. The certificate was issued by the Head of the Indragiri Hulu Regency Office. Based on the physical measurements on September 14, 2004, the area was 3,085.486 due to the overlapping with PTPN V's HGU. It decreased by 22,661 Ha. Has been registered with BPN in accordance with List No. 208. 107 / II / 2005 and List of Entries 307 No. 433/2005 dated January 12, 2005.
3. Reduction in No. HGU area. 19 on September 28, 2016 covering an area of 4,432 m² so that the remaining 3,085.0428 ha.

The total HGU currently managed is 9,442.5103 ha

Based on document review and ground verification to block 1-00, area 3, estate 1, the unit management also managed an area outside Land Use Right (HGU) of 135 ha. The right of ownership for 135 ha in the form of Head of Village Certificate (*Surat Keterangan Tanah/SKT*). Total SKT is 69 documents. **Therefore, a non conformity No. 2018.02 with Major category is raised.**

2.2.2

The management unit has a procedure for Demarcation/Boundary Pole no. 040-SOP-AGR Rev 01 dated on 16 July 2018. This procedure was available during audit. This procedure regulated boundary pole inventarization, monitoring, maintenance, specification and numbering Based on document verification, the management unit has a HGU boundary map with scale 1 : 50.000 issued on 09 August 2018 complete with coordinate points obtained by overlaying between operational maps and situation map images that do not have coordinates. The results of ground verification on the HGU stakes in Estate 1 and Estate 2 were carried out randomly, there were several stakes whose placement was not in accordance with the situation drawings issued by the relevant agencies including but not limited to: Position boundary stake number 40s in block no. P31 are not at the corner of the area while in the image map the situation is in the corner of the block.

- a. Position boundary stake no. 25 and. 49s are not parallel while in the image map the laying situation is parallel.

Based on the description above, the management unit has not been able to prove that boundary stakes in the field are in accordance with boundary stakes coordinates set by the BPN on the HGU map. **Therefore, a non conformity No. 2018.03 with Minor category is raised.** For this non-conformity will be evaluated in 1st surveillance.

The unit management has a maintenance and monitoring program that conducted every 3 months. Based on document review and ground verification on boundary pole in Estate 1 and Estate 2, boundary stakes were available and well

maintained. The monitoring and maintenance are accordance with procedure for Demarcation/Boundary Pole no. 040-SOP-AGR Rev 01 dated on 16 July 2018.

2.3, 2.4, .2.5

There is occupation by the communities in the HGU area. The unit management using SOP handling external conflict no. 003-SOP-LGL on January 15, 2018 to settlement the occupation. Based on article 6.1.3 in the procedure, the management unit will conduct participatory mapping by taking data and information in the field that involves active participation from the community as information providers. The unit management has begun to identify occupation ownership. A map of occupational land use with a scale 1: 41,777 on April 19, 2018 containing cultivator name, location, block, afdeling, division and estate were available during audit. A total occupational land area is 193.37 ha. Progress of settlement this occupation will be verified in the surveillance.

Based on stakeholders consultation to surround villages (Perkebunan Sungai Parit village and Petala Bumi village), there are no issues related land acquisition, but there are land claims from the communities and is in the process of being resolved currently.

Status: Non-Conformity No. 2018.02 with category Major

Status: Non-Conformity No. 2018.03 with category Minor

2.3

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

2.3.1; 2.3.2; 2.3.3; 2.3.4

Management unit took over from previous company on 2011. Management unit has evidence of land acquisition with the involvement of landowners and village authorities. The process of land acquisition is done with negotiation process (FPIC) and in Indonesia Language. The latest land acquisition was done in 2015. Based on interview with representative of surrounding village (Perkebunan Sungai Parit village and Petala Bumi village), it is known that there are no indigenous rights, the lands in surrounding area is individualized owned.

There is occupational area by the community inside the HGU, but the company has begun to identify ownership. The company made a map of occupation land use with a scale of 1: 41,977 on April 19, 2018 with a total occupation land area of 193.37 ha, consisting of departmental II covering an area of 63.48 ha, III covering an area of 38.38 IX area of 2.5 ha, Gorontalo VII covering 55.41 ha, XI area covering 25.18 and X area covering 8.42. The company has identified the cultivator's name, cultivator's address, year of cultivation, commodity occupation and commodities planted in Afdeling II west of Block G3 covering an area of 63.5 ha (28 cultivators), Afdeling VII East Block N33, O32, P31 covering 55, 41 (18 cultivators) and afdeling I to the south of block P22 to P31 as many as 18 cultivators. On 17 June 2015 there is mutual agreement to resolve the land occupation by give compensation.

Status: Comply

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

3.1

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

3.1.1

Management unit has shown long term management business plan which presented on the following documents, e.g.:

Inecda POM

Inecda POM has a long-term plan for period 2019 until 2023. The document explains the long-term plan regarding the estimated price of CPO, PK, FFB; production (tons) of CPO (FFA, OER), PK, FFB; income (Rp) CPO and PK; cash flow from operations; investment costs; capex; and Net Cash Flow.

Estate 1 and Estate 2

The long-term estate plan for period 2019 until 2023. The document explains the long-term plan regarding area statement; income; harvest costs; maintenance cost; fertilizer costs; general fees; cash flow from operations; investment / capital costs (maintenance of immature plant, land clearing, capex); and Net Cash Flow Include Capex.

Management unit stated that the business plan are subjected to changed and reviewed annually by the respective management through considering actual trends and dynamic situation which predicted could be changed in the future. Moreover, monthly and annual evaluation were made and presented in monthly operational report, which describes analysis of parameter measured on the to-date month and its recapitulation.

In the long-term plan shows that the company will still earn profits every year. Based on the results of interview with representative management, it was explained that the long-term plan is still feasible (profit) in financial and economically.

3.1.2

Management unit show the replanting program for the next 5 years, in 2019 covering 390.30 Ha, in 2020 covering 381.30 Ha, 2021 covering 388.95 Ha, 2022 covering 375.67 Ha, 2023 covering 376.52 Ha. Every year, the realization of the replanting will be evaluated by unit management.

Status: Comply

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1

Agronomy procedures was documented in "SOP of Agronomy" which issued by the Chief Operation Officer of PT Inecda at 5 Mei 2014. The SOP consist of land preparation, nursery management, upkeep and pest management in nursery, land title process, land compensation, management development, planning, land preparation strategy, legume cover crop planting, planting and replanting procedures, upkeep on immature and mature palms, manuring, supply palm, ablation and harvesting preparation, harvesting management, FFB handling and transportation procedures to the mill, integrated pest management for immature and mature palms, fronds stacking, pruning and by-products applications.

Inecda POM has a Oil palm processing procedures which issued by the Chief Operation Officer of PT Inecda at 5 May 2014. The SOP has covers procedure on weighbridge, loading ramp, sterilization station, threshing, pressing, clarification, depericarping, kernel recovery, boiler, power generation, water treatment, effluent treatment – Land Application, EFB Mulching, workshop equipment, electrical system, quality, dispatch, laboratory equipment and reagents, laboratory safety, care and use of the analytical balance and procedure for producing low FFA oil and also about safe working practices, permit to work system and use of PPE's. That SOP's is available on audit site (Estate and Mill office) and written in a language that is easily understandable for workers (written in Bahasa).

Interviews were conducted to harvester, pesticides applicator, and manuring worker in Estate 1 and Estate 2. Based on the results of interviews can be concluded that the workers understand the duties and responsibilities of their work in accordance with the applicable SOP.

4.1.2 and 4.1.3

Ensuring consistency of procedures implementation, management unit routinely conduct internal audit activities both agronomic and processing. It is held by the Audit Internal Department every year. The records of internal audit on 2018 has been documented. Non-compliance records of internal audit has been corrected and verified by management unit.

4.1.4

Inecda POM has recorded the origin of FFB source that sent by supplier. On period of 2017-2018, mill was receiving the FFB from own estate and outgrower. The outgrower which sent FFB are Nasira Tani Sawit, Bukit Karang Sawitri and Nuryani.

Status: Comply

4.2

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

4.2.1 and 4.2.3

The procedure related with soil fertility were presented in document SOP No. 026-SOP-AGR about manuring, SOP No. 026-SOP-AGR about leaf sampling procedure, and SOP No. 026-SOP-AGR about soil sampling procedure. SOP stated that fertilizer recommendation must be based on leaf and soil analysis. Estate 1 and Estate 2 unit management shown fertilization realization documents for semester 1 of 2018. Auditor conducted an interview with a fertilizer worker in Estate 1 and Estate 2. From the interview, the worker can explain the fertilization procedure, in accordance with the dose based on the recommendation, sprinkle it around the palm and use the calibrated container.

It shown the leaf analysis results by Laboratory Central Plantation Services PT Central Alam Resources Lestari taken through leaf samples in 2017 which used data as fertilizer recommendation for the period of 2018. The document describes the nutrient content of N; P; K; Mg; Ca; B; Cu; da Zn. There is also a record of the results of soil analysis taken through soil sampling in 2017 which is also used data as fertilizer recommendation for the period of 2018. The document describes soil fertility based on pH; C-Organic; N Total; C/N Ratio P2O5; K; Mg; Ca; and CEC (KTK).

4.2.2 and 4.2.4

Management unit shown the plan and the realization of fertilization for 2018. The fertilizer used for first semester of 2018 is Urea, MOP, Borate, Rock Phosphate, Haracoat and Zincop. Based on document review, the realization of fertilization in Estate 1 and Estate 2 did not reach 100%. The company justification is because the stock of fertilizer is not available during semester 1 and is available in semester 2. The availability of this fertilizer stock has become an evaluation material at the top level of the company.

Management unit has implemented nutrient recycling using empty fruit bunch and liquid waste or POME as one way to improve soil fertility. Management unit shown a recording of the realization of EFB applications in Estate 1 and Estate 2, where from January until July 2018 has been applied as many as 2,808 tons in Estate 1 and 14,545 tons in Estate 2. Field observation related to EFB application are conducted in block B10 Estate 1. From that observation, it is known that EFB application has done well and in accordance with recommended dosage.

Status: Comply

4.3
Practices minimize and control erosion and degradation of soils.
4.3.1

Management unit has a land and peat distribution map 2018 with a scale of 1: 50,000 which describes the area of the peat area with a depth below 3 meters and above 3 meters and the area of mineral soil. The map source is Garm Garmin 76 Csx GPS (3-5 meters accuracy); administration map of Riau province; and PT Inecda planting block.

4.3.2.

Based semi detail soil survey 2018, shown that Estate 1 and Estate 2 are dominated with flat slope (peat area). Based on field observation during audit on both estates, it is known that the topography is relatively flat, and not required contour terrace or individual terrace.

4.3.3.

Management unit shows a road maintenance program for the 2018 period. Both Estate 1 and Estate 2 have classified roads based on their conditions (good, medium and heavy). From these data the company made priority programs in road improvement. For example, Estate 1 has 2,395 meter road repair program and until the audit is carried out, the realization of road improvements has reached 2,395 meters.

Based on field observations throughout the audit activities, it was concluded that the road conditions on the Estate 1 and Estate2 were in good condition and could be passed.

4.3.4.

Management unit have implementation for Peat management and subsidence based on procedure No: 018-SOP-AGR. This procedure covered the all of management for peat soils, water management, and subsidence refer to RSPO BMP for example water table maintained at an average between 60 cm (50-70 below ground surfaced in water collection drain).

Based on those procedure, management unit also have set up management plan for peat soil management, e.g water table monitoring, subsidence monitoring, weirs, and bund off construction. Field observations at block N17 Estate 2 shown that water level maintained at 38 cm and observations at subsidence pole block E6 Estate 1 shown on 2018 (2 January 2018 – 21 April 2018) the subsidence level for peat soil are 0 cm. To avoid the excessive subsidence, management unit also maintain nephrolepis as cover crops by selective weeding.

4.3.5.

Management unit has carried out a drainability assessment before replanting in the peat area in Drainability Peat Assessment document of PT Inecda 2018 on block L25; L26; M22; and N22 with a total area of 312.67 Ha. The results of the assessment concluded that the blocks entered into class 2 or had good drainage, where when the condition of excess water in the surface area of the soil could still be drained properly by gravity > 50% of the tidal cycle. On this basis, these blocks still have the feasibility of replanting.

4.3.6.

Management strategy to overcome low soil fertility on sandy areas are by giving fertilizer recommendation based on leaf/soil analysis, and carried out nutrient cycle with palm oil processing by-products, i.e.: EFB and POME. Field observation during audit for example on block B10 Estate 1 shown company implemented EFB mulching application in accordance with procedure. Besides that, management unit also conduct selective weeding for nephrolepis to maintain soil moisturiser and frond stacking to minimising soil evaporation.

Status: Comply

4.4

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

4.4.1 & 4.4.2

CU has identified rivers and wetlands inside plantation area. Analysis of HCV (2013) containing distribution maps of the river in the area of PT Inecda.

The CU shows water sources map. All riparian area were treated as HCV areas. Procedure of protection and/or management on riparian and other water sources areas were presented in several documents, i.e. document number. 022-SOP-ISP about guidance of save pesticide application mentioned that pesticide is prohibited to be applied on riparian zone and other water sources, Number. 32-SOP-ISP about environment monitoring on the rivers upstream and downstream.

Monitoring of water sources quality has also carried out and presented in RKL/RPL report. According to Semester I, 2018 report, it was informed that water quality of *air hitam* River in upstream and downstream were fulfill the standards required by Government Regulation Number. 28 year 2001 (Appendix IV).

Based on field visit of riparian zone of Siri River in Block G 03 and Parit River Block G22 known CU already done water source management, such as:

- Signboard prohibition chemical application on riparian.
- Signboard of HCV area, prohibition of hunting, and poisoning fish.
- Determination of riparian with a distance of 50 meters left-right of Small River Demarcation of the border is done with the installation of boundary markers river border.
- Natural vegetation.

Based on interview with pesticide operators Block C9 Division 6 Estate 1 and Block P24 Division 11, estate 2 it could be concluded that, operator has understood that application of agrochemicals in the riparian and other water sources areas were strongly prohibited.

4.4.3

The CU has process liquid waste from Inecda-POM in station of waste water treatment plant (WWTP) which consist of ten ponds (cooling pond, acidification pond, facultative pond and anaerobic pond). Based on field observation to WWTP station in Inecda-POM, it was found that all ponds were satisfactory works and there is no leaking pipes. Processed liquid

waste in WWTP later on to be distributed to the permitted areas in Estate 2, as mentioned in the Decree Letter of Environmental agency Number. 12 year 2018 dated 8 June 2018, the permit is valid for 5 years. Effluent has processed on the waste water treatment plant (WWTP). Monitoring of quality effluent, parameter BOD and pH has carried out every month regularly and reported to Environment Agency every three month.

Base on field visit in Inecda POM, no indication over flow effluent in WWTP, flow meter was well functioned and there is no issues from stakeholders related to land application.

Based on observation to Block J29 division II (estate 2), it was found that LA was properly applied on the permitted area.

Laboratory testing of WWTP outlet has conducted by Civil Engineering laboratory (KAN accredited: LP 750-IDN), Province Riau. For example, Semester I 2018 report informed that parameters measured were under the threshold, required by Decree of Minister of Environment No. 28 year 2003 (BOD <5,000 & pH 6-9).

Three-monthly reporting of liquid waste has also carried out consistently by the CU. For example, report on 2nd quarter in 2018 were sent to Environment Agency of Indragiri Hulu District and Riau Province, Centre of Ecoregion Management of Sumatera (PPE) and Ministry of Environment and Forestry.

4.4.4

Procedure to measuring water consumption for FFB processing purposes was presented in Key Performance Indicator. According to the water treatment plant (WTP) record in 2018 records, it was informed that average water consumption May to June 2018 was about 1.25 m³/ton FFB.

Based on field observation to WTP Station in BEPOM, it was informed that water source to be processed were came from Air Hitam River. Moreover, it was found that flow meters for both mill and domestic measurement purposes were satisfactory works.

Status: Comply

4.5

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

4.5.1

The activity budgeted on the program were consist of detection, census and monitoring of pests and diseases attack, biological control such as barn owl nest installation and planting of beneficial plants. Management unit can show the document of pesticide use and it is known that the use of biological pest control methods can helps reduce the use of chemicals, for example in pest control of rats, it is known that the use of *racumin* in 2016 decreased by 20% in 2017.

Management unit has a good commitment to improve the use of pest natural predator as part of integrated pest control. One of natural predator development is the reproduction and the construction of barn owl box as a mechanism to control rat. The company monitoring barn owl box occupation at least once a month. The monitored parameter are the existing of barn owl in the boxes, left food, and sign of reproduction such as egg or owl. Currently, there are total 15 barn owl boxes in PT Inecda and has a plan to install 407 barn owl box next few years. Auditor has made an observation to the owl nest box in Estate 2 (block N19 division 10) where the condition of the nest box was in good condition and inhabited.

4.5.2

Management unit has conduct integrated pest management training on 27-28 November 2018 in Estate 1 and Estate 2 that is held by research staff. The event was attended by 21 employees consisting of census operators, supervisors, and field assistants. The training materials covered detection and cencus, biological control, mechanical control, chemical control, as well as beneficial plant. Based on interviews with census workers at Estate 2, it is known that they have attended training on integrated pest management.

Status: Comply

4.6
Pesticides are used in ways that do not endanger health or the environment
4.6.1

Management unit has SOP and work instruction on weeds management, the guidance covering about chosen, storage, application, contaminated handling, known about signs and symptoms of pesticides poison and first aid for poison case. To ensure pesticide used are in accordance with the target, company conducted identification the type of weed found in operational area. Based on document verification it's known that the herbicide being used is appropriate for the target or type of weed. PT Inecda used *Isopropil amina glyphosate*, *Metil metsulfuron*, and *fluroxypyr*, which have received permission from the government.

4.6.2

Management unit has documented records of pesticide toxicity in the document of Monthly Pesticide Toxicity Data. The document is recorded product name, active ingredients, LD50, percentage of active ingredients, total application, total active ingredients, FFB production and pesticide unit/kg FFB. This document is constantly recorded and updated by Estate Sustainability Officer each month.

4.6.3

Management unit has implemented integrated pest management in order to reduce pesticide usage. Based on document review and field observation, several IPM program with biological approach has been implemented such as rat control by *Tyto alba*, and leaf eater caterpillar control by planting beneficial plant. Moreover, applying selectively spraying and utilize *Nephrolepis bisserata* as the predators host of leaf eater caterpillar. The company has trend chart pesticide use from 2016 to 2018. Based on document review, there is no prophylactic use of pesticides.

4.6.4

On 10 July 2018, Operational Director of PT Inecda issued a policy not to use paraquat again. Regarding to *Pesticides that are categorized as WHO Class 1A or 1B*, there is *Social and Environment Policy* that stated minimized and eliminated as part of a plan, and shall only be used in exceptional circumstances. Based on document verification and field visit to pesticide storage, there is no paraquat and *pesticides that are categorized as WHO Class 1A or 1B*, or that are listed by the Stockholm or Rotterdam Conventions application in 2018.

4.6.5; 4.6.7 and 4.6.9.

The results of field observation in warehouse and interview with 22 sprayer of Estate 1 in block C9 and 13 sprayer of Estate 2 in block P24, it is known that the employees have been given regular training in safe work practices. This was evidenced by the employee can demonstrate the correct way to work in accordance with the procedures including how use and handling the risks in accordance with material safety sheets. There have been sheets of safety work (MSDS) and the symbols of hazardous and toxic materials are properly installed on the walls and doors of warehouse. The sprayer also using personal protective equipment in accordance with specified hazard identification and material safety data sheet such as respirator mask, gloves, safety shoes, apron and googles. In addition, employees are also informed about the steps of secure work in each roll call in the morning before work. Meanwhile, the spraying workers interviewed also claimed that after spraying they will be washing up and drying up the PPE and spraying tools (sprayer tank, jerry, etc), and taking shower/changing clothes in special place near pesticide store of the division office. Therefore based on field observation to mixing area in Estate 1 and Estate 2, that known there are storage for keeping all PPE's and spraying tools after use.

4.6.8

Based on a review of documents and interviews with management staff, management unit did not perform the application of pesticides from the air.

4.6.6

CU has a SPO material management and the displacement (014-SOP-ISP), explained the material characteristics and hazardous chemicals. Officers do control is a warehouse clerk, chief warehouse entitled to reject the chemicals that have been damaged and the expired. Chemicals It expiration will be stored in store of hazardous waste warehouse.

Base on field visit in Chemical warehouse Estate 1 & Estate 2 is known, there are signboards and hazardous symbols

maintenance chemical by category, Material Safety Datasheet (MSDS), chemical logbook, emergency response, personal protective equipment and OHS management.

CU has minutes of meet ex packaging pesticides which come from Estate to 3rd party transporter. Document of meet transporter ex packaging pesticides number Manifest AHXOOO2678 May 2, 2018.

Base on field visit in housing complex Estate 1 & 2 and landfill is known there are not ex pesticide containers disposed in landfills and the use pesticide containers for other uses that are not similar.

4.6.10

There is Standard Operational Procedure Waste Handling of hazardous and toxic material with the number 014-SOP-ISP revision No. 00 dated January 2, 2014 approved by the Director.

CU has agreement with supplier for transport the former pesticide container which valid until 31 September 2018. CU also has a work instruction of washing and cleaning of used pesticide containers. SOP explained that the former pesticide containers were washed 3 times (according to the MSDS) and used washing water is re-used for spraying. All discarded containers of chemicals generated by estate and mill, placed in hazardous waste warehouse.

Record of hazardous waste management included in report of hazardous waste management which quarterly sent to environment agency, such as report of on April to June 2018. The training and socialization to spraying workers, about ex pesticide container disposal is available.

Based on interview with officer of hazardous & toxic waste, he has known about management of hazardous & toxic waste. The whole package of pesticide is stored in Temporary of storage hazardous waste and transported to porter hazardous and toxic waste.

4.6.11

Management unit has list of pesticide operator based on latest data of June 2018 as many as 22 workers for Estate 1 and 20 workers for Estate 2. Medical examination (cholinesterase) has been conducted on 11-12 July 2017 to all pesticides workers in Estate 1 and Estate 2. The result of medical examination is informed to the workers and all pesticide operators are in a healthy condition (normal result). And also, based on interview with the workers, it is known that they are never get experience of occupational injury which caused by chemical such as irritation.

4.6.12

Management unit has a policy about prohibits the female spraying worker who are pregnant or breastfeeding issued by Operational Director in 2 January 2014. Based on interview with female spraying worker in Estate 1 and Estate 2, it is known that company is not allowed pregnant and breastfeeding female worker to work on pesticides related. To identify whether the workers are pregnant or not, is from the menstrual leaving monitoring or from pregnancy test and examination every 3 month. Audit team also got information that the personnel have understood that female personnel cannot work with chemical material if they are pregnant or breastfeeding.

Status: Comply

4.7

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

4.7.1

Management unit has a policy related to occupational safety and health in OHS Policy S&G Biofuel, which was signed by the President on 27 June 2013. Safety Health commitment to provide protection for workers and others who are in the workplace and working environment so that it can be used safely and efficient. Policies have been written with the appropriate language and includes prevention against health and safety risks in the workplace. Management have work program of occupational health safety every year. Realization of the program of work will be monitored through regular meetings Guiding Committee of Occupational Safety & Health every month. This work program applies generally to all workers in the workplace. If the plans have been made yet on target then will be evaluated in the management review to assess effectiveness.

Interviews were conducted to estate workers (harvesters, manuring workers and pesticides applicators) and mill workers (boiler operator, engine room operator, etc). Based on the results of interviews can be concluded that workers understand the OHS policy and it's recognized that every morning meeting is always affirmed about the importance of safety and the use of PPE in work.

4.7.2

Management unit shown the document of hazard identification, risk assessment and risk control which issued on 20 March 2018. It will be reviewed if any occupational accident happen. The document describes the description/activity, potential hazards, risk assessment and risk control. Based on site observation at workshop and agrochemical warehouse in Estate 1 and Estate 2, it was clearly confirmed that workers had been aware related potential risk and hazards in the work place. Following up on this, management unit has been reduce the potential risk by routine socialization about OHS, providing PPE, and OHS signboard are available in workplace.

4.7.3

Based on documents verification and interviews, it is known that all operators at Inecda POM, Estate 1 and Estate 2 already have lisense such as boiler operators, lift carrier operators, welders, and electrical technician.

Management unit already has procedure of PPE Management No: 019-SOP-ISP, in section 6.12 states that if workers PPE is damaged before the replacement period and the damage is due to quality or other things that are not due to the intentional element of the worker, the company will replace it with the new PPE. Based on field observations and interviews with workers, field facts were found as follows:

- In harvesting activities in block O30 Division 11 Estate 2 found 1 harvesting worker using a broken boot and 2 harvested workers using personal boots because the boot provided by the company was damaged before the new replacement period.
- In workshop Estate 1, found 3 workers using safety shoes in a damaged condition.

Based on the evidence, management unit has not been able to demonstrate the implementation of PPE replacement in accordance with the procedure owned. **Therefore, a non conformity No. 2018.04 with major category is raised.**

4.7.4

Management unit already has persons that responsible for the OHS program within the organizational structure of Committee of Occupational Health and Safety (P2K3) established in each management unit. The organization routinely conducts monthly meetings on OHS issues in the workplace. The documentation of the meeting were recorded and stored well. Based on interviews to workers who are members of the P2K3 organization it is known that monthly meetings are always routinely conducted to discuss about OHS such as consistency of PPE usage, work accident report, fire simulation, checking of emergency response equipment, OHS sign board, cleanliness of work area, etc.

4.7.5

Management unit has emergency procedures contained in document No: 025-SOP-ISP dated 2 January 2014. The document is available in Indonesian language. Emergency procedures covering fire, explosions, natural disasters (floods, earthquakes, hurricanes, storms, landslides, etc.) and mass riots/sabotage.

Inecda POM, Estate 1 and Estate 2 has already licensed first aid officers and there was first aid internal training conducted on 9 April 2018 in PT Inceda office which was attended by 44 participants. Management unit also has a first aid kit in each unit and based on observations, it's concluded that the contents in the first aid box are sufficient. There is also a checklist of observations of the contents of first aid boxes routinely performed every month by first aid officers.

4.7.6

Based on the Collective Labour Agreement (CLA) that workers have the right to receive medical care and be protected by the accident insurance. The management unit show proof of payment of Health and Employment Workers Social Security Agency (BPJS). Payments are made every month by percentage according to the regulation.

Based on interviews with Inecda POM, Estate 1 and Estate 2 employees, concluded that all employees were aware of the medical service procedures in the event of an accident or illness. All employees interviewed also claimed to have a health BPJS card, if they went to a company clinic there was no fee at all.

4.7.7

Management unit is consistent in monitoring the recording of occupational accidents by calculating the lost time accident (LTA). Recapitulation of work accidents with a formula to find the level of severity and frequency of accidents. This document informs the time period, the number of working days, the number of non effective working days, overtime, hours of work in total, the number of accidents, the number of working days lost, hours of work a year, the number of accidents a year, lost days a year. Calculation of SR and FR is reviewed regularly and monitoring will be evaluated at the monthly meeting of Committee of Occupational Health and Safety.

4.7.3	Status: Non-Conformity No. 2018.04 with Major Category
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4.8

All staff, workers, smallholders and contractors are appropriately trained.

4.8.1 and 4.8.2

Management unit has had training programme 2018 for staff and workers related all aspects of RSPO principles and criteria. The training programme for all employees based on identification of needs that prepared by sustainability staff. The annual training programme covered all existing estate and mill activities, among others simulation handling chemical spills, first aid, fires simulation, socialization of policies for the protection of reproductive rights, prevention of sexual harassment in the workplace. Training for workers in high noise area has been conducted, for example about awareness of PPE usage. Training for workers in high noise area conducted at least once a year.

The training record that shows historical training of each employee are well maintained in place. The management unit has had the training plan for workers exposed to high noise levels such as training of procedure, socialization of HIRARC and safety briefing before work. In addition, the company has set the working hours for employees to reduce noise exposure as 1 shift no more than 8 hours, installing the signboard in location with high noise level and area with mandatory use of PPE and monitoring the use of PPE.

Based on observation of operational activities in Inecda Mill, Estate 1, and Estate 2, the workers are known to have received training, and are able to demonstrate safe working practices in accordance with procedures. Interviews with local contractors are also known that contractors have been trained from management unit related safe working practices.

Status: Comply

PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity
5.1

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

5.1.1 and 5.1.2

EIA document for PT. Inecda namely AMDAL. Scope of EIA plantations area covers 9.466,05 Ha mill capacity is 60 MT/hour. EIA documents has been received environmental feasibility based Decree Regent of Indragiri Hulu Number 84 of 2008 June 13, 2008.

According to document reviews, it could be concluded that scope of study has covers building new roads, processing mills, infrastructure, replanting and/or expansion of planting areas, management of mill effluents, environment, etc. Several aspect which need to be managed and monitored are harvesting, FFB transportation, CPO process, waste management, marketing and replanting

Based on interview with Environment Agency of Indragiri Hulu District, it was stated that the CU has committed to fulfill its obligation towards RKL/RPL requirements.

CU unit already has an environmental document in the form of a 2008 ANDAL document for the Development of Palm Oil Plantation PT. INECDA, scope covering an area **9,466.05 Ha**. Based on a document review of legal ownership and the results of field visits in Block I-00 and I-01 Afdeling 3 Estate 1, it is known that the management unit manages the area

outside Land title +/- 135 ha, total management area 9,578.16 Ha. Based on the explanation, there are 112.11 Ha of operational areas that have not been included in the scope of E.I.A document. **Therefore, a non-conformity No. 2015.05 with Major Category is raised**

5.1.3

Implementation of environmental monitoring was described in RKL-RPL implementation report. Based on the RKL-RPL implementation report of semester 1 of 2018 known there isn't negative impact caused by CU. The result of mill effluent quality testing that conducted periodically has been accordance with the standard qualities set by the government. Interview with environmental agency of Indragiri Hulu district show that CU has been submit the RKL-RPL implementation report every six month and there isn't negative impact caused by CU.

5.1.1 Status: Non-Conformity No. 2018.05 with Major Category

5.2

The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced

5.2.1

PT Inecda HCV identification was carried out by the Nusantara Sonokeling Akreditasi consultant in 2013. The Assessor Team consisted of 9 people with 2 people (including a Lead Assessor), registered RSPO HCV Assessor. A map resulting from the identification of PT Inecda's HCV area is available in the form of a map of high conservation value areas with a scale of 1: 80000. The results of HCV identification measuring 2540.72 Ha. A public consultation was conducted with surrounding community village chief, sub-district, community leaders, village board, youth leaders, and others).

A Then the company re-identified the HCV area carried out by the Agronomy department of the GIS section August 20, 2018, the results of the identification of the HCV area had been by management in accordance with Decree No. 494 / SUS / INC-PKU / VIII / 2018 covering an area of 99.75 Ha. The company has not been able to show sufficient evidence that HCV identification has been carried out by the person registered in the HCV assessment license scheme from the HCVRN Assessor Licensed Scheme (ALS). **Therefore, a non-conformity No. 2018.06 with Major Category is raised**

5.2.2

The company has HCV management plan document period of 2018, the program consist of :

- Riparian area management (HCV boundaries marking and maintaining, marking of chemicals application borders, HCV socialization to surrounded community and workers, planting of erosion control plants and HCV area patrols).
- Management of RTE species
- To conduct species identified protection.
- Training to Environment Division Employees.
- Security patrol.
- Regular monitoring, recording and reporting as shows in RKL/RPL report.
- Coordination with the respective government Agency (Province Forestry Agency through BKSDA) by informing the existence of identified species.

CU has a RTE management plan for RTE species described in the HCV program in 2018, but based on field visits it was found that there were *raja udang* (RTE species) trapped in the *oryctes* net of Block C05 (Estate 1) and Block M23 (Estate 2) based on this explanation CU has not shown management plans and implementation to ensure that the existence of RTE species is protected. **Therefore, a non-conformity No. 2018.07 with Major Category is raised.**

5.2.3

The CU shows records of identification and monitoring of flora and fauna, as well as its status according to Government Regulation (PP) No. 7, 1999; IUCN and CITES. The CU has also shows information board of RTE/protected species which exist within company operational areas, as well as its installation on the field. The board has informed as follows picture and RTE species name (both local and scientific), statement wick mentioned that catching, hurting, killing, keeping, own and selling the RTE species are strongly prohibited and description of 5 years in jail and summon for about IDR 100 million as mentioned in Law No. 50, 1990 about Natural Resources Conservation and Ecosystem.

The CU has conducting socialization of HCV and RTE species to employees and local communities. For example, socialization in Estate 1 & 2 has conducted in May 26, 2018 and August 14 2018, respectively.

5.2.4 & 5.2.5

Monitoring of RTE species has been conducted routinely (every semester), the monitoring result will be the input in the next monitoring plan. The CU was able to shows evidence of receipt note document of flora and fauna identified in to relevant Agency. Monitoring of RTE species has been conducted routinely, the monitoring result will be input in the next monitoring plan. Monitoring of Flora and Fauna was conducted on semester 1 year 2018 made by officers of HCV such as Fauna; *cekakak belukar*, *kipasan belang*, *raja udang meninting*, *burung madu*, *elang bido*, *elang brontok*, *elang coklat*, *biawak*, *bangau coklat* and *macan akar*.

Based HCV management plan document, management measures of HCV area to be implemented include:

- Socialization of HCV protection to employees and the public.
- Monitoring and patrols in the HCV area.
- Habitat management through rehabilitation of a conservation area to its natural form, demarcation of HCV area, installs signboard of HCV area and environmental protection.
- Monthly monitoring of wildlife and natural vegetation.
- Two yearly total wildlife and vegetation inventory.
- Management of riparian to prevent erosion by planting vertiver grass species and bamboo.

HCV management plan which is integrated with HCV identification documents, explained: management activities, period of management and monitoring, PIC (HCV officer), and enhancement review for next HCV program.

5.2.5.

Based on document verification and field observation, interview with workers, surrounded community (village) and related institution known HCV area was overlapped with local communities' rights, traditional rights defined as HCV area is attribute HCV 6 *Keramat Petilasan Datuk Darah Putih*.

CU has communicated with Community Elder to manage the HCV area of the *Keramat Petilasan Datuk Darah Putih*, of documented activity.

5.2.1	Status: Nonconformity No. 2018.06. with category Major
5.2.2	Status: Nonconformity No. 2018.07. with category Major

5.3

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

5.3.1

The CU has identified pollution and emission sources from all operational areas. For example, waste produced from Generator Station are lubricant, filter, battery and emission. Mitigation management need are to store it on permitted hazardous waste warehouse, monitoring and emission measurement.

Based on field visit in FFB processing activities known that effluent product resulting from the processing of FFB. Based on visit in chemical warehouse known that the former packaging chemical products are produced from chemical warehouse. Based on field visit in housing was known domestic waste and organic rubbish manage by send to landfill. Sewage from housing is managed in septic tank.

5.3.2

CU conduct an inventory of the waste described in the document Identify sources of waste Factory and Estate period 2018. The result of inventory in Inecda POM and Estate such as spray activities produce waste, such as former pesticide container placed in hazardous waste warehouse, preparation and maintenance block mark, such as former paint cans, placed in hazardous waste warehouse, plastic waste fertilizer, placed in hazardous waste warehouse. And then in Inecda POM, such as Activities in the loading ramp, used sacks loose fruit placed in landfill, in WTP, waste resulting is ex chemical container placed in hazardous waste warehouse.

Based on field visits in chemical warehouse Estate 1 & 2 and Inecda POM is known the resulting, former chemicals container be placed to hazardous waste warehouse. Record management Hazardous Waste, included in reporting management hazardous waste quarter period April to June 2018 addressed to environment agency. The Training And socialization to spraying workers, about ex pesticide container disposal is available.

5.3.3.

Record management Hazardous Waste, included in reporting management hazardous waste quarter period April to June 2018 addressed to environment agency. Hazardous waste management recorded several documents, consist of:

- Company has Logbook (Hazardous Waste Warehouse) period April to June 2018
- Company has Balance Hazardous waste warehouse reported period April to June 2018
- Company has Agreement Letter, PT. Mitra Jaya Pertiwi for transporter Hazardous waste
- Company has shipping manifest Hazardous waste warehouse, May 11 2018.

Observation field in Temporary storage hazardous & toxic waste POM and Estate. There is a Material safety Data Sheet, oil traps, fire extinguisher, First aid Kit, Emergency shower. Based on Interview with officer of hazardous waste the officer has been known related management in accordance with procedure of hazardous & toxic waste.

Permit the Number 5/BPMD&PPT/BP-LB3/XI/2015 November 5 year 2015 valid 5 years, about permit for Temporary Storage Hazardous waste in Inecda - POM.

CU has shown letter of agreement with number 446/ISPO/INC-PKU/X/2017 between PT Inecda and PT Mitra Jaya Pertiwi. The types of waste are used oil, used batteries, gloves / cloth cotton waste, used lamp, used oil filters, contaminated packaging (ex-production, medical waste, and lab waste), and plastic containers (jerry can scrap, used sacks and buckets used). Base on interview with employee, they understood for hazardous waste management and received training.

POME

Management POME done in WWTP before disposal into the river accordance permit environmental agency number 12 2018 and valid for 5 years. WWTP is equipped with aerobic and anaerobic waste water discharged so that does not exceed the quality standards. CU also has testing POME quality every month, accordance Minister Decree environmental agency number 28/2003.

Base on observation in WWTP there are 10 pounds of waste water treatment plant, pond number 10 has a flow meter (outlet). There is no wastewater run-off.

	Status: Comply	
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5.4

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

5.4.1

The Company already maximizing the use of renewable energy (fiber & shell) as boiler fuel. For example use of shells and fiber in July 2018 was 2,762,000 kg, which produce 461,060 kWh of electricity from turbine. Renewable energy use per ton of palm product in the mill is 0.08 kwh / ton FFB. Result Direct fossil fuel use is 5,321 / ton FFB. The efficiency if compare to the company standard and the company evaluate is Perform routine efficiency calculations to compare each calculation period and maintenance of production machinery.

The CU has no plan to develop biogas plant in the near future.

	Status: Comply	
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5.5

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

5.5.1 and 5.5.2

The company has zero burning policy which are explained SOP number: 01-ASP-SOP-AGR about Land Preparation – Strategies and parameter. This SOP explains about flame usage with any means is prohibited. As in the land preparation

activity on new development area and/or replanting.

Based on the policy, the company does not apply land clearing by burning. Based on the document verification and field visit in Estate 1 & 2, there is no land clearing or replanting activity. Based on the interview with workers they understood with zero burning policy.

Status: Comply

5.6

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

5.6.1

CU has identified sources of pollution in estate and mill operations. The identification result has been incorporated document identification sources of waste and pollution year 2018 such as used lamp come from temporary hazardous storage, oil spill come from generator and emissions / smoke that comes from generator.

5.6.2

CU periodically per 6 months has been testing the sources of emissions and pollutants, as indicated by the test results semester 1 years 2018 with test results that are below the threshold. Based on field interviews obtained information that CU have a fertilization work plan based on recommendations from the company and spraying activity schedule. In addition, CU also has a wash facility for spraying equipment and Zero burning during land clearing.

Monitoring for emission and pollutants (air emission, air ambient, odor, noise, and vibration) from estate and mill was done periodically every 6 month, covered on RKL/RPL implementation report and reported to environmental agency periodically. The result testing of semester 1 of 2018 indicates all parameters related to emission are still comply with standard quality. Such as, CU conducts noise level testing according to decision of environment minister number 48 year 1996. Based on field visit Worker has complied with the standard of PPEs used at the Mill, and for noise area is earmuff.

5.6.3

CU unit has not been able to show the calculation of greenhouse gas emissions using the Palm GHG calculator Version 3.0 and its reporting. **Therefore, a non-conformity No. 2018.08 with Minor Category is raised. Fulfillment indicator 5.6.3 will be verified next audit.**

5.6.3 Status: Nonconformity No. 2018.08 with minor category

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

6.1

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

6.1.1, 6.1.2

Social impact assessment (SIA) was done in September 2017 by Sonokeling Akreditasi Nusantara. The assessment was involved other stakeholder surrounding the management unit. SIA is done by direct interviews with village representatives. Public consultation on the results of identification is carried out on the last day of the assessment and the opinions of the stakeholders have been responded to by the management unit. The results of the assessment are then included in the report to determine the management plan and monitoring plan and the results of public consultations with stakeholders are also available. The documentation of involvement of the stakeholder is listed in SIA report.

6.1.3, 6.1.4, and 6.1.5

Regarding the positive and negative impacts that have been identified, the management unit makes an external, internal impact management plan and plans to monitor the internal, internal impact of PT INECDA. Social management and monitoring plan has determine the PIC of each program and the timeline of program implementation. Management unit also a social management plan based on the SIA report for the period 2017 – 2018. This management plan is not reviewed

yet, the review will be done in 2019.

This assessment is not involved smallholder scheme because management unit does not have smallholder scheme.

Status: Comply

6.2

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

6.2.1, 6.2.2

Management unit has a procedures related communication and consultation with stakeholders that listed on SOP of Communication, Consultation, and Participation (No 004-SOP-ISP) dated 2nd January 2014. PIC of communication with stakeholder is human resources department. Based on interview with representative of surrounding village, it is known that they know the mechanism of communication and social PIC of management unit.

6.2.3

Management unit has the latest list of stakeholder updated on 25th April 2018, consist of statutory bodies, local government, community leaders, and worker organization. Communication by stakeholders is by sending a letter to the company. Incoming letters from stakeholders are then recapitulated in the incoming and outgoing mail book. For example: The letter dated 29th June 2018 from *Badan Pendapatan Daerah Rengat* about invitation to attend the request for data on the use / use of mineral materials. The letter was responded by the company by attending the invitation on 5th July 2018 by Mr. Joko according to the disposition of the Chief Operating Officer.

Based on interview with stakeholder (statutory bodies and representative of Petala Bumi village, it is known that communication and consultation has been implemented in accordance with company procedure.

Status: Comply

6.3

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

6.3.1

The procedure to handling complains is listed in SOP of Handling Complaints (No 007-SOP-HRD) 1st Revision on 15th January 2018 and External Conflict Management (No 003-SOP-LGL) on 2nd January 2018. Based on the procedure, the person in charge of the complaint is a direct supervisor. If the complaint is not completed, then it is forwarded to level 2 supervisor and passes to the HRD unit. If it is not finished, the complaint is forwarded to the HRD of the unit and copies it to General Manager. If not completed, then submitted to the Manpower Office. If it is not finished yet, it will be taken to the RSPO Complaints System. Management unit will protect the reporting identity (anonymity) associated.

Based on interviews with village representatives, it is known that stakeholders have been aware of complaints mechanisms in accordance with the procedure.

6.3.2

Management unit has provided log book complaints. The content of the logbook is complaint from 2017. During 2018, no complaints were recorded in the log book. Based on interview with stakeholder (statutory bodies and representative of Petala Bumi village, it is known that there is no complaint related to company.

Based on interview with worker in estate and mill, it is known that all complaint and grievance submitted verbally still responded by the management unit. The complaint and the settlement process can be recorded in the log book provided. (OFI)

Status: Comply

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.

6.4.1, 6.4.2

The unit management already has a land acquisition and compensation procedure no. 001-SOP-LGL Rev 00 2 Jan 2014 in clause 6.3:

1. Disseminating oil palm development plans
2. Inform the community members who have the rights / location rights to register themselves through their respective villages.
3. Make data recapitulation of land and area owners
4. Perform verification and measurement in a participatory manner involving companies, village officials and land owners
5. The measurement results are agreed together with the land owner
6. Conduct direct negotiations without compulsion / pressure with land owners and/or parties appointed by the land owner.
7. Both parties set criteria together and the value of compensation given.
8. If agreed by both parties, stated in the minutes.

According to interviews with the sustainability team that the entire community has covered customary rights. Based on document verification of land compensation d in the process of land occupation and conflict there is involvement of the landowners in the process of land acquisition.

6.4.3

The management unit has been able to show evidence that the entire process and the results of the negotiated agreements and compensation documents have been documented. The management unit can show all evidence of land compensation of 90.24 ha in June 2015. The negotiation process has involved parties, including the government. Compensation for an area of 42 ha consisting of 5 SKT was completed based on an agreement on 17 June 2015.

Based on interview with community leaders and village officials at S. Parit Village, the management unit has shown seriousness in negotiating and compensating for occupational land claimed by the S. Village Community.

Status: Comply

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.

6.5.1

Management unit has implemented decree of Riau Governor No Kpts. 880/XI/2017 about 2018 Regency Minimum Wage of Riau Province. Based on the decree, minimum wage of Indragiri Hulu Regency is IDR 2,751,076.40. Management unit showed wage documentation of Harvester in Inecda 1 Estate with employee number 1207174. Based on the document, the worker has received the basic wage in accordance with applicable regulation. Harvester payment is in accordance with basic targeted. If they did not fulfilled the target, then they will be paid in accordance with daily wage with condition apply.

Based on interview with worker in Inecda Mill, it is known that the wage and overtime payment is paid in accordance with applicable regulation. This has been verified through wage documentation of mill worker. The condition about payment for contract worker is listed in their work agreement. As for security, the payment is done by their provider company. Management unit showed the cooperation agreement between Inecda POM and PT Delta Garda Persada No. 020 / INECDA-DGP-PKU / V / 2018 which is valid from 15 May 2018 - 14 May 2019. Work agreements regulate costs and payment methods, security principles and procedures, the rights and obligations of the first and second parties and have been signed by both parties.

6.5.2

Management unit has collective labor agreement 2017 – 2019 that has been ratified by Manpower Agency of Riau Province No KPTS.547/XI/2017 on 21st November 2017. It explains about working days, working hours and overtime

hours, wages, health insurance, employment, OHS, awards and training, discipline and work discipline, settlement of complaints, and layoffs. Management unit also has work agreement with contract worker. Work agreement has been signed by worker and management unit.

Based on interview with worker in estate and mill, it is known that they know and understand about the collective labor agreement.

6.5.3 & 6.5.4

Based on field observation in housing complex of Inecda 1 and Inecda 2 Estate, it is known that the company has been providing housing facilities, lighting, water, crèche facilities, *mushola*, school buses, clinics and educational facilities. Company also facilitates all workers to access adequate food supply by establishing worker cooperative. Moreover, there are some kiosk in housing complex. Personnel can get the staple food with reasonable price. Worker also can buy the staple food to the nearest market located in Belilas Village, about 10KM from the housing complex.

Management unit has provided the water for daily usage. Testing for clean water is conducted according to Permenkes 416 of 1990 for the first semester of 2018 but the Minister of Health regulation has been revoked with the issuance of Permenkes 32 of 2017.

Regarding this matter, the management unit has not been able to show that the testing of clean water is in accordance with national standards and / or applicable regulations. **Therefore, a non-conformity No 2018. 09 with Minor Category is raised.**

6.5.3	Status: Non Conformity No 2018. 09 with Minor Category
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6.6

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

6.6.1

Policy related to the freedom of made a worker union is listed on Sustainable Pal Oil Policy signed by Chief Executive Officer, Chief Financial Officer dan Chief Operational Office, on 1st April 2014. The policy stated that company will always give every employee the opportunity to organize and associate in accordance with applicable regulations. Based on interview with representative of worker union and worker in estate and mill, it is true that company is giving freedom for worker to establish a worker union. Worker union has been registered in Manpower Agency of Indragiri Hulu Regency on 22nd February 2013 with registration number 035/PUK SPPP-SPSI/INECDA/II/2013.

6.6.2

The worker union conducted internal meeting periodically or where there is an issue with company or the member of Bipartite. There are meeting documentation, such as minutes of meeting on 24th June 2018 attended by 15 participants. The documentation is available in office unit and available for member if they were asking.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

Based on Sustainable Palm Oil Policy S&G Biofuel that sign by Chief Executive Officer, Chief Financial Officer dan Chief Operational Office on 1 April 2014, the minimum age for new worker recruitment is 18 years old. Based on document review and field observation, there are no workers under 18 years old. Based on public consultation with Manpower Agency of Indragiri Hulu Regency and field observation in estate and POM, there is no issue regarding child labor. Based on interview with worker in estate and POM, they know the minimum age to work in the company. Based on field observation in estate, auditors did not sighted any harvester accompanied by their wife or children.

Status: Comply

6.8

Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.

6.8.1 and 6.8.2

Management unit has policy related to non-discrimination and equal opportunity listed on Sustainable Palm Oil Policy S&G Biofuel point 5 which stated that the company rejects all forms of discrimination because of differences in ethnicity, religion, race, nationality, age, marital status, disability, gender, and other forms of discrimination. All workers are treated equally and have equal opportunity. Based on field observation and interview with spraying and manuring female worker, it is known that there is no issue or complain from worker regarding discrimination. Also, information from board of worker union stated that there is no issue related discrimination. The workers that has been interviewed is came from various social origin, race, and religion.

6.8.3

Management unit kept the personal file of each worker in estate office. Based on interview with management, the recruitment is conducted through the company requirement. Worker promotion, mutation or demotion is done through the employee performance assessment. Management unit showed documentation of employee promotion, such as latest work agreement.

Status: Comply

6.9

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

6.9.1, 6.9.2, 6.9.3

Policy related to Sexual Harassment is approved by the CEO, COO, and CFO dated 16th December 2017. The policy states that the management unit is committed and will take the necessary actions to prevent incidents of moral norms and sexual harassment.

Based on interview with female worker in crèche facilities, it is known that they understand the policy. Also, interview with committee of Gender Committee in estate and mill, it is known that there is no issue or complaint related to sexual harassment on the workplace. Management unit also form gender committee for handling the harassment issue around female workers. It is also known that they understand the mechanism of complaint submission. Complaint can be submitted to board of worker union, gender committee, or their foreman. Management unit can socialize the existence of gender committee to all workers. (OFI)

Based on interview with the board of gender committee, the company provides the female worker with pregnant and nursing leave for about 3 months. Pregnant and nursing female worker is prohibited to work related to chemical. And also, management unit give special breastfeeding time for female worker, but prohibit the worker from working with chemical material.

Status: Comply

6.10

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

6.10.1, 6.10.2

Management unit showed the purchase price of FFB from independent grower. The FFB price set by comparing the FFB price from some competitors around PT Inecda. The FFB payment procedures are explained in the work agreement between the grower and the company. Adjustment of FFB price will be delivered verbally, written, or SMS (Short Message Services).

Based on interview with FFB supplier, there is no complaint about FFB price and the payment.

6.10.3

Management unit has work agreement with local contractor, such as FFB supplier, EFB transport and application, and others. The Agreement signed by representative of contractor and company. Based on interview with local contractor, it is known that the contractor can negotiate in determining / revising the agreement. Both management unit and contractor

has copy of the agreement.

6.10.4

Payment is made by transferring to the contractor's account. Contractor will submit the result of their work in form of invoice to the management unit. After the invoice is received, it will be approved and forwarded to the head office in Pekan Baru and paid the nominal to contractor's account.

Based on interview with local contractor of FFB supplier and EFB transport and application, it is known that the payment is made on time.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1, 6.11.2

The contribution to local development is documented in the program of Corporate Social Responsibility for year 2018. The CSR activities conducted in every aspects, such as infrastructure, social culture, community empowerment, and education. Management unit also distributes questionnaire about monitoring social aspect every 6 months. The questionnaire contain information about the result of community surveys of companies in social & cultural aspects, CSR programs, business and work opportunities and environmental management, and village advice for companies related to CSR. There is no smallholder scheme in PT Inecda.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1; 6.12.2; 6.12.3

Based on document review, field observation, and interviews with worker, there is a foreign worker in PT Inecda as Manager Estate. The recruitment of foreign worker is according to SOP of Recruitment No 001-SOP-HRD 1st revision on 1st April 2018. The SOP regulates the company to make plans for the use of foreign workers in accordance with applicable regulations. The company must take care of the required permits, for example IMTA, limited stay permits, certificate of residence from the local office of demographic affairs.

As for local worker, the recruitment is done also according to the company's procedure. Based on field observation and interviews with the workers in Estate and Mill, it is known that there is no discrimination among them. They came from local and nonlocal worker. Based on field observation in estate, auditors did not sighted any harvester accompanied by their wife or children. Based on interview bipartite cooperation member, there is no issue related to force labour. And there is no inter area workers.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1

Management unit has policy of human right which listed in Human Rights PT Gandaerah Hendana and PT Inecda. The policy includes protecting the rights of the community, respecting human rights, respecting human rights, overcoming the impacts of human rights and recovery.

Based on interview with worker in estate and mill, they know and understand about workers rights. And also, from consultation with internal stakeholder (worker union), it is known that there is no complaint related to human rights violation. If there is a complaint, the complaint can still be resolved by amicable way between employees. This policy also socialized to contractor on 5th December 2017 attended by 13 participants.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

7.1

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

7.1.1; 7.1.2 and 7.1.3

Planting on the PT INECDA plantation has been carried out since 1994 and has entered the rejuvenation period during the period 1989 - 2015. Planting between 2005 and 2015 was a replanting activity, not new planting after November 2005.

Planting in PT Inecda has been conducted since 1989 and has entered a period of rejuvenation until 2015. Related to aspects of environmental management and monitoring aspects of the social impact, the company has:

- EIA document since 2008 has been approved by regent of district Indragiri Hulu No. 84 of 2008 June 13, 2008. In the preparation of environmental documents is done by a third party (consultant) independent.
- Social and environmental impact study compiled by independent consultants namely Sonokeling in 2017. Provided evidence of the involvement of affected parties in this report are breast-feeding practices such as attendance and absent of opening & closing meeting, each of which took place on September 19, 2017.

Based on the review of documents and interviews at the recertification assessment there are no scheme of smallholders in PT Inecda.

Status: Comply

7.2

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

7.2.1

The CU has shown Semi Detail Soil Map with scale 1:50.000 and has geo-referenced. The map are covering of all estate that explain soil type, slope and the total area of each soil type.

Management unit has a land and peat distribution map 2018 with a scale of 1: 50,000 which describes the area of the peat area with a depth below 3 meters and above 3 meters and the area of mineral soil. The map source is Garm Garmin 76 Csx GPS (3-5 meters accuracy); administration map of Riau province; and PT Inecda planting block.

7.2.2

Based semi detail soil survey 2018, shown that Estate 1 and Estate 2 are dominated with flat slope (peat area). Based on field observation during audit on both estates, it is known that the topography is relatively flat, and not required contour terrace or individual terrace.

Status: Comply

7.3

New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.

7.3.1; 7.3.2 and 7.3.3

Planting on the PT INECDA plantation has been carried out since 1994 and has entered the rejuvenation period during the period 1989 - 2015. Planting between 2005 and 2015 was a replanting activity, not new planting after November 2005. CU has conduct disclosure of liability to RSPO by email on May 15, 2017 for **9,443.39 Ha**. Management unit show email from RSPO on 13 August 2018 that stated PT Inecda has no development without HCV assessment since Nov 2005, and proceed with certification.

CU has submitted of liability report to RSPO Membership May 15, 2017 covering **9,443.39 Ha**. Based on a document review of legal ownership and the results of field visits in Block I-00 and I-01 Afdeling 3 Estate 1, it is known that the CU manages the area outside the Cultivation Right of **+/- 135 ha**, but the management unit has not been able to show the area covered in the disclosure of liability report. **Therefore, a non-conformity with graded Major No. 2018.10 is raised.**

7.3.3; 7.3.4 & 7.3.5

Base on document, field visits and interview known CU did not convert or conduct new planting.		
7.3.1	Status: Nonconformity No. 2018.10 with Major category	
7.4		
Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.		
7.4.1; 7.4.2;		
The CU has shown Semi Detail Soil Map with scale 1:50.000 and has geo-referenced. The map are covering of all estate that explain soil type, slope and the total area of each soil type.		
Management unit has a land and peat distribution map 2018 with a scale of 1: 50,000 which describes the area of the peat area with a depth below 3 meters and above 3 meters and the area of mineral soil. The map source is Garm Garmin 76 Csx GPS (3-5 meters accuracy); administration map of Riau province; and PT Inecda planting block.		
	Status: Comply	
7.5		
No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
7.5.1		
Planting on the PT INECDA plantation has been carried out since 1994 and has entered the rejuvenation period during the period 1989 - 2015. Planting between 2005 and 2015 was a replanting activity, not new planting after November 2005.		
Based on documents review, interview and field visits at CU, it is known that CU did not expand the operational area and there is no more land clearing activity. Planting on the PT INECDA plantation has been carried out since 1994 and has entered the rejuvenation period during the period 1989 - 2015. Planting between 2005 and 2015 was a replanting activity, not new planting after November 2005.		
	Status: Comply	
7.6		
Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.		
7.6.1, 7.6.2, 7.6.3, 7.6.4, 7.6.5 and 7.6.6		
The unit management already has a land acquisition and compensation procedure no. 001-SOP-LGL Rev 00 2 Jan 2014 in clause 6.3:		
<ol style="list-style-type: none"> 1. Disseminating oil palm development plans 2. Inform the community members who have the rights / location rights to register themselves through their respective villages. 3. Make data recapitulation of land and area owners 4. Perform verification and measurement in a participatory manner involving companies, village officials and land owners 5. The measurement results are agreed together with the land owner 6. Conduct direct negotiations without compulsion / pressure with land owners and/or parties appointed by the land owner. 7. Both parties set criteria together and the value of compensation given. 8. If agreed by both parties, stated in the minutes. 		
According to interviews with the sustainability team that the entire community has covered customary rights. Based on community consultation in S. Parit Village and Petala Bumi Village, the unit management has given good access to the surrounding community. Access in the form of labor for maintenance, harvest and security workers has been opened to the surrounding community. The company also uses local contractors from surround community.		
SOP on Handling of External Conflict No. 003-SOP-LGL dated 15 January 2018 Rev 1 in clause 6.2.14 all stages of conflict resolution activities must be documented and stored with a shelf life as determined by the company.		

The management unit can also show a record that the community and rights holders have the freedom to access information and independent advisors regarding the law, the economy, and the social and environmental impacts of the operations submitted on their land as stated in the minutes of committee B in process of HGU No. 1 and HGU No. 2.		
	Status: Comply	
7.7		
Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.		
7.7.1 and 7.7.2		
The company has zero burning policy which are explained SOP 015-SOP-AGR about Land Preparation – Strategies and parameter. This SOP explains about flame usage with any means is prohibited. As in the land preparation activity on new development area and/or replanting.		
Planting on the PT INECDA plantation has been carried out since 1994 and has entered the rejuvenation period during the period 1989 - 2015. Planting between 2005 and 2015 was a replanting activity, not new planting after November 2005.		
	Status: Comply	
7.8		
New plantation developments are designed to minimise net greenhouse gas emissions.		
7.8.1 & 7.8.2		
Planting on PT INECDA plantation land has been carried out since 1994 and has entered a period of rejuvenation during the period 1989 - 2015. Planting between 2015 and 2017 is a replanting activity. The company does not produce High Carbon Stock (HCS) because it does not open land or new panting above January 2015.		
	Status: Comply	
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity		
8.1		
Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.		
8.1.1		
The internal audit had been done periodically ever year. Management unit has implemented a commitment to continuous improvement, including:		
<ul style="list-style-type: none"> - Biological leaf caterpillar pests control by planting and maintaining (conservation) beneficial plants, such as <i>Antigonon leptosus</i>, <i>Cassia cobanensis</i>, and <i>Turnera subulata</i>. - Since 2018, management unit is no longer using Paraquat. - Uses the technology in monitoring water level, i.e automatic piezometer. - Consultation with village representatives around to improve CSR programs - Local employment - The employment is CU has implemented governor decree about minimum wage - The social aspect is CU has arrange social management plan including consultation with stakeholder. - Effluent management and monitoring. WWTP pond management, effluent quality test and report it to Indragiri Hilir District Environment Agency. - Air quality management and monitoring. Road maintenance, air quality test and report it to Indragiri Hilir District Environment Agency. - Ground water management and monitoring. Testing ground water quality and report it to Indragiri Hilir Utara District Environment Agency. Hazardous waste management. Storing hazardous waste at the permitted hazardous waste, managing and monitoring hazardous waste. 		
	Status: Comply	

3.2. Summary of Assessment Report of Supply Chain Requirement
3.2.1 General chain of custody requirements for the supply chain

Clause	Requirement
5.1	Applicability of the general chain of custody requirements for the supply chain
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>PT. Inecda take legal ownership and physically handles RSPO certified sustainable oil palm product at their premises.</p>
	Status: Comply
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>Mill is owned by PT. Inecda. Mill is only selling its products (CPO and PK).</p>
	Status: Comply
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>The mill has registered as member of RSPO under S&G Biofuel PTE. LTD as confirmation of membership from RSPO dated on 14 August 2017: Member name: S&G Biofuel Pte. Ltd consist of PT. Gandaerah Hendana and PT. Inecda Member ID: 1-0238-17-000-00 Membership period: Aug 2017 – Jul 2019 Membership sector: Oil palm growers Membership category: Ordinary</p> <p>During the audit, the management unit was unable to show proof of its membership as a member of the RSPO and shall register on the RSPO IT platform. Therefore, a non-conformity No. 2018.11 with Major Category is raised.</p>
	Status: Non-Conformity No 2018.11 with Major Category
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>No, the mill has not a processing aid.</p>
	Status: Comply
5.2	Supply chain model
5.2.1	<p>The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.</p> <p>All product will be claimed as Mass Balance (MB) after getting RSPO certificate from CB.</p>
	Status: Comply

5.2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.
	The mill will be implemented the Module E. All product will claimed as Mass Balance (MB) after getting RSPO certificate from CB.
	Status: Comply
5.3	Documented procedures
5.3.1	The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.
	<p>The management unit has a RSPO supply chain procedure No. 016-SOP-POM Rev 00 dated on 23 July 2018 to ensure the implementation of all elements of the applicable supply chain model specified but not covering all provision such as:</p> <ul style="list-style-type: none"> • Training program, internal audit and review management. • How to separate FFB certified and FFB non certified came from estate. • Procedures related, SOP of FFB transport to Mill No. 036-SOP-AGR Rev 00 dated 5 May 2014, SOP of FFB Receive No. 001-SOP-POM Rev 00 dated 05 May 2014 and SOP for dispatch of CPO, Kernel and PKO No. 013-SOP-POM Rev 00 dated 5 May 2018 are not covering supply chain requirement. <p>Therefore, a non-conformity No. 2018.12 with Major Category is raised.</p>
	Status: Non-conformity No. 2018.12 with Major Category
5.3.2	The site shall have a written procedure to conduct annual internal audit
	<p>The management unit has an Internal Audit SOP no. 036-SOP-ISP dated on January 2, 2014, but the procedure has not yet regulated internal audit related to SCCS. The scope of the procedure only covers quality systems, environmental systems, K3 and ISPO. Actual references also do not include the RSPO and Supply chain. Therefore, a non-conformity No. 2018.13 with Major Category is raised.</p>
	Status: Non-conformity No. 2018.13 with Major Category
5.4	Purchasing and goods in
5.4.1	The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier
	The mill not purchased any of certified product from outsider, since it is only processed FFB convert to CPO and PK.
	Status: Comply
5.4.2	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents
	The management unit does not yet have a mechanism to handle inappropriate products and / or documents. Therefore, a non-conformity No. 2018.14 with Major Category is raised.
	Status: Non-conformity No. 2018.14 with graded Major
5.5	Outsourcing activities
5.5.1	In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.

The management unit can show the CPO storage cooperation document no. 8100700184 between PT. Wilmar Nabati Indonesia and PT. Inecda.	
	Status: Comply
5.5.2 Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following: <ol style="list-style-type: none"> The site has legal ownership of all input material to be included in outsourced processes; The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance 	
The management unit has not been able to show procedures to ensure that third parties managing bulking have legality, CPO, compliance and system safeguards agreements to implement supply chain standards and access to audits for CB. Therefore, a non-conformity No. 2018.15 with Major Category is raised.	
	Status: Non-conformity No. 2018.15 with Major Category
5.5.3 The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	
There are no all contractors used for the processing and physical handling.	
	Status: Comply
5.5.4 The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products	
There are no all contractors used for the processing and physical handling.	
	Status: Comply
5.6	Sales and goods out
5.6.1 The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer	
It is an initial certification. The management unit has not made transactions related to RSPO products with the SCCS model they have set. The company does not have specimen details of the contract that contain the minimum information in the document. This information will be seen in the next audit.	
	Status: Comply
5.7	Registration of transactions
5.7.1 Supply chain actors who: <ul style="list-style-type: none"> are mills, traders, crushers and refineries; and take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable 	
It is an initial certification. The management unit has not made transactions related to RSPO products with the SCCS model they have set.	

	Status: Comply
5.7.2	<p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none"> Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.
	It is an initial certification. The management unit has not made transactions related to RSPO products with the SCCS model they have set.
	Status: Comply
5.8	Training
5.8.1	<p>The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff</p>
	Based on document review on FRM-HRD P004/001 dated 2 January 2014 about training need analysis of 2018 and analysis FRM-HRD P004/002 dated 2 January 2014 about training program 2018, but there was no training related SCCS both staff and employee (non staff). Therefore, a non-conformity No. 2018.16 with Major Category is raised.
	Status: Non-conformity No. 2018.16 with graded Major
5.8.2	<p>Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed</p>
	Based on interview with key personal in supply chain, they asked that does get training related supply chain anymore. Management unit cannot show the training activities related supply chain.
	Status: Comply
5.9	Record keeping
5.9.1	<p>The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements</p>
	It is an initial certification. The management unit has a RSPO supply chain procedure No. 016-SOP-POM Rev 00 dated on 23 July 2018 to ensure the implementation of all elements of the applicable supply chain model specified
	Status: Comply
5.9.2	<p>Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock</p>
	It is an initial certification. The management unit has a RSPO supply chain procedure No. 016-SOP-POM Rev 00 dated on 23 July 2018 to ensure the implementation of all elements of the applicable supply chain model specified

	Status: Comply
5.9.3	The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.
	It is an initial certification. The management unit has a RSPO supply chain procedure No. 016-SOP-POM Rev 00 dated on 23 July 2018 to ensure the implementation of all elements of the applicable supply chain model specified
	Status: Comply
5.10	Conversion factors
5.10.1	Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries
	It is an initial certification. The management unit has a RSPO supply chain procedure No. 016-SOP-POM Rev 00 dated on 23 July 2018 to ensure the implementation of all elements of the applicable supply chain model specified
	Status: Comply
5.10.2	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.
	It is an initial certification. The management unit has a RSPO supply chain procedure No. 016-SOP-POM Rev 00 dated on 23 July 2018 to ensure the implementation of all elements of the applicable supply chain model specified
	Status: Comply
5.11	Claims
5.11.1	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.
	It is an initial certification Yes, the management unit is claimed as MB. There is no trademark use in sales document.
	Status: Comply
5.12	Complaints
5.12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.
	The management unit has a complaint handling procedure no. 007-SOP-HRD Rev 01 January 15, 2018
	Status: Comply
5.13	Management review
5.13.1	The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken
	It is initial certification. The management unit has a management review procedure no. 37-SOP-ISP rev 00 dated January 2, 2014 covered:

- Results of internal audits covering RSPO Supply Chain Certification Standard.
- Customer feedback.
- Status of preventive and corrective actions.
- Follow-up actions from management reviews.
- Changes that could affect the management system.
- Recommendations for improvement.

Status: Comply

5.13.2

The input to management review shall include information on:

- Results of internal audits covering RSPO Supply Chain Certification Standard.
- Customer feedback.
- Status of preventive and corrective actions.
- Follow-up actions from management reviews.
- Changes that could affect the management system.
- Recommendations for improvement.

It is initial certification. The management unit has a management review procedure no. 37-SOP-ISP rev 00 dated January 2, 2014 covered:

- Results of internal audits covering RSPO Supply Chain Certification Standard.
- Customer feedback.
- Status of preventive and corrective actions.
- Follow-up actions from management reviews.
- Changes that could affect the management system.
- Recommendations for improvement.

Status: Comply

5.13.3

The output from the management review shall include any decisions and actions related to:

- Improvement of the effectiveness of the management system and its processes.
- Resource needs.

It is initial certification. The management unit has a management review procedure no. 37-SOP-ISP rev 00 dated January 2, 2014 covered:

- Results of internal audits covering RSPO Supply Chain Certification Standard.
- Customer feedback.
- Status of preventive and corrective actions.
- Follow-up actions from management reviews.
- Changes that could affect the management system.
- Recommendations for improvement.

The output from the management review include any decisions and actions related to:

- Improvement of the effectiveness of the management system and its processes.
- Resource needs.

Status: Comply

3.2.3 (Module E) CPO Mills - Mass Balance Requirements

Clause	Requirement
E.1	Definition
E.1.1	<p>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> <p>The management unit are applied SCCS module E Mass Balance (MB). Inecda POM taking delivery of FFB from its own land base and external.</p>
	Status: Comply
E.2	Explanation
E.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p> <p>The projection of certified product will be described in the public summary of this P&C certified report.</p>
	Status: Comply
E.2.2	<p>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).</p> <p>The mill has been registered as member of RSPO as follow:</p> <p>Member name: S&G Biofuel Pte. Ltd consist of PT. Gandaerah Hendana and PT. Inecda Member ID: 1-0238-17-000-00 Membership period: Aug 2017 – Jul 2019 Membership sector: Oil palm growers Membership category: Ordinary</p> <p>Registered contact person is Suh Hyun Kook, Ahn Jun Ho and Siska Mardiana Tamba.</p> <p>During the audit, the management unit was unable to show proof of its membership as a member of the RSPO and shall register on the RSPO IT platform. Therefore, a non-conformity No. 2018.11 with Major Category is raised.</p>
	Status: Non-Conformity No. 2018.11 with graded Major
E.3	Documented procedures
E.3.1	<p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements in these requirements; The name of the person having overall responsibility for and authority over the implementation of these

requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.

The management unit has a RSPO supply chain procedure No. 016-SOP-POM Rev 00 dated on 23 July 2018 to ensure the implementation of all elements of the applicable supply chain model specified but not covering all provision such as:

- Training program, internal audit and review management.
- How to separate FFB certified and FFB non certified came from estate.
- Procedures related, SOP of FFB transport to Mill No. 036-SOP-AGR Rev 00 dated 5 May 2014, SOP of FFB Receive No. 001-SOP-POM Rev 00 dated 05 May 2014 and SOP for dispatch of CPO, Kernel and PKO No. 013-SOP-POM Rev 00 dated 5 May 2018 are not covering supply chain requirement.

Therefore, a non-conformity No. 2018.12 with graded Major is raised

Status: Non-Conformity No. 2018.12 with graded major

E.3.2

The site shall have documented procedures for receiving and processing certified and non-certified FFBs

RSPO supply chain procedures No. 016-SOP-POM Rev 00 dated July 23, 2018 states: The MCC Manager is responsible for ensuring the procedure is carried out properly, providing the necessary facilities and infrastructure, and receiving the FFB acceptance process and shipping CPO, Kernel and PKO products according to procedures, making SCCS training plans for all parties involved and preparing projected productions of products RSPO certified for a 12 month period.

Status: Comply

E.4 Purchasing and goods in

E.4.1

The site shall verify and document the volumes of certified and non-certified FFBs received.

The management unit has the following procedures:

1. RSPO Supply Chain SOP (Supply Chain) No. 016-SOP-POM Rev 00 dated on 23 July 2018
2. Procedure for Transporting and Delivering Fresh Fruit Bunches to Mill No. 036-SOP-AGR Rev. 00 dated May 5, 2014
3. Procedure for Fresh Fruit Bunches Acceptance No. 001-SOP-POM Rev 00 dated May 05 2014
4. Procedure for CPO, Kernel and PKO No. 013-SOP-POM Rev. 00 dated 5 May 2018.

Status: Comply

E.4.2

The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.

It is an initial certification. It will be verified in surveillance.

Status: Comply

E.5 Record keeping

E.5.1

- The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis.
- 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.
- The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a site is allowed to sell short. (i.e. product can be sold before it is in stock.)

It is an initial certification. The management unit has a RSPO supply chain procedure No. 016-SOP-POM Rev 00 dated on 23 July 2018 to ensure the implementation of all elements of the applicable supply chain model specified.

Status: Comply

3.3. Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or√
IA	This will be verified during Surveillance Assessment	NA
	Status: NA	
2.	Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
IA	This will be verified during Surveillance Assessment	NA
	Status: NA	
3.	Implementation of Certificate and Trademark is not used on product	X or√
IA	This will be verified during Surveillance Assessment	NA
	Status: NA	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate logo.	X or√
IA	This will be verified during Surveillance Assessment	NA
	Status: NA	

3.4. Summary of RSPO Partial Certification.

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

Time Bound Plan (TBP) of S&G Biofuel is explained in table section 1. S&G Biofuel has run two (2) mills and six (6) management unit estates. All mills and estates are operated in Indonesia. S&G Biofuel has informed the TBP progress through head office in Indonesia.

MUTU has verified partial certification for un-certified unit's subsidiary of S&G Biofuel based on their Time Bound Plan. . There are three (3) uncertified management unit of S&G Biofuel. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

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

2.1 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Company statement : The company are already doing internal audits.</p> <p>Auditor verification: Yes, internal audit conducted every year.</p> <p>Positive assurance is produced for these units.</p>
2.2.2	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	<p>Company statement: The company has been reporting disclosure and zero liability to RSPO. Progress result of review LUCA at follow up by email to RSPO.</p> <p>Auditor Verification : Auditor has verified the supporting evidence of above the company statement. The above statement in accordance with the supporting evidence provided.</p>
2.2.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	<p>company statement: There is no new planting after 2010. The last new planting was conducted on 2009</p> <p>Auditor Verification : The company didn't conduct new land clearing after 2010.</p>
2.2.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	<p>Company statement: There is land conflict, but there is documented evidence that land conflict has been process for resolution.</p> <p>Auditor verification : The company has procedure for resolving external conflicts</p>

		<p>which explain that problem solving of conflict area is conducted by negotiation which involves leader of dispute area and determine the compensation done by negotiation until they reach agreement</p> <p>There is evidence of documented land dispute resolution for the uncertified units.</p>
2.2.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p>Company statement: There is no labour disputes</p> <p>Auditor verification: There is no information from public source and RSPO website on any labour conflict for uncertified unit of the group subsidiaries.</p> <p>The company has a mechanism for dealing with complaints and dissatisfaction in the SOP of Complaints Handling (No. Documents: 007-SOP- HRD validity date 03 January 2018). This procedure also protect the whistleblower's identity (anonymity) relating to or relating to the security of each complainant and also concerning information - information provided by the complainant</p>
2.2.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p>Company statement: PT Inecda is still on progress to obtain HGU for an areal 135.65 Ha.</p> <p>Auditor verification : PT Inecda has compensate the land on 2015 and now on process to obtain the HGU.</p>

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

3.5.1 Identification of Findings, Corrective Actions and Observations at Initial Certification

NCR No.	:	2018.01	Issued by	:	M. Syarip Lambaga
Date Issued	:	31 August 2018	Time Limit	:	31 August 2019
NC Grade	:	Major	Date of Closing	:	1 March 2019
Standard Ref. & Requirement	:	2.1.1 Evidence of compliance with relevant legal requirements shall be available.			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on land right documents and field verification to block 1-00, area 3, estate 1, the company has been managing other area of 135 ha without land cultivation right title and operational permit from related parties.					
Root Cause Analysis <i>(filled by organization audited):</i> The Management Unit has not conveyed the total area under its management when conducting Partial Certification and has not included the area into the RSPO Time Bound Plan					
Correction <i>(filled by organization audited):</i> <ul style="list-style-type: none"> - Perform Partial Certification again by including all operational areas managed by the company, including areas outside the Company's HGU. - Arrange all operational areas managed by the company into the RSPO Time Bound Plan (revised TBP) - Arranging plantation business licenses on areas outside the Company's HGU of +/- 135 ha. 					
Corrective Action <i>(filled by organization audited):</i> <ul style="list-style-type: none"> - Ensure that all operational areas under the management of the company have been partially certified and have been included in the RSPO time bound / TBP plan. - Ensure that all operational areas under the management of the company already have and are equipped with the required permits / legalities, including the IUP. 					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Auditor Verification March 1, 2019 The management unit has issued an area of +/- 135 ha outside the HGU from the scope of the certification and included in the Time Bond Plan. The management unit has sent proof of improvement such as: <ul style="list-style-type: none"> - Revised time bond plan and partial declaration certification. The plantation with an area of 135.65 ha is planned to fulfill RSPO certification by 2023. - Delivery of time bond plan information to RSPO. Based on the evidence of the improvements submitted, NCR No. 2018.01 closed with the note that it will be evaluated during surveillance regarding the progress of the permit.					
Verified by	:	M. Syarip Lambaga			

NCR No.	:	2018.02	Issued by	:	M. Syarip Lambaga
Date Issued	:	31 August 2018	Time Limit	:	31 August 2019

NC Grade	:	Major	Date of Closing	:	1 March 2019
Standard Ref. & Requirement	:	2.2.1 Documents showing legal ownership or lease, history of land tenure ownership/control, and the actual legal use of the land shall be available			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i> Based on document review and ground verification to block 1-00, area 3, estate 1, the unit management also managed an area outside Land Use Right (HGU) of 135 ha. The right of ownership for 135 ha in the form of Head of Village Certificate (<i>Surat Keterangan Tanah/SKT</i>). Total SKT is 69 document.					
Root Cause Analysis <i>(filled by organization audited):</i> The Management Unit has not yet conveyed the overall areas it manages when conducting Partial Certification and has not included the area into the RSPO Time Bound Plan.					
Correction <i>(filled by organization audited):</i> <ul style="list-style-type: none">- Perform Partial Certification again by including all operational areas managed by the company, including areas outside the Company's HGU.- Arrange all operational areas managed by the company into the RSPO Time Bound Plan (revised TBP)- Arrange the land use legality document (HGU) for the area outside the Company's +/- 135 Ha HGU.					
Corrective Action <i>(filled by organization audited):</i> <ul style="list-style-type: none">- Ensure that all operational areas under the management of the company have been partially certified and have been included in the RSPO time bound / TBP plan.- Ensure that all operational areas under the management of the company already have and are equipped with the required permits / legalities, including the company's HGU.					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i> Auditor Verification March 1, 2019 The management unit has issued an area of ± 135 ha outside the HGU from the scope of the certification and included in the Time Bond Plan. The management unit has sent proof of improvement such as: <ul style="list-style-type: none">• Revised time bond plan and partial declaration certification. The plantation with an area of 135.65 ha is planned to fulfill RSPO certification by 2023.• Delivery of time bond plan information to RSPO. Based on the evidence of the improvements submitted, NCR No. 2018.02 It is closed with the note that it will be evaluated during surveillance regarding the progress of licensing.					
Verified by	:	M. Syarip lambaga			

NCR No.	:	2018.03	Issued by	:	M. Syarip Lambaga
Date Issued	:	31 August 2018	Time Limit	:	Surveillance-01
NC Grade	:	Minor	Date of Closing	:	18 February 2019
Standard Ref. & Requirement	:	2.2.2 Legal boundaries are demonstrated clearly and maintained			
Non-Conformance Description & Evidence observed (filled by auditor): Based on document verification, the management unit has a HGU boundary map with scale 1 : 50.000 issued on 09					

August 2018 complete with coordinate points obtained by overlaying between operational maps and situation map images that do not have coordinates. The results of ground verification on the HGU stakes in Estate 1 and Estate 2 were carried out randomly, there were several stakes whose placement was not in accordance with the situation drawings issued by the relevant agencies including but not limited to:

- a. Position boundary stake number 40s in block no. P31 are not at the corner of the area while in the image map the situation is in the corner of the block.
- b. Position boundary stake no. 25 and. 49s are not parallel while in the image map the laying situation is parallel.

Based on the description above, the management unit has not been able to prove that boundary stakes in the field are in accordance with boundary stakes coordinates set by the BPN on the HGU map.

Root Cause Analysis *(filled by organization audited):*

The absence of coordinate points in the attachment of the Situation Map issued by the BPN caused confusion during the installation / reconstruction of land boundary stakes, and there may also be an error in making the HGU Benchmark overlay.

Correction *(filled by organization audited):*

- Submitting notification to BPN or involving the BPN during the implementation of land boundary stake reconstruction activities
- Re-measuring the HGU area and establishing land boundary stakes with the relevant agencies (BPN).
- Preparation of a Boundary Bench Map of the HGU refers to the Situation Map set by the BPN.

Corrective Action *(filled by organization audited):*

- Informing all activities related to reconstruction / establishment / installation of HGU Boundary Marks to related agencies to prevent or minimize the occurrence of errors.
- Save and archive all land acquisition legality data from the relevant agencies, including supporting maps.

Assessor Evaluation and Conclusion *(filled by auditor):*

Auditor Verification: 12 December 2018:

The management unit has sent the following evidence:

- Letter from the management unit to the BPN on August 21, 2018 to carry out the re-measurement.
- Letter of duty of the BPN team No.274 / S-300.16 / IX / 2018 dated 14 September 2018 which will carry out measurements of revised maps of the land parcel of PT. Inecda covers 6,357.47 hectares.
- Minutes dated October 1, 2018 related to the measurement of PT Inecda's HGU 1 which was carried out jointly with the central BPN, Riau Province BPN, BPN Kab. INHU and the Village Head on September 26-30, 2018.
- 1: 50,000 scale HGU map made on 09/08/2018.
- However, the benchmark HGU map with a scale of 1: 50,000 dated 09/08/2018 has not been able to prove that it is in accordance with the situation map published by the BPN, both the position / location of the HGU boundary, coordinates and evidence of boundary changes in the event of a shift in the stakes.

Based on the evidence of the improvements submitted, NCR No. 2018.03 has not been fulfilled.

18 February 2019

The management unit has sent:

1. Minutes of Survey of HGU Areas of PT. Inecda by the BPN of Indragiri Hulu Regency on January 9, 2019.
2. HGU peg map of PT. You are on a 1: 50,000 scale made on 09/08/2018.
3. Special situation picture map No. 02/1990 dated July 5, 1990 (HGU 1) covering an area of 6,357.9 ha
4. Special situation map map No. 22/1997 dated 30 December 1997 (HGU 2) covering an area of 3,108,147 ha

In the corrective action submitted that the management unit will do:

- Submitting notification to BPN or involving the BPN during the implementation of land boundary stake reconstruction activities.
- Re-measuring the HGU area and establishing land boundary stakes with the relevant agencies (BPN).
- Preparation of a Boundary Bench Map of the HGU refers to the Situation Map set by the BPN.

Broadly speaking the corrective actions in points 1 and 2 have been carried out, related to the delivery of notifications and re-measurements. The management unit must reassure the PT. You are on a 1: 50,000 scale made on 09/08/2018 in accordance with the actual conditions according to what has been measured by the authorities (in this case BPN).

Based on the evidence of the improvements submitted, NCR No. 2018.03 has not been closed.

Verified by : **M. Syarip Lambaga**

NCR No.	: 2018.04	Issued by	: Hasiholan Sihombing
Date Issued	: 31 August 2018	Time Limit	: 31 August 2019
NC Grade	: Major	Date of Closing	: 15 January 2019
Standard Ref. & Requirement	4.7.3 Records of Occupational Health and Safety (OHS) program (see 4.8) and Personal Protective Equipment (PPE) training in accordance with the result of hazard identification and risk analysis shall be available to all workers.		
Non-Conformance Description & Evidence observed (filled by auditor): Management unit already has procedure of PPE Management No: 019-SOP-ISP, in section 6.12 states that if workers PPE is damaged before the replacement period and the damage is due to quality or other things that are not due to the intentional element of the worker, the company will replace it with the new PPE. Based on field observations and interviews with workers, field facts were found as follows: <ul style="list-style-type: none">In harvesting activities in block O30 Division 11 Estate 2 found 1 harvesting worker using a broken boot and 2 harvested workers using personal boots because the boot provided by the company was damaged before the new replacement period.In workshop Estate 1, found 3 workers using safety shoes in a damaged condition. Based on the evidence, management unit has not been able to demonstrate the implementation of PPE replacement in accordance with the procedure owned.			
Root Cause Analysis (filled by organization audited): The SOP on the management of PPE has not been socialized by the HSE Team to all levels of workers, so the mechanisms regarding the management of PPE including the mechanism for replacing PPE are not yet known / have not been implemented in the Operational Unit.			
Correction (filled by organization audited): <ul style="list-style-type: none">Disseminating SOP No. 019-SOP-ISP about Managing PPE to employees, so that employees understand their rights and obligations regarding Personal Protective Equipment (PPE).Replace PPE for employees whose PPE has been damaged and for employees whose PPE has entered the new PPE replacement time.			
Corrective Action (filled by organization audited): The company already has a Worker's PPE Inspection Mechanism which is carried out once a month by the direct leader			

of each worker (foreman). And when the inspection found a damaged / improper PPE, the foreman immediately reported to assistant to submit a request for replacement of PPE to the HSE Team.

Assessor Evaluation and Conclusion (filled by auditor):

Verification on 7 December 2018

The company has sent evidence of corrections, such as:

- Minutes of replacing harvest workers' PPE
- Minutes of PPE replacement for workshop workers
- Minutes of socialization of compliance with PPE based on its function and its sanctions in Afdeling 02, 03, 04, 09, and 10.

However, there is still an auditor's response to the root cause analysis and corrective actions that the company needs to respond to. So this non-conformity is still **open**.

Verification on 15 January 2019

The company has been sent the explanation of the root cause analysis and corrective action.

Based on the explanation of the root cause analysis and corrective action and also evidence of the improvements submitted, the auditor assesses that this non-conformity is **CLOSED**.

Verified by : **Hasiholan Sihombing**

NCR No.	: 2018.05	Issued by	: Radytio Puspanjana
Date Issued	: 31 August 2018	Time Limit	: 31 August 2019
NC Grade	: Major	Date of Closing	: 1 March 2019
Standard Ref. & Requirement	5.1.1 An environmental impact assessment (EIA) shall be documented.		
Non-Conformance Description & Evidence observed (filled by auditor): The management unit has an environmental document in the form of an ANDAL document in 2008 for the Construction of the Palm Oil Plantation of PT. INECDA, with scope of the AMDAL study 9,466.05 Ha . Based on a review of documents on legal ownership and field visits in Block I-00 and I-01 division 3 in Estate 1, known that the management unit manages areas outside of the land used title area of +/- 135 ha . The total management area is 9,578.16 Ha . Based on the results of the explanation there are 112.11 Ha operational areas that are not included in the scope of environmental document studies.			
Root Cause Analysis (filled by organization audited): The Management Unit has not yet conveyed the overall areas it manages when conducting Partial Certification and has not included the area into the RSPO Time Bound Plan.			
Correction (filled by organization audited): <ul style="list-style-type: none">- Perform Partial Certification again by including all operational areas managed by the company, including areas outside the Company's land use title.- Arrange all operational areas managed by the company into the RSPO Time Bound Plan (revised TBP)- Arrange Environmental Documents (AMDAL / DPLH) on Areas outside the Company's HGU of +/- 135 Ha.			
Corrective Action (filled by organization audited): <ul style="list-style-type: none">- Ensure that all operational areas under the management of the company have carried out partial certification and are included in the RSPO time bound / TBP plan.			

- Ensure that all operational areas under the management of the company already have and are equipped with the required permits / legalities including Environmental Documents / AMDAL.

Assessor Evaluation and Conclusion (filled by auditor):

Auditor verification March 1 2019

The management unit has issued an area of +/- 135 ha outside the land use title from the scope of the certification and included in the Time Bond Plan. The management unit has sent evidence such as:

- Revision of time bond plan and partial declaration certification. The plantation with an area of 135.65 ha is planned to fulfill RSPO certification by 2023.
- Submitted TBP information to RSPO.

Based on the evidence of the improvements submitted, NCR No. 2018.05 closed with the note that it will be evaluated during surveillance regarding the progress of licensing.

Verified by : **M. Syarip Lambaga**

NCR No.	: 2018.06	Issued by	: Radytio Puspanjana
Date Issued	: 31 August 2018	Time Limit	: 31 August 2019
NC Grade	: Major	Date of Closing	: 15 April 2019
Standard Ref. & Requirement	: 5.2.1 Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).		
Non-Conformance Description & Evidence observed (filled by auditor): The management unit has carried out HCV identification in 2013 by PT Sonokeling Akreditasi Nusantara HCV Consultants with a competent assessment team and has been licensed by the HCVRN Assessment Licensing Scheme (ALS) with a total area of HCV 2,540.72 Ha . Then the management unit re-identified the HCV area carried out by the GIS department of Agronomy on 20 August 2018 and determined the HCV area of 99.75 Ha according to Decree No. 494 / SUS / INC-PKU / VIII / 2018. Regarding this unit, management has not been able to show sufficient evidence that HCV identification and determination has been carried out by people registered in the HCV assessment license scheme from the HCVRN Assessor License scheme (ALS).			
Root Cause Analysis (filled by organization audited): Changes and determination of the HCV Area by the company is not carried out by PIC already registered or already have an ALS HCVRN license. Amendment and determination of the HCV Area by internal the company is not carried out by PIC who have already registered or already have an ALS HCVRN license.			
Correction (filled by organization audited): <ul style="list-style-type: none">- The MoU with a Team / Appraiser or Assessor who has an ALS HCVRN license to conduct an assessment of an area of 99.75 set by Management as HCV area.- Submitting the Determination Results of the approved HCV Area by the Team / Appraiser who has the HCVRN ALS license.			

Corrective Action (filled by organization audited):

For everything related to changes in the study or identification of HCV, it must involve competent personnel who already have an ALS HCVRN license.

Assessor Evaluation and Conclusion (filled by auditor):

Auditor verification March 5, 2019.

The company shown Improvement as follows:

- The HCV assessor license from An HCVRN Assessor License scheme (ALS). Kresno Santosa (Provisionally Licensed assessor number ALS15009KS) the assessor license since January 7 2015.
- Decree No.012 / SUS / INC-PKU / II / 2019 of COO February 25, 2019 concerning the area of PT Inecda which has been identified as an HCV area of 41.71 Ha, with details as follows:

No	Komponen HCV	Type HCV	Luas Areal (Ha)
1.	Sempadan Sungai :		
	a. Sungai Air Hitam Belilas	1.1 ; 4.1	6.44
	b. Sungai Air Hitam PKS	1.1 ; 4.1	4.41
	c. Sungai Buluh	1.1 ; 1.3 ; 1.4 ; 1.1 ; 4.1 ; 5	5.19
	d. Sungai Parit / Limau	1.1 ; 1.3 ; 1.4 ; 4.1	4.99
	e. Sungai Siri	1.1 ; 4.1	6.39
	f. Sungai Talang Perigi	1.1 ; 4.1	4
	g. Sungai Tani Makmur	1.1 ; 4.1	4.68
2.	Sempadan Waduk PKS	4.1	0.46
3.	Sempadan Embung Air Blok F1	1.4 ; 2.3 ; 4.1	3.65
4.	Kebun Campuran (Lahan Milik Masyarakat/ Diluar Konsesi Perusahaan)	1.3 ; 1.4 ; 2.3	0
5.	Petilasan Datuk Darah Putih (Lahan Milik Masyarakat/ Diluar Konsesi Perusahaan)	6	0
4.	Areal Rawa Blok F4	1.3 ; 1.4 ; 2.3 ; 4.1	1.5
TOTAL LUAS AREA HCV			41.71

- Approval Letter for Determination of PT Inecda HCV February 25, 2019 from An HCV assessor. Ir. Kresno Dwi Santosa, MSi with the ALS 15009KS license which explained based on the results of an internal reassessment evaluation that changes in the area of HCV covered the area of peat that had been planted with oil palm which at the time of the initial HCV assessment (2013) was an HCV go area (The management prioritizing the principles of water management). In the Approval Letter, it was explained that based on a reassessment of the HCV area (Decree No.012 / SUS / INC-PKU / II / 2019 dated February 25, 2019) covering an area of 41.71 Ha, it could be received with PT Inecda records, focusing on management and monitoring efforts.

Based on evidence of the improvements submitted, the non-conformity Number **2018.06 Indicator 5.2.1 Major is closed.**

Verified by : **Radytio Puspanjana**

NCR No.	: 2018.07	Issued by	: Radytio Puspanjana
Date Issued	: 31 August 2018	Time Limit	: 31 August 2019

NC Grade	:	Major	Date of Closing	:	3 December 2018
Standard Ref. & Requirement	:	5.2.2 Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan.			
Non-Conformance Description & Evidence observed (filled by auditor): The management unit has a management plan for RTE species described in the HCV program in 2018, but based on field visits known that there are <i>raja udang</i> species belonging to the RTE trapped in the Block C05 <i>oryctes</i> nets (Estate 1) and Block M23 (Estate 2) based on this the company has not demonstrated a plan and implementation of management to ensure that the presence of RTE species is protected.					
Root Cause Analysis (filled by organization audited): There is no study when determining the use of the system used to control <i>oryctes</i> nets for the protected species, especially those in RTE status.					
Correction (filled by organization audited): <ul style="list-style-type: none">- Evaluating the effectiveness of using the net for <i>oryctes</i> s traps (if not effective or not needed, to open / not use.- Monitoring <i>Oryctes</i> trap, not to become a bird trap (especially RTE species).					
Corrective Action (filled by organization audited): The new activity or new system to be used analyzed, not limited to environmental studies or HCV studies.					
Assessor Evaluation and Conclusion (filled by auditor): Auditor verification December 3 2018 The company shown Improvement as follows: <ul style="list-style-type: none">- The company shows minute's letter of the release of <i>oryctes</i> trap September 25, 2018 which was carried out in block C.05 division VI, by HSE officer and known to <i>Senior Manager</i>.- The company shows minute's letter of the release of 1 bird trapped in the net on September 14, 2018 in block C.05 division 1 conducted by HSE officer and known to Senior Manager. Based on evidence of the improvements submitted, the non-conformity number 2018.07 is closed .					
Verified by	:	Radytio Puspanjana			

NCR No.	:	2018.08	Issued by	:	Radytio Puspanjana
Date Issued	:	31 August 2018	Time Limit	:	Surveillance - 01
NC Grade	:	Minor	Date of Closing	:	
Standard Ref. & Requirement	:	5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.			
Non-Conformance Description & Evidence observed (filled by auditor): The management unit has not shown the calculation of GHG using the Palm GHG calculator Version 3.0 and submitted					

to RSPO.	
Root Cause Analysis (filled by organization audited): The company doesn't know the GHG calculation using the GHG Calculator version 3.0.1	
Correction (filled by organization audited): Perform GHG calculations using the GHG calculator version 3.0.1	
Corrective Action (filled by organization audited): The company will always be updated about the latest information related to the RSPO, including the calculation of GHG.	
Assessor Evaluation and Conclusion (filled by auditor):	
Verified by	:

NCR No.	:	2018.09	Issued by	:	Asystasya Aishah Silalahi
Date Issued	:	31 August 2018	Time Limit	:	Surveillance-01
NC Grade	:	Minor	Date of Closing	:	3 January 2019
Standard Ref. & Requirement	:	6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where such public facilities are unavailable or inaccessible			
Non-Conformance Description & Evidence observed (filled by auditor): Management unit has provided the water for daily usage. Testing for clean water is conducted according to Permenkes 416 of 1990 for the first semester of 2018 but the Minister of Health regulation has been revoked with the issuance of Permenkes 32 of 2017. Regarding this matter, the management unit has not been able to show that the testing of clean water is in accordance with national standards and / or applicable regulations.					
Root Cause Analysis (filled by organization audited): Regulation updating has not been done yet by environmental staff, especially about water testing standard, so the water testing still using the old regulation.					
Correction (filled by organization audited): Conducting clean water testing according to <i>Permenkes 32/2017</i> .					
Corrective Action (filled by organization audited): Environment staff always updates the latest regulation/laws related to environment, so the implementation of regulation can be monitored.					
Assessor Evaluation and Conclusion (filled by auditor): Verification 3 January 2019 Company showed correction evidence such as result of clean water testing in LA areal at Block J29, non LA area at Block H26, and housing complex in Block C11. the threshold is in accordance with Permenkes 32/2017. The evaluation					

against result of water testing will be verified at next assessment (Observation).

Based on explanation above, this non conformity is **closed and will be observed at next assessment**

Verified by : **Asystasya Aishah Silalahi**

NCR No.	2018.10	Issued by	Radytio Puspanjana
Date Issued	31 August 2018	Time Limit	31 August 2019
NC Grade	Major	Date of Closing	3 December 2018
Standard Ref. & Requirement	7.3.1 A There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).		
Non-Conformance Description & Evidence observed (filled by auditor): The Management Unit has submitted disclosure of liability report to RSPO Membership May 15, 2017 covering an area of 9,443.39 Ha. Based on a review of documents on legal ownership and base on field visits Blok I-00 and I-01 division 3, Estate 1, known that the management unit manages an area outside the +/- 135 ha of land use title, however management unit has not been able to show the area covered in the disclosure of liability report.			
Root Cause Analysis (filled by organization audited): The Management Unit has not yet conveyed the overall areas it manages when conducting Partial Certification and not included the area into the RSPO Time Bound Plan.			
Correction (filled by organization audited): <ul style="list-style-type: none"> - Perform Partial Certification again by including all operational areas managed by the company, including areas outside the Company's land used title. - Arrange all operational areas managed by the company into the RSPO Time Bound Plan (revised TBP) - Delivered disclosure data for the 135 Ha area to the RSPO Secretariat, and requested approval related to liability for the area. 			
Corrective Action (filled by organization audited): <ul style="list-style-type: none"> - Ensure operational areas under the management of the company have carried out partial certification and are included in the RSPO time bound plan / TBP plan. - Ensure operational areas under the management of the company already have and are equipped with the required permits / legalities including Environmental Documents / AMDAL. 			
Assessor Evaluation and Conclusion (filled by auditor): Auditor verification December 3 2018. <ul style="list-style-type: none"> - The Management Unit has been submitted of liability report to RSPO Membership May 15, 2017 covered 9,443.39 Ha. Based on documents verification on legal ownership and base on field visits Block I-00 and I-01 division 3 in Estate 1, known that the management unit manages an area outside of +/- 135 ha of land use title. The company shows Annex 2 document Disclosure of non-compliant land clearing submitted to the RSPO October 5, 2018, explained that there is a Disclosure of non-compliant land clearing for the addition of a management area 135.65 Ha. - The company shows the Time Bond Plan document for PT Inecda and supply base consist of: <ul style="list-style-type: none"> • Estate 1 covered 5206.53 Ha, Date to Implement RSPO P & C August 31, 2019. • Estate 2 covered 4,236.86 Ha Date to Implement RSPO P & C August 31 2019. 			

- Estate SKT covered 135.65 Ha Date to Implement RSPO P & C October 1 2023.

- The total area of PT Inecda's Plantation Management is 9,579.44 Ha and the total management of the S & G Biofuel PTE LTD is covering an area 23. 966, 04 Ha.
- The company shown e-mail proof from the RSPO compensation secretariat October 18, 2018 which explained that the disclosure report is acceptable to the RSPO, so that for 7.3.1 there are no issues.

Based on evidence submitted, The NCR 2018.10 is closed.

Verified by : **Radytio Puspanjana**

NCR No.	:	2018.11	Issued by	:	M. Syarip Lambaga
Date Issued	:	31 August 2018	Time Limit	:	31 August 2019
NC Grade	:	Major	Date of Closing	:	12 December 2018
Standard Ref. & Requirement	:	SCCS General COC 5.1.3 Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform Modul E.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).			
Non-Conformance Description & Evidence observed (filled by auditor): The management unit was unable to show proof of its membership as a member of the RSPO and shall register on the RSPO IT platform.					
Root Cause Analysis (filled by organization audited): Actually PT Inecda has been registered with the RSPO IT Platform, but when checking in the Unit there is no internet access.					
Correction (filled by organization audited): Delivering the member information IT platform					
Corrective Action (filled by organization audited): Save hardcopy data for the RSPO member information IT Platform, so if needed can be shown at any time.					
Assessor Evaluation and Conclusion (filled by auditor): Auditor's verification on December 12, 2018 The management unit has sent proof of registration to the Palm Trace ID by means of a screenshot showing proof registered in the RSPO IT Platform with no. RSPO_PO1000004128. Based on the evidence of the improvements submitted, NCR No. 2018.11 is closed.					
Verified by	:	M. Syarip Lambaga			

NCR No.	: 2018.12	Issued by	: M. Syarip Lambaga
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Date Issued	: 31 August 2018	Time Limit	: 31 August 2019			
NC Grade	: Major	Date of Closing	: 12 December 2018			
Standard Ref. & Requirement	<p>SCCS General COC 5.3.1 The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.</p> <p>Module E.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements in these requirements; The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard. 					
<p>Non-Conformance Description & Evidence observed (filled by auditor):</p> <p>The management unit has a RSPO supply chain procedure No. 016-SOP-POM Rev 00 dated on 23 July 2018 to ensure the implementation of all elements of the applicable supply chain model specified but not covering all provision such as:</p> <ul style="list-style-type: none"> • Training program, internal audit and review management. • How to separate FFB certified and FFB non certified came from estate. • Procedures related, SOP of FFB transport to Mill No. 036-SOP-AGR Rev 00 dated 5 May 2014, SOP of FFB Receive No. 001-SOP-POM Rev 00 dated 05 May 2014 and SOP for dispatch of CPO, Kernel and PKO No. 013-SOP-POM Rev 00 dated 5 May 2018 are not covering supply chain requirement. 						
<p>Root Cause Analysis(filled by organization audited):</p> <p>The Estate & Factory Team does not fully understand the system and requirements regarding the implementation of SCCS.</p>						
<p>Correction(filled by organization audited):</p> <ul style="list-style-type: none"> - Conduct RSPO SCCS Understanding Training for all PICs related to the implementation of SCCS either at the estate, Factory or Marketing HO. - Revise Supply Chain SOP No. 016-SOP-POM, by adding all RSPO SCCS elements to the SOP. 						
<p>Corrective Action (filled by organization audited):</p> <p>Evaluate the suitability of SOPs with standards or applicable rules, and conformity to SOPs with implementation in the field.</p> <p>Preventive actions are still general in nature, for example, they have not set an evaluation period, how to evaluate etc.</p>						
<p>Assessor Evaluation and Conclusion (filled by auditor):</p> <p>Auditor's verification on December 12, 2018</p> <p>The management unit has sent proof of improvement as follows:</p> <ol style="list-style-type: none"> 1. Revised RSPO Supply Chain SOP No.016-SOP-POM, 2. Training documents for employees of HO, PKS and estates on 26 October 2018 and training plans in the farm and PKS 3. Estate division Training Need Analysis PT. You are 						

4. Plans for PKS SCCS training and PT. You, including key personnel in SCCS.

However, changes (revisions) of RSPO Supply Chain SOP No.016-SOP-POM have not covered all SCCS-related requirements including not clarifying inspection parameters related to certified and non-certified FFB, weighing certified FFB and non-RSPO certified FFB, product description in clause 6.3.1d incomplete (including but not limited to not explaining the supply chain model, the use of unique identification numbers, supply chain certificate numbers), has not explained recording control procedures and other requirements.

In TNA, it has not explained in detail the needs of each key personnel related to SCCS, both in the estate and in the POM.

Based on the evidence of improvement presented, NCR No. 2018.12 has not been fulfilled.

20 January 2019

The management unit has sent additional evidence as follows:

1. Revision 01 RSPO Supply Chain SOP No.016-SOP-POM dated 1 January 2019 which explains the overall requirements related to SCCS.
2. Training Need Analysis has explained in detail the needs of key personnel related to SCCS.

Based on the evidence of the improvements submitted, NCR No. 2018.12 is closed.

Verified by : **M. Syarip Lambaga**

NCR No.	: 2018.13	Issued by	: M. Syarip Lambaga
Date Issued	: 31 August 2018	Time Limit	: 31 August 2019
NC Grade	: Major	Date of Closing	: 12 December 2018
Standard Ref. & Requirement	SCCS General COC 5.3.2 The site shall have a written procedure to conduct annual internal audit		
Non-Conformance Description & Evidence observed (filled by auditor): The management unit has an Internal Audit SOP no. 036-SOP-ISP dated on January 2, 2014, but the procedure has not yet regulated internal audit related to SCCS.			
Root Cause Analysis (filled by organization audited): The estate & Factory Team does not fully understand the system and requirements regarding the implementation of SCCS.			
Correction (filled by organization audited): Regarding internal audit SCCS has been arranged or added to SOP No.016-SOP-POM about Supply Chain SOP.			
Corrective Action (filled by organization audited): Evaluate the suitability of SOPs with applicable standards or rules, and conformity to SOPs with implementation in the field.			
Assessor Evaluation and Conclusion (filled by auditor): Auditor's verification on December 12, 2018 The management unit has established an internal audit periodically at least once a year as stipulated in clause 6.8 RSPO Supply Chain SOP No.016-SOP-POM.			

Based on the evidence of the improvements submitted, NCR No. 2018.13 is closed.

Verified by : **M. Syarip Lambaga**

NCR No.	: 2018.14	Issued by	: M. Syarip Lambaga
Date Issued	: 31 August 2018	Time Limit	: 9 month (30 May 2019)
NC Grade	: Major	Date of Closing	: 12 January 2019
Standard Ref. & Requirement	SCCS General COC 5.4.2 The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.		
Non-Conformance Description & Evidence observed (filled by auditor): The management unit does not yet have a mechanism to handle inappropriate products and / or documents			
Root Cause Analysis (filled by organization audited): The estate & Factory Team does not fully understand the system and requirements regarding the implementation of SCCS			
Correction (filled by organization audited): Include non-conforming document and product handling mechanisms into SOP No.016-SOP-POM regarding Supply Chain SOPs.			
Corrective Action (filled by organization audited): Evaluate the suitability of SOPs with standards or applicable rules, and conformity to SOPs with implementation in the field.			
Assessor Evaluation and Conclusion (filled by auditor): Auditor's verification on December 12, 2018 The management unit has sent revisions to the RSPO Supply Chain SOP No.016-SOP-POM, but in the revised SOP it has not been able to explain the evidence of mechanisms / procedures for handling documents and certified products that are not appropriate in the RSPO Supply Chain SOP No.016-SOP-POM. Based on the evidence of the improvements submitted, NCR No. 2018.14 has not been closed. Auditor's verification on January 12, 2018 The management unit has sent the 01th revision of the RSPO Supply Chain SOP No.016-SOP-POM dated January 1, 2019 by adding procedures for handling documents and certified products that are not suitable as stated in clause 6.4. Procedure for Purchasing RSPO Certified CPO Based on the evidence of the improvements submitted, NCR No. 2018.14 is closed.			
Verified by	: M. Syarip Lambaga		

NCR No.	: 2018.15	Issued by	: M. Syarip Lambaga			
Date Issued	: 31 August 2018	Time Limit	: 31 August 2019			
NC Grade	: Major	Date of Closing	: 27 February 2019			
Standard Ref. & Requirement	SCCS General COC 5.5.2 Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following: a. The site has legal ownership of all input material to be included in outsourced processes; b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary. c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance					
Non-Conformance Description & Evidence observed (filled by auditor): The management unit has not been able to show procedures to ensure that third parties managing bulking have legality, CPO, compliance and system safeguards agreements to implement supply chain standards and access to audits for CB.						
Root Cause Analysis (filled by organization audited): The team from the Company Unit does not fully understand the system and the requirements regarding the implementation of SCCS						
Correction (filled by organization audited): Include matters relating to third parties, ranging from legality to providing audit access for CB.						
Corrective Action (filled by organization audited): Evaluate the suitability of SOPs with standards or applicable rules, and conformity to SOPs with implementation in the field.						
Assessor Evaluation and Conclusion (filled by auditor): Auditor's verification on December 12, 2018 The management unit has sent proof of the CPO tank lease agreement No. 8100700184 dated September 24, 2018, bulking permits and RSPO Supply Chain SOP No.016-SOP-POM. However, there is no evidence in the agreement regarding access to audits for CB. Based on the evidence of the improvements submitted, NCR No. 2018.15 has not been closed. 27 February 2019 The management unit has sent proof of the CPO tank lease agreement No. 001 / LOG-TTP / XII / 2018 dated December 26, 2018 which gives the owner and also the auditor access / permission to enter the stockpile facility as stated in clause 9 of OWNER'S Obligations point 6.2. Based on the evidence of the improvements submitted, NCR No. 2018.15 is closed.						

Verified by	: M. Syarip Lambaga
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NCR No.	: 2018.16	Issued by	: M. Syarip Lambaga			
Date Issued	: 31 August 2018	Time Limit	: 31 August 2019			
NC Grade	: Major	Date of Closing	: 12 December 2018			
Standard Ref. & Requirement	: SCCS General COC 5.8.1. The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff					
Non-Conformance Description & Evidence observed (filled by auditor): Based on document review on FRM-HRD P004/001 dated 2 January 2014 about training need analysis of 2018 and analysis FRM-HRD P004/002 dated 2 January 2014 about training program 2018, but there was no training related SCCS both staff and employee (non staff).						
Root Cause Analysis (filled by organization audited): The Estate & Mill Team does not fully understand the system and requirements regarding the implementation of SCCS.						
Correction (filled by organization audited): - Incorporate RSPO Supply Chain Training into the Training Plan / Program form - Making RSPO Supply Chain Training Programs / Plans to all parties related / related to the implementation of the SCCS system						
Corrective Action (filled by organization audited): Fulfill the requirements set out in RSPO SCCS.						
Assessor Evaluation and Conclusion (filled by auditor): Auditor's verification on December 12, 2018 The management unit has sent a plan and realization of training related to SCCS. SCCS training has been conducted on employees of head office, mill and estate on 26 October 2018. Training materials, attendance lists and activity photos are available. Based on the evidence of the improvements submitted, NCR No. 2018.16 is closed.						
Verified by	: M. Syarip Lambaga					

3.5.2 Opportunity for Improvement

No	Ref. Std.	Description
1	2.2.4	There is an opportunity for the management unit to detail the procedures for handling occupational land as regulated in procedures for handling external conflicts.
2	5.3.3	Management units to further enhance understanding regarding domestic waste management.
3	6.3.2	There is an opportunity for unit management to document every complaint / dispute and resolution process.
4	6.9.1	Open opportunities for management units to socialize the existence of gender committees to all employees.

3.5.3 Noteworthy Positive Components

No	Descriptions
1	Commitment and competence of team in applying the principles of sustainable palm oil
2	Absorption of local labor
3	Monitoring the social aspects of the community to the villages surrounding the company
4	Obtain PROPER / environmental agency assessment with blue category for the period 2016 - 2017.
5	Use of a logger (automatic system) for measuring water level
6	Optimizing the management of POME in the WWTP Pond.

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

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>Environmental Agency of Indragiri Hulu District (Head of Monitoring Section).</p> <ul style="list-style-type: none"> - The company has EIA documents and has received environmental feasibility by decision of the District Head of Indragiri Hulu Number. 84 year 2008 June 13, 2008. - The company has a Temporary Hazardous Waste Storage (TPS LB3) located in Inecda POM, approved by the Regent of Indragiri Hulu Regency and is still valid. - Hazardous Waste management activities carried out by storing hazardous Waste in licensed hazardous waste storage and transported have permission by KLH. Quarterly management reporting to relevant agencies (Environmental agency, Indragiri Hulu Regency). - The company has land application permit. - The company has tested the quality of factory wastewater per month and reported the results of testing to Environmental Agency Indragiri Hulu District per quarter, for example reports on POME management in the first quarter of 2018. - The company has conducted POME quality testing per semester and reports the results of testing to Environmental Agency Indragiri Hulu District. - The company has conducted noise, vibration and noise testing and reported the results of testing to Environmental Agency Indragiri Hulu District per semester. - The company has reported Hazardous waste (balance and manifest) management to Environmental Agency Indragiri Hulu District per semester per semester, for example the hazardous waste quarterly waste management report for 2018. - The company has sent the RKL / RPL implementation report to Environmental Agency Indragiri Hulu District periodically, for example the second semester of 2017. - The company has managed the conservation area / HCV for example in the form of riparian. - Requests for information responded quickly by the management unit. - There have not been any issues and reports from other parties regarding the negative impacts on the environment due to the management of Estate and POM. 	<p>Auditor has verify the compliance towards indicator 4.4.3; 5.3.2; 5.3.3</p>
<p>Agriculture and Fisheries Agency, Plantation Division.</p> <ul style="list-style-type: none"> - The assessment of plantation grade of PT Inecda Plantation is conducted by district level in 2017. - PT Inecda has a legality document in the form of (IUP) and (IUIP). - PT Inecda is not included in the forest area. 	<p>Auditor has verified the compliance towards indicator 2.2.1, 1.1.1 and criteria 2.3, 6.4, 6.11.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> - The Company has regularly reported its Progress Report of Plantation Business (<i>Laporan Perkembangan Usaha Perkebunan/ LPUP</i>). For the Report in the second semester of 2017, the company should input the data of land use. - Fire facilities are sufficient, although not fully in accordance with <i>SK Dirjenbun, 2010</i>. The Company has justified the needs of fire infrastructure in accordance with the business and landscape conditions. Based on the explanation from Plantation Agency of Indragiri Hulu District has been monitoring fire emergency response reported every 3 months and helps the handling of land fires that occur outside the operation areas, such as the surrounding villages in the form of personnel and equipment assistance. - CSR activities have been conducted for the surrounding villages and need to be improved again. CSR programs are not included in the Progress Report of Plantation Business. - Period of 2017-2018 no fire incident occurred in the company's operational area. - The company has responded to information requests quickly and transparently. 	
Manpower and Transmigration Agency of Indragiri Hulu District (Manpower Monitoring Division). <ul style="list-style-type: none"> - Wage is suitable with regional minimum wage of Indragiri Hulu District of 2018. - All Workers has permanent status and Fixed Term Contract/PKWT (No piece worker). - All workers has been registered to <i>BPJS Ketenagakerjaan</i> and <i>BPJS Kesehatan</i> include Fixed Term Contract/PKWT. - There are work accident report to labor agency that explain no work accident. - P2K3 report and labor report has been reported routinely. - There are no workers under 18 years old. - Company has Bipartite Cooperation Institution. - Company has valid collective labor agreement. - Company use local workers. - There is no negative issues which reported to labor agency related to labor. - 1 foreign workers from korea. 	<p>Auditor has verify the compliance towards indicator 6.5.1, 6.7.1, 6.8.3, 6.9.3.</p>
National Land Agency of Indragiri Hulu District <ul style="list-style-type: none"> - There are no customary rights or other traditional rights in the PT Inecda plantation and POM area. - There is no land conflict in the company's work area. - The Company has carried out Reporting on mandatory land used at least 1 time a year in accordance with <i>Permen ATR No. 7 of 2017</i>. - There is no determination of abandoned land for PT Inecda. - HGU for certificate number. 1 will expire until 2020. 	<p>Auditor has verify the compliance towards indicator 2.1, 2.2,</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> - The company has a benchmark map based on the results of cadastral measurements. Maintenance and replacement of stakes can be done by self. - There is no overlap with mining companies. - Requests for information responded quickly. 	
Employee cooperative <ul style="list-style-type: none"> • Employee cooperatives are engaged in consumption • There is no compulsion to become a member of a cooperative • The company provides facilities for cooperative activities 	Auditor has verified the compliance with indicator 6.5.4
Gender Committee of PT Inecda Interview with Head of Gender Committee <ul style="list-style-type: none"> • Gender committee activities is socialization of company's policy about reproductive rights • There is no issue related to sexual harassment and discrimination. • Reproductive right for female worker such as maternal and menstrual leaves. Maternal leaves is 3 months and menstrual leaves is 2 days. • Company provided kindergarten in housing complex. 	Auditor has verified the compliance with indicator 6.9.1, 6.9.2, and 6.9.3 related to implementation of reproductive right policy for female worker.
Worker union of PT Inecda Interview with Head of Worker Union <ul style="list-style-type: none"> • There is no issue related to discrimination, force labor, child worker • Minimum wage in PT Inecda is above minimum wage of Indragiri Hulu Regency • Company has paid overtime payment in accordance with applicable regulation • Work accident insurance and PPE is provided by company to all workers. 	Auditor has verified the compliance with indicator, 6.6.1 about worker union, 6.7.1, 6.8.1, 6.8.2, and 6.8.3 about implementation of Worker Policy (children worker, antidiscrimination).
FFB Supplier (Nasira Tani Sawit) <ul style="list-style-type: none"> • Pricing is immediately notified to the supplier by telephone. • Pricing 2 times a week. • Payments are made 2 times a week (on Tuesday and Friday). • There has been no delivery of FFB for 2 months to Inecda POM because the CPO tank of Inecda POM is full and the FFB price is too low compared to other Mills. • Payments to contractors are made on time in accordance with the contract. 	Auditor has verified the compliance towards criteria 6.10

Public Issues (Institution/ NGO/Community)	Auditor Responses
Civil Contractor, PT Riau Karya Muktitama. <ul style="list-style-type: none"> The contractor is selected to be a civil contractor through a tender process in accordance with company procedures. Contractors are required by companies to comply with OHS and PPE procurement by contractors. Payments to contractors are made on time in accordance with the contract. Communication between the contractor and the company is well established. The employment agreement contains articles such as payment methods, occupation, OHS aspects and employment such as the provision of PPE and registration on accident insurance of contractor workers by the contractor. There are no complaints from contractors. 	<p>Auditor has verified the compliance towards criteria 6.10</p>
Local Contractor (EFB Application and Manual Circle), CV Prima Nusantara. <ul style="list-style-type: none"> The contractor is a native of Titian Resak village. The contractor is selected to be a contractor through a tender process in accordance with company procedures. Contractors are required by companies to comply with OHS and PPE procurement by contractors. Payments to contractors are made on time in accordance with the contract. Communication between the contractor and the company is well established. The company's relationship with the surrounding villages so far is quite good. There are no complaints from contractors. 	<p>Auditor has verified the compliance towards criteria 6.10</p>
FFB Transport Contractor (Mr. Napitupulu) <ul style="list-style-type: none"> Has been a contractor for FFB transport of PT Inecda since 2008. Contractors are required by companies to comply with OHS and PPE procurement by contractors. Payments to contractors are made on time in accordance with the contract. Communication between the contractor and the company is well established. There are no complaints from contractors. 	<p>Auditor has verified the compliance towards criteria 6.10</p>
Perkebunan Sungai Parit and Petala Bumi Village <ul style="list-style-type: none"> There is no conflict and issues relating land acquisition. The company employs from surrounding villages as harvesters, maintenance and security. The company has a CSR program to surrounding villages in 	<p>Auditor has verified the compliance towards criteria 2.2 and 3.3</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>the form of infrastructure improvements, business cooperation, provision of employment, and education</p> <ul style="list-style-type: none"> • The company has provided compensation for land claims but some are in the process of negotiation. • The company did not commit violence and intimidation in the land negotiation process. 	

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Inecda Management Representative</p>   <p>Didik Sugeng Haryanto 15 April 2019</p> </div> <div style="text-align: center;"> <p>PT Mutuagung Lestari Lead Auditor</p>  <p>M. Syarip Lambaga 15 April 2019</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Environmental Agency of (Head of Monitoring Section).	Indragiri Hulu District	-	Interview	28 August 2018	✓	
2	Agriculture and Fisheries Agency, Plantation Division.	Indragiri Hulu District	-	Interview	28 August 2018	✓	
3	Manpower and Transmigration Agency (Manpower Monitoring Division)	Indragiri Hulu District	-	Interview	28 August 2018	✓	
4	National Land Agency	Indragiri Hulu District	-	Interview	28 August 2018	✓	
5	FFB Supplier (Nasira Tani Sawit)	Indragiri Hulu District	-	Interview	28 August 2018	✓	
6	Civil Contractor, PT Riau Karya Muktitama.	Indragiri Hulu District	-	Interview	28 August 2018	✓	
7	Local Contractor (EFB Application and Manual Circle), CV Prima Nusantara.	Indragiri Hulu District	-	Interview	28 August 2018	✓	
8	FFB Transport Contractor (Mr. Napitupulu)	Indragiri Hulu District	-	Interview	28 August 2018	✓	
9	Internal Stakeholder: <ul style="list-style-type: none"> 18 weeding activities 4 harvester 10 Fertilizer Applicator 10 pesticide applicators Pest Census – 2 workers Crèche facilities, 1 worker Agrochemical (Hazardous Materials) Warehouse Keeper. 1 head mechanic and 2 mechanic workshop. 	Estate 2	-	Interview	30 August 2018	✓	
10	Internal Stakeholder: <ul style="list-style-type: none"> 1 security 3 worker Loading ramp 1 worker Sterilizer Station 1 worker Press Station 1 engine room operator 1 boilerman 1 kernel operator 1 Agrochemical (Hazardous Materials) Warehouse Keeper. 1 Operator WTP. 1 Operator WWTP. 1 person clerk Chemical material warehouse. Spear part warehouse. (1 person clerk) Workshop. (1 head of workshop, 1 welder and 2 mechanic) WTP. (1 person operator). 	Inecda POM	-	Interview	29 August 2018	✓	

	<ul style="list-style-type: none"> • WWTP. (1 person operator). • Mill Drainage. (1 person POM assistant). • Hazardous waste temporary warehouse. (1 person operator). • Solid Waste. (1 person operator). • Mill Drainage. (1 person operator) • Land application. (1 person former, 3 person operator). 						
11	Internal Stakeholder: <ul style="list-style-type: none"> • 6 harvester • 8 Fertilizer Applicator • 22 pesticide applicators and • 1 supervision of pesticide applicators • Agrochemical (Hazardous Materials) Warehouse Keeper. • Agrochemical material warehouse (BEE central). (1 person head of storage and 1 person clerk) • Fertilizer Warehouse (BEE central). (1 person head of storage and 1 person clerk) • Land fill 1 person field assistant. • Body shower of spraying team and mixing area (BEE central). (person clerk) • Fire Fighting Equipment Storage. (6 person clerk) • Generator room (BEE central). (1 person operator) • Generator room (1 person operator). • Water pump room (1 person operator). • Housing 2 person householder). • Fuel storage. (1 person clerk) 	Estate 1	-	Interview	29 August 2018	✓	
12	Jikalahari:	Pekan Baru, Riau	jikalahari@indo.net.id	Questioner via email	20 August 2018		✓
13	Sawit Watch:	Bogor	info@sawitwatch.or.id	Questioner via email	20 August 2018		✓
14	Walhi:	Jakarta, Indonesia	informasi@walhi.or.id	Questioner via email	20 August 2018		✓
15	Jaringan Masyarakat Gambut Riau (JMG Riau):	Pekan Baru, Riau	jmgriau@gmail.com	Questioner via email	20 August 2018		✓

Appendix 2. Assessment Program

DATE	27 August – 1 September 2018	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 27 August 2018		
06.00 – 15.00	Jakarta – Pekanbaru – Lokasi	All Auditor
15.00 – 16.00	Opening meeting and discussion <ul style="list-style-type: none"> Auditee Speech (Introduction of PIC, Profile of Certified Management Unit) Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) 	All Auditor and Tim PT. Inecda
16.00 – 17.00	Audit plan discussing	All Auditor
Tuesday, 28 August 2018		
08.00– 12.00	Stakeholders Consultation with relevant agencies in Indragiri Hulu Regency.	Radytio Puspanjana
	Stakeholders Consultation with affected villages and 1st land tenure ownership	M. Syarip Lambaga
	Stakeholders Consultation with labour unity, Labour Cooperative, FFB suppliers and local contractors.	Hasiholan Sihombing & Asystasha Aishah Silalahi
12.00 – 14.00	Break	All Auditor
14.00– 16.30	Document review	All Auditor
16.30– 17.00	Audit plan discussing	
Wednesday, 29 August 2018		
08.00 – 12.00	Field Observation to Estate 1 <ul style="list-style-type: none"> Observation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application, LA etc). Observation of Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management Observation of Workers Facilities (Housing, School, Worship Place, etc. Implementation of conservation area /HCV and Implementation of Legal Aspect (Land Ownership, Legal Boundaries). 	Hasiholan Sihombing Radytio Puspanjana Asystasha Aishah Silalahi M. Syarip Lambaga
12.00 – 14.00	Break	
14.00 – 17.00	Field Observation to Inecda POM <ul style="list-style-type: none"> SCCS verification, receiving and weighing of FFB Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO) Observation of Chemical Storage, Hazardous Waste Storage, Fire Control Facilities 	M. Syarip Lambaga Hasiholan Sihombing Asystasha Aishah Silalahi

DATE	27 August – 1 September 2018	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none">Observation of WTP, EBA, IPAL, POME LA Audit plan discussing	Radytio Puspanjana
Thursday, 30 August 2018		
08.00 – 12.00	Field Observation to Estate 2 <ul style="list-style-type: none">Observation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application, LA etc.Observation of Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste ManagementObservation of Workers Facilities (Housing, School, Worship Place, etc.Implementation of conservation area /HCV and Implementation of Legal Aspect (Land Ownership, Legal Boundaries).	Hasiholan Sihombing Radytio Puspanjana Asystasha Aishah Silalahi M. Syarip Lambaga
12.00 – 14.00	Break	All Auditor
14.00 – 16.30	Document review	All Auditor and Tim Inecda
16.30 – 17.00	Audit plan discussing	
Friday, 31 August 2018		
08.00 – 11.30	Document review and interim meeting	All Auditor
11.30 – 14.00	Break	
14.00 – 15.00	Closing Meeting at Site	
15.00 – 19.00	Site – Pekanbaru	
Saturday, 1 September 2018		
08.30 – 09.30	Closing Meeting at Head Office (PKU)	All Auditor