

*Roundtable on Sustainable Palm Oil Certification
RSPO*

[✓] Recertification

Name of Management Organisation : **Nilo POM 2 – PT Adei Plantation & Industry, subsidiary of Kuala Lumpur Kepong Bhd**

Plantation Name : **Nilo Timur 1 Estate and Nilo Timur 2 Estate (PT Adei Plantation & Industry), PT Steelindo Wahana Perkasa (Ladang Mutiara Estate), KKPA Sungai Buluh, KKPA SP 1 and KKPA SP 2**

Location : **Sungai Buluh Village, Sub District of Bunut, District of Pelalawan, Province of Riau, Indonesia**

Certificate Code : **MUTU-RSPO/040**

Date of Certificate Issue : 14 May 2019 Date of License Issue : 28 May 2019

Date of Certificate Expiry : 13 May 2024 Date of License Expiry : 13 May 2020

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
RC	22 to 27 March 2019	Andi Pratama Pasaribu (Lead Auditor), Ardiansyah, Satria Adi Putra, Steve Mualim, Rindu Galih Rezza Rachmansyah	Hera Hendrasana	Octo HPN Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
RC	17 May 2019

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Figure 1. Location Map of PT Adei Plantation & Industry - Nilo POM 2

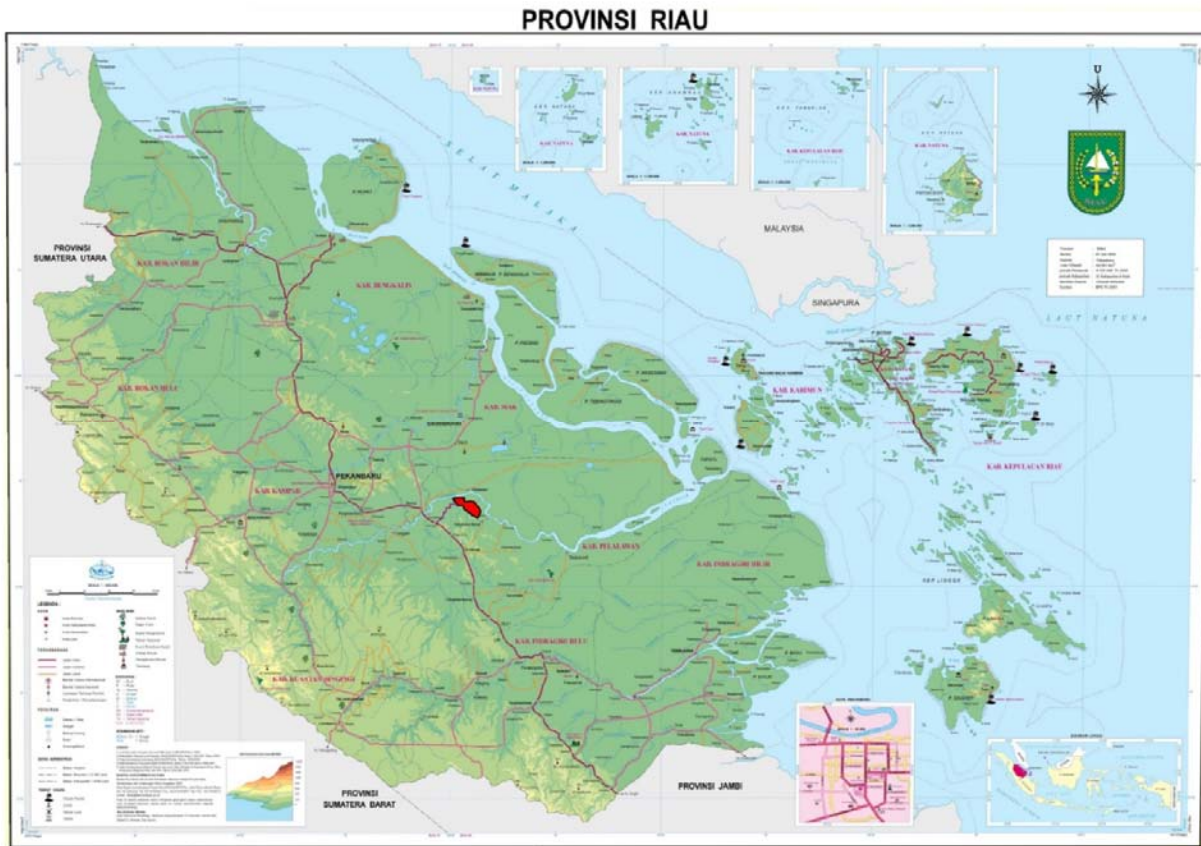


Figure 2. Operational Map of Adei Plantation & Industry – Nilo POM 2

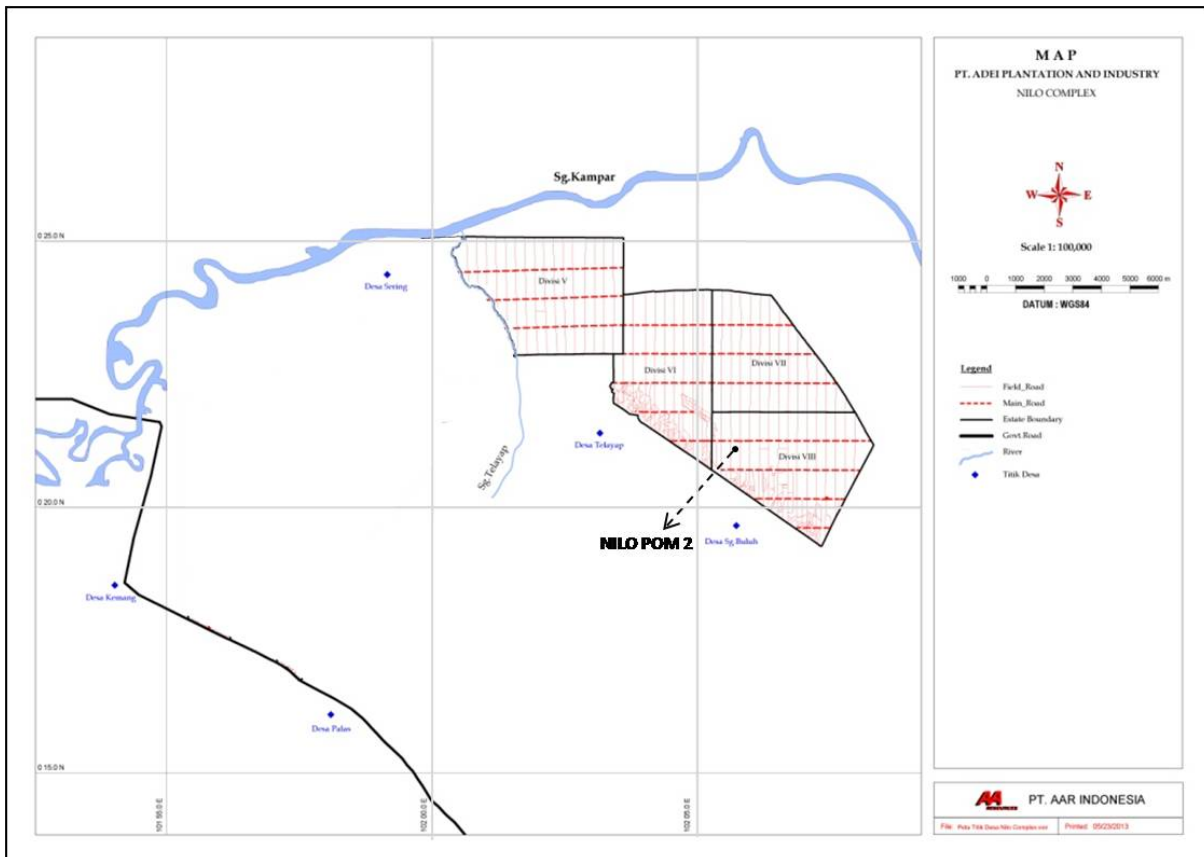


Figure 3. Operational Map of Sungai Buluh Smallholder Scheme

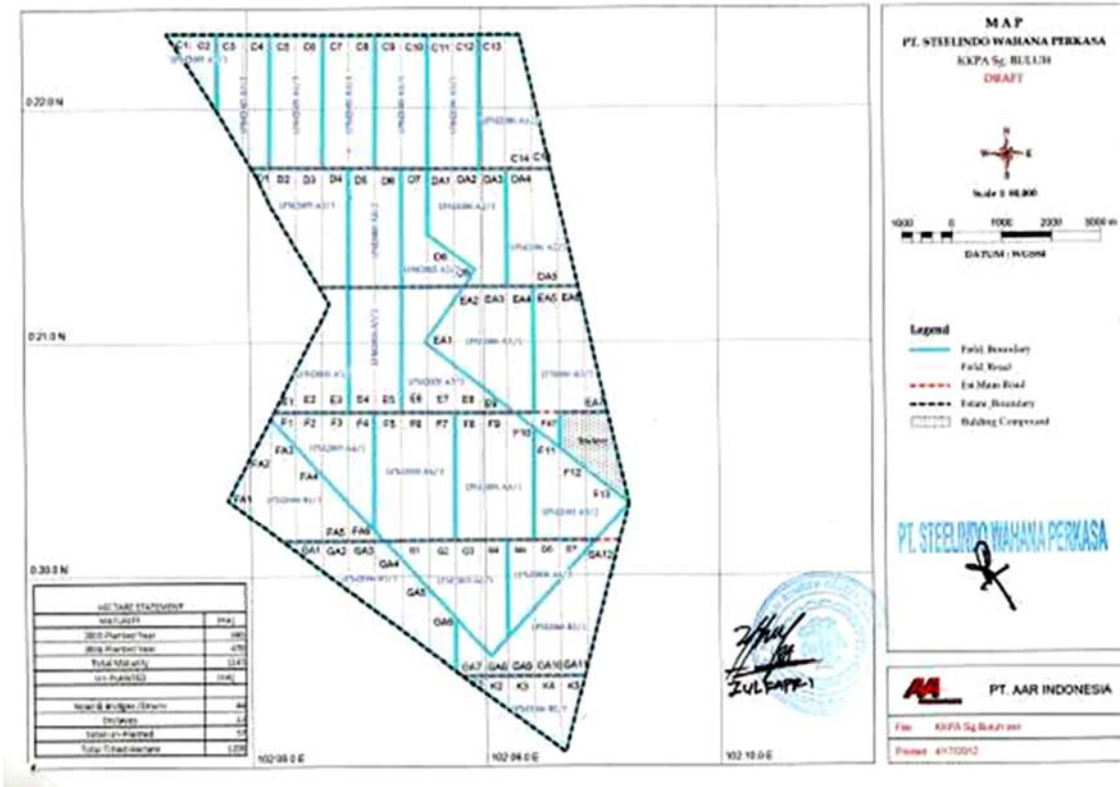


Figure 4. Operational Map of SP 1 Smallholder scheme

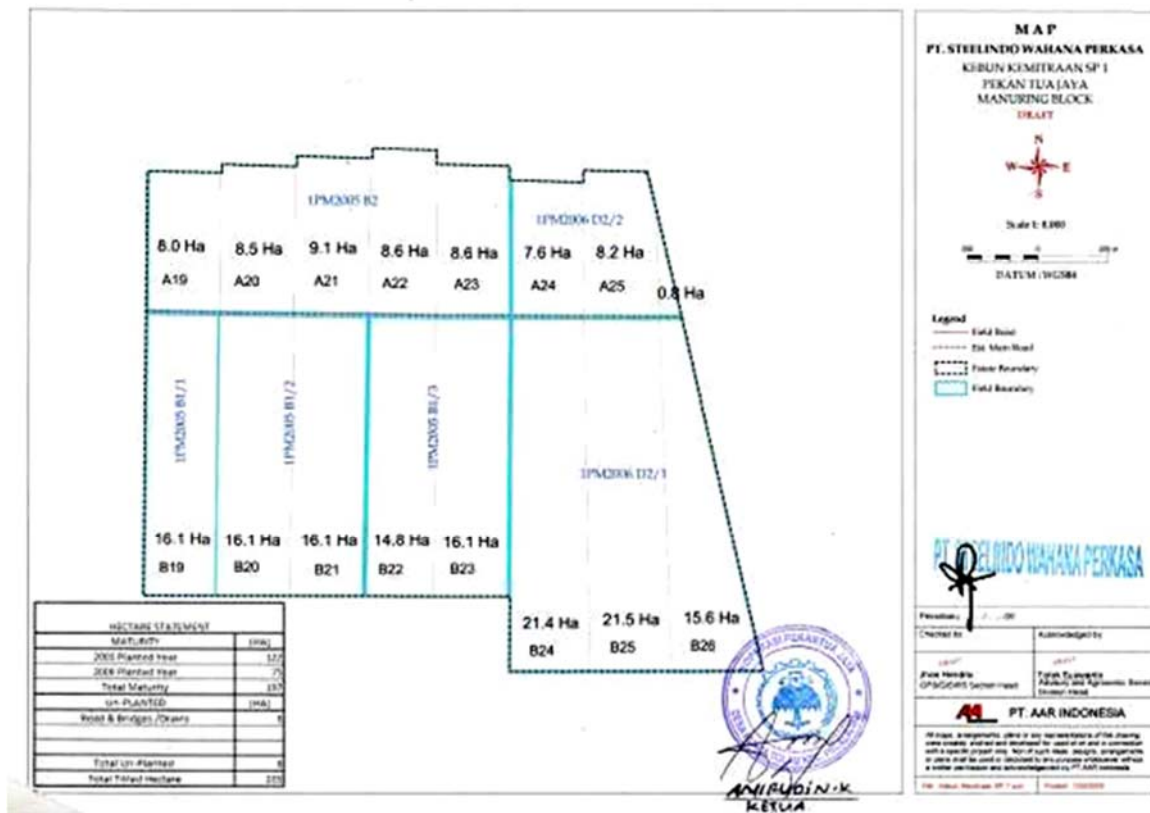


Figure 5. Operational Map of SP 2 Smallholder scheme

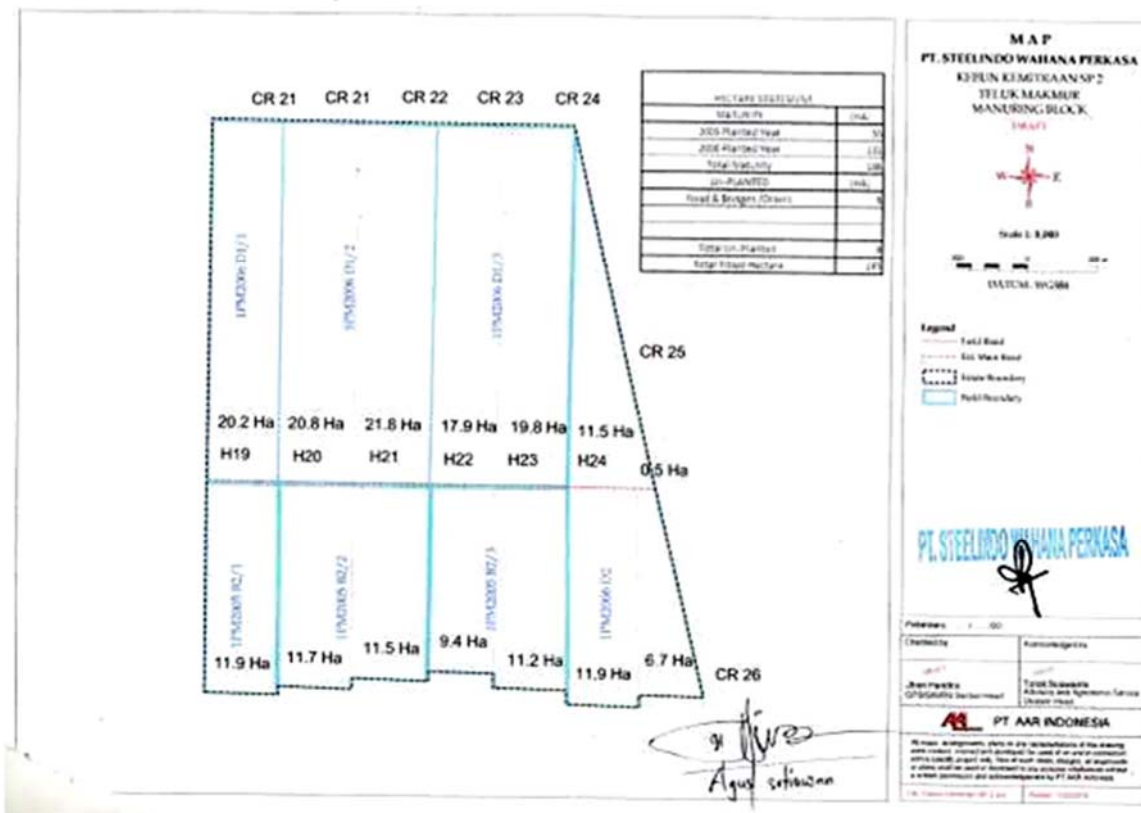
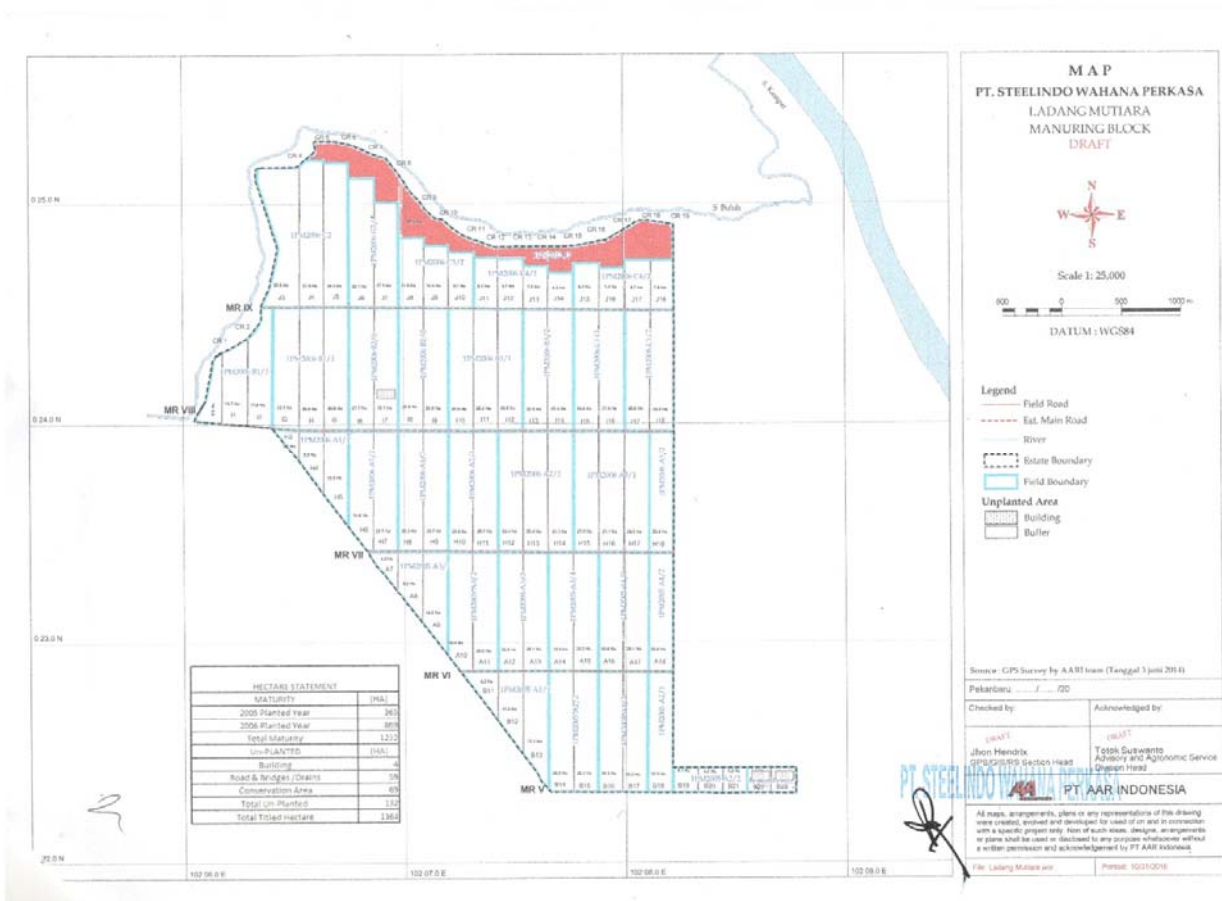


Figure 6. Operational Map of PT Steelindo Wahana Perkasa



Abbreviations Used

AARI	:	Applied Agricultural Resources
B3	:	Hazardous Material
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Social Security Agency)
BPN	:	<i>Badan Pertanahan Nasional</i> (National Land Agency)
CH	:	Certificate Holder
CLA	:	Collective Labor Agreement
CPO	:	Crude Palm Oil
CSR	:	Coorporate Social Responsibility
EFB	:	Empty Fruit Bunch
EIA	:	Environmental Impact Analysis
FFB	:	Fresh Fruit Bunches
FPIC	:	Free, Prior, Informed, Concern
GHG	:	Green House Gass
GPI	:	<i>Gereja Pentakosta Indonesia</i>
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Title)
HPL	:	<i>Hak Pengelolaan Lain</i> (Others Land Use Right)
IPM	:	Integrated Pest Management
KKPA	:	<i>Kredit Kepada Koperasi Untuk Anggotanya</i> (Cooperative Credit Scheme)
KLHK	:	<i>Kementrian Lingkungan Hidup dan Kehutanan</i> (Forestry and Environment Ministry)
KLK	:	Kuala Lumpur Kepong
KNT	:	<i>Kebun Nilo Timur</i> Nilo Timur Estate
KTU	:	<i>Kepala Tata Usaha</i> (Sub Unit Head Administration)
LCC	:	<i>Legume Cover Corps</i>
MCL	:	Mandau Centre Learning
MCU	:	Medical Check Up
MSDS	:	Material safety Data Sheet
NGO	:	Non-Government Organization
NPOM	:	Nilo Palm Oil Mill
OFI	:	Opportunity For Improvement
OHS	:	Occupational Health and Safey
P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> (OHS Organizing Committee)
PK	:	Palm Kernel
POM	:	Palm Oil Mill
PPE	:	Personal Protective Equipment
PPKL	:	<i>Petugas Penyuluh Koperasi Lapangan</i> (Field Cooperation Instructor)
PT AP&I / PT Adei	:	PT Adei Plantation & Industry
RC	:	Re-certification
RSP0	:	Rountable on Sustainable Palm Oil
RTE	:	Rare, Threatened and Endangered
SCCS	:	Supply Chain Certification System
SHM	:	<i>Sertifikat Hak Milik</i> (certificate of ownership)
SOP	:	Standart Operating System
SSOP	:	Sustainability Standart Operating System
SPSI/SBSI	:	<i>Serikat Pekerja Seluruh Indonesia/Serikat Buruh Seluruh Indonesia</i> (Indonesian Labor Union)
SWP	:	Steelindo Wahana Perkasa
TPA	:	<i>Tempat Penitipan Anak</i> (daycare)
WTP	:	Water Treatment Plant

WWTP	:	Waste Water Treatment Plant
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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 • The 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 Adei Plantation & Industry subsidiary of Kuala Lumpur Kepong Bhd	
1.2.2	Contact person	Thomas Thomas	
1.2.3	Organisation address and site address	RSPO registered Company Wisma Taiko, No 1 Jalan SP Seenivasagam Ipoh/Perak Darul Ridzuan, Malaysia 30000 Liasion Office: Kompleks Pertokoan Taman Anggrek Blok B2 – B5 Jl. Tuanku Tambusai, Pekanbaru, Riau, Indonesia	
1.2.4	Telephone	+6221 – 65310437	
1.2.5	Fax	+6221 – 65310746	
1.2.6	E-mail	Thomas.t@klk.com.my	
1.2.7	Web page address	www.klk.co.id	
1.2.8	Management Representative who completed the application for certification	Thomas Thomas	
1.2.9	Registered as RSPO member	1-0014-04-000-00, 18 October 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	PT Adei Plantation & Industry (Nilo POM 2, Nilo Timur 1, Nilo Timur 2), PT Steelindo Wahana Perkasa (Ladang Mutiara), KKPA Sungai Buluh, KKPA SP1 and KKPA SP-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
			Latitude Longitude
	Nilo POM 2 (PT Adei Plantation & Industry)	Telayap Village, Sub District of Pelalawan, District of Pelalawan, Province of Riau, Indonesia	N 0° 21' 08" E 102° 05' 43"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Nilo Timur 1 Estate	Sungai Buluh Village, Sub District of	N 0°21' 40" E 102°05' 13"

(PT Adei Plantation & Industry)	Pelalawan, District of Pelalawan, Province of Riau, Indonesia		
Nilo Timur 2 Estate (PT Adei Plantation & Industry)	Sungai Buluh Village, Sub District of Pelalawan, District of Pelalawan, Province of Riau, Indonesia	N 0°20' 46"	E 102°06' 25"
Ladang Mutiara Estate (PT Steelindo Wahana Perkasa)	Sungai Buluh Village, Sub District of Bunut, District of Pelalawan, Province of Riau, Indonesia	N 0° 23' 09"	E 102° 07' 36"
KKPA Sungai Buluh (Sumber Rejeki Cooperative) 656 smallholders	Sungai Buluh Village, Sub District of Bunut, District of Pelalawan, Province of Riau, Indonesia	N 0° 21' 02"	E 102° 08' 52"
KKPA SP 1 (Pekantua Jaya Cooperative) 98 smallholders	Pekantua Jaya Village, Sub District of Pelalawan, District of Pelalawan, Province of Riau, Indonesia	N 0° 22' 40"	E 102° 08' 47"
KKPA SP 2 (Teluk Makmur Cooperative) 103 smallholders	Pelalawan Village, Sub District of Pelalawan, District of Pelalawan, Province of Riau, Indonesia	N 0° 23' 34"	E 102° 08' 31"

1.5 Description of Area Statement

1.5.1	Tenure	
	• State PT Adei P & I	12860.00 Ha
	• State PT SWP	1363.53 Ha
	• Community	1600.00 Ha

1.5.2 Area Statement

	PT Adei P & I (Ha)	PT SWP (Ha)	KKPA (Ha)	Total (Ha)
• Total area	6450.00	1363.53	1600.00	9413.53
• Mature area	2193.00	1225.00	1527.00	4945.00
• Immature area	2625.00	-	-	2625.00
• Building	39.00	4.00	-	43.00
• Infrastructure (Road & Bridges)	60.00	69.53	60.00	189.53
• Nursery	13.00	-	-	13.00
• Reserve Area	1221.00	-	-	1221.00
• Conservation Area	145.00	65.00	-	210.00
• HCV	34.00	-	-	34.00
• Temporary Enclave	120.00	-	13.00	133.00

**area of 6,179 Ha of PT Adei P & I is included in the certification scope of Nilo POM 1*

**231 Ha of PT Adei P & I is exclude from certification scope because has been given to smallholders of Telayap*

1.6 Planting Year and Cycles

1.6.1	Age profile of planting year						
	Hectarage (Ha)						
Planting Year	Nilo Timur 1	Nilo Timur 2	PT SWP – Ladang Mutiara Estate	KKPA Sungai Buluh	KKPA SP1	KKPA SP2	Total
2000	339	-	-	-	-	-	339

2001	-	367	-	-	-	-	367
2002	-	420	-	-	-	-	420
2003	131	818	-	-	-	-	949
2004	118	-	-	-	-	-	118
2005	-	-	360	665	114	66	1205
2006	-	-	865	478	75	129	1547
Sub Total Mature Area	588	1,605	1,225	1,143	189	195	4,945
2015	151	-	-	-	-	-	151
2016	564	-	-	-	-	-	564
2017	301	-	-	-	-	-	301
2018	1,096	-	-	-	-	-	1,096
2019	223	290	-	-	-	-	513
Sub Total Immature Area	2,335	290	-	-	-	-	2,625
TOTAL	2,923	1,895	1,225	1,143	189	195	7570
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 (%)
	Nilo POM 2	60	104263	22376	21.46	5580	5.35
	<i>*Source: Production data source from 12 Month before audit (March 2018 – February 2019)</i>						
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)	%
	Nilo Timur 1 Estate	3321.00	2923	14524	4.97	14524	100
	Nilo Timur 2 Estate	3129.00	1895	49395	26.07	49395	100
	Ladang Mutiara Estate	1363.53	1225	18481	15.09	18481	100
	KKPA Sungai Buluh (656 SH)	1200.00	1143	14884	13.02	14884	100
	KKPA SP1 (98 SH)	196.00	189	2827	16.09	2827	100
	KKPA SP2 (103 SH)	204.00	195	3816	20.41	3816	100
	TOTAL	9413.53	7570	103927	11.86	103927	100
	<i>*Source: Production data source from 12 Month before audit (March 2018 – February 2019)</i>						
	<i>*Ladang Mutiara Estate, KKPA Sungai Buluh, KKPA SP1 and KKPA SP2 certified start from 27 December 2018</i>						
1.7.3	FFB description from other source						
	Name of sources/Organisation	Type of Organisation		Number of smallholders	Production Area (Ha)	Supplied to Mill	
						FFB (tonnes/year)	
	Nilo Barat 2 Estate (Certified)	Own Estate		-	1639	335	

					335			
<i>*Source: Production data source from 12 Month before audit (March 2018 – February 2019)</i>								
1.7.4	Product categories			FFB, CPO, PK				
1.8	Tonnage of Product							
1.8.1	Past Annual Claim Certified Product	Last Year Projected Certified Volume (MT)		Last Year Actual Certified Volume (MT)				
	• FFB Process	73297		69916				
	• CPO Production	16309		15252				
	• Palm Kernel (PK) Production	3813*		3809				
<i>*During ASA-4 to RC there is an extension volume (PK) because the increase of production</i>								
1.8.2	Product selling							
	Tonnage of selling product	Last Year of actual selling product						
	• CSPO sold as RSPO certified product	0						
	• CSPK sold as RSPO certified product	2959						
	• CSPO sold under other scheme	4846						
	• CSPK sold under other scheme	0						
	• CSPO sold as conventional	7844						
	• CSPK sold as conventional	760						
1.8.3	Estimate of Certified FFB Claim							
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)		Yield (tonnes/ha/year)		
				IP	MB			
	Nilo Timur 1 Estate	3321.00	2923	12423	2912	5		
	Nilo Timur 2 Estate	3129.00	1895	40269	7106	24		
	Ladang Mutiara Estate	1363.53	1225	16660	2940	16		
	KKPA Sungai Buluh	1139.53	1143	14573	2572	15		
	KKPA SP1	194.03	189	2892	510	18		
	KKPA SP2	207.44	195	3647	644	22		
	TOTAL	9413.53	7570	90464	16684	14		
<i>*Projected FFB production for 14 May 2019 to 13 May 2020</i>								
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Nilo POM 2	60	90464	19450	21.50	4523	5.00	IP
			16684	3432		798		MB
<i>*Projected CSPO & CSPK for 14 May 2019 to 13 May 2020</i>								
1.9	Other Certifications							
	ISCC			EU-ISCC-Cert-DE105-83153805, valid 4 May 2018 to 3				

				May 2019		
	Others				ISPO: MUTU-ISPO/067 issued by PT Mutaungung Lestari 06 December 2016 to 05 December 2021	
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				
	INDONESIA					
	Berau POM PT Hutan Hujan Mas	2018	Sungai Melemah (PT MP)	2018	Berau, Kalimantan Timur	IC
			Sungai Atap (PT MP)	2018		IC
			Sungai Segah (PT HHM)	2018		IC
			Sungai Pura (PT HHM)	2018		IC
			Sumbarata (PT SSD)	2018		IC
	Jabontara POM PT Jabontara Eka Karsa	2017	Sungai Raya	2017	Berau, Kalimantan Timur	Certified
			Sungai Jantui	2017		Certified
	MAP POM PT Mulia Agro Permai	2018	Menteng Jaya Sawit Perdana	2018	Mentaya Hilir Utara, Kalimantan Tengah	IC
			MAP Barat (PT MAP)	2018	Baamang, Kalimantan Tengah	IC
			MAP Timur (PT MAP)	2018		IC
	KMA POM PT Karya Makmur Abadi	2017	KMA Utara	2018	Mentaya Hulu, Kalimantan Tengah	IC
			KMA Tengah	2018		IC
			KMA Selatan	2018		IC
	SWP POM PT Steelindo Wahana Perkasa	2012	Barat	2012	Belitung, Bangka Belitung	Certified
			Utara	2012		Certified
			Timur	2012		Certified
			Selatan	2012		Certified
	Parit Sembada POM PT Parit Sembada	2013	Parit Sembada	2013	Belitung, Bangka Belitung	Certified
			Alam Karya Sejahtera	2013		Certified
	Mandau POM PT ADEI	2012	Kebun Mandau Selatan 1	2012	Bengkalis, Riau	Certified
			Kebun Mandau Selatan 2	2012		Certified
			Kebun Mandau Selatan 3	2012		Certified
			Kebun Mandau Selatan 4	2012		Certified
			Kebun Mandau Utara 5	2012		Certified
			Kebun Mandau Utara 6	2012		Certified
			Kebun Mandau Utara 7	2012		Certified
	Nilo POM 1 PT ADEI	2012	Nilo Barat 1	2012	Pelalawan, Riau	Certified
			Nilo Barat 2	2012		Certified
			Kop Petani Sejahtera (KKPA)	2018		-

			Kop Karya Mitra (KKPA)	2018		-	
			Kop Tani Harapan Maju (KKPA)	2018		-	
			PT Safari Riau	2018		Certified	
			KKPA PT Safari Riau	2018		-	
			KTA Safari	2018		-	
	Nilo POM 2 PT ADEI	2012	Nilo Timur 1	2012	Pelalawan, Riau	Certified	
			Nilo Timur 2	2012		Certified	
			KKPA SP 1 (PT SWP)	2018		Certified	
			KKPA SP 2 (PT SWP)	2018		Certified	
			KKPA Sungai Buluh (PT SWP)	2018		Certified	
			Ladang Mutiara (PT SWP)	2018		Certified	
	Tapung Kanan POM PT Sekarbumi Alamlestari	2012	Tapung Kanan 1	2012	Kampar, Riau	Certified	
			Tapung Kanan 2	2012		Certified	
			Tapung Kanan 3	2012		Certified	
			KKPA (Kopni Sahabat Lestari)	2016		Refuse to take a part RSPO process.	
	Stabat POM PT Langkat Nusantara Kepong	2014	Basilam	2017	Langkat, Sumatera Utara	Certified	
			Gohor Lama	2017		Certified	
			Tanjung Keliling	2017		Certified	
			Maryke	2017		Certified	
			Bekiun	2017		Certified	
			Padang Brahrang	2017		Certified	
			Bukit Lawang	2017		Certified	
			Tanjung Beringin	2019		-	
	Padang Brahrang POM PT Langkat Nusantara Kepong	2014	Mill not operate				
PENINSULAR MALAYSIA							
	Batu Lintang POM	2013	Pelam	2013	Kulim, Kedah	Certified	
			Batu Lintang	2013	Serdang, Kedah	Certified	
			Subur	2013	Batu Kurau, Perak	Certified	
			Ghim Khoon	2013	Kulim, Kedah	Certified	
	Kekayaan POM	2011	Kekayaan	2011	Paloh, Johor	Certified	
			Landak	2011	Paloh, Johor	Certified	
			Voules	2011	Tenang, johor	Certified	
			Bandar Tenggara	2011	Bandar Tenggara, Johor	Certified	
			New Pogoh	2011	Tenang, johor	Certified	
			Fraser	2011	Kulai, Johor	Certified	

			Paloh	2011	Paloh, Johor	Certified
			Sungai Bekok	2011	Bekok, Johor	Certified
			Ban Heng	2011	Pagoh, Muar, Johor	Certified
			See Sun	2011	Renggam, Johor	Certified
	Paloh POM	-	Outside Crop	-	Paloh, Johor	-
	Jerang Padam POM	2012	Ayer Hitam	2012	Bahau, Negri Sembilan	Certified
			Batang Jelai	2012	Rompin, Negri Sembilan	Certified
			Jeram Padang	2012	Bahau, Negri Sembilan	Certified
			Kombok	2012	Rantau, Negri Sembilan	Certified
			Ulu Pedas	2012	Pedas, Negri Sembilan	Certified
			Gunung Pertanian	2012	Simpang Durian, Negri Sembilan	Certified
			Sungai Kawang	2012	Lanchang, Pahang	Certified
			Renjok	2012	Telemong, Pahang	Certified
			Tuan	2012	Telemong, Pahang	Certified
	Tanjung Malim POM	2013	Tanjung Malim	2013	Tanjung Malim, Perak	Certified
			Kerling	2013	Kerling, Selangor	Certified
			Sungai Gapi	2013	Serendah, Selangor	Certified
			Bukit Kato	2013	-	Certified
			Kampar	2013	-	Certified
	Tuan Mee POM	2013	Tuan Mee	2013	Sungai Buloh, Selangor	Certified
	Kuala Pertang POM	2013	Kerila	2013	Tanah merah, Kelantan	Certified
			Pasir Gajah	2013	Kuala Krai, Kelantan	Certified
			Sungai Sokor	2013	Tanah Merah, Kelantan	Certified
	Changkat Chermin POM	2013	Lekir	2013	Batu 12, 32020 Sitiawan, Perak	Certified
			Changkat Chermin	2013	Batu 13 ½, 32400, Ayer Tawar, Perak	Certified
			Raja Hitam	2013	Bt 18, Kg Jering, 32400 Ayer Tawar, Perak	Certified
			Allagar	2013	Ladang Allagar, 34800 Trong, Perak.	Certified
			Glenealy	2013	Jalan Si Putih – Batu Hampar, 32800 Parit, Perak	Certified
			Serapoh	2013	Ladang Serapoh, 32800 Parit, Perak	Certified
			Kuala Kangsar	2013	Ladang Kuala Kangsar, 33700 Padang Rengas, Perak	Certified
			Pinji	2013	Ladang Pinji, P.O.Box 1027, 30820 Ipoh, Perak	Certified
			Batu Dua	2013	Ladang Batu Dua, P.O.Box 1027, 30820 Ipoh, Perak	Certified
			Menglembu	2013	Ladang Menglembu d/k No. 1, Hala Kledang 4, Taman Kledang, 31450	Certified

				Menglembu, Perak		
		Kampar	2013	Peti Surat 20, 31907, Kampar, Perak.	Certified	
		Subur	2013	34520, Batu Kurau, Perak	Certified	
		Bukit Kartho	2013	Ladang Bukit Katho, 35500 Bidor, Perak.	Certified	
SABAH, MALAYSIA						
	Mill 1	2009	Jatika	2009	Tawau, Sabah	Certified
			Sigalong	2009		Certified
			Pangeran	2009		Certified
			Sri Kunak	2009		Certified
			Pang Burong	2009		Certified
	Mill 1	-	Outside crop	-	-	-
	Pinang	2009	Pinang	2009	Tawau, Sabah	Certified
			Tundong	2009		Certified
			Ringlet	2009		Certified
	Lungmanis	2010	Lungmanis	2010	Lahad Datu, Sabah	Certified
			Sungai Silabukan	2010		Certified
	Rimmer	2010	Rimmer	2010	Lahad Datu, Sabah	Certified
			Tungku	2010		Certified
			Bukit Tabin	2010		Certified
	Bornion	2010	Bornion	2010	Kinabatangan, Sabah	Certified
			Segar Usaha	2010		Certified
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	Associated smallholders has been certified since 27 December 2018.					

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
RC	<p>1. Andi Pratama Pasaribu (Lead Auditor). Indonesian citizen. Bachelor degree, majoring social economy. He has several of work experiences (more than 5 years) as the operational staff since 2008. He has been followed the Training of Lead Auditor Indonesian Sustainable Palm Oil (ISPO) which was held by ISPO Commission in 2013 and Training of Lead Auditor Roundtable on Sustainable Palm Oil (RSPO) by Proforest and Daemeter in 2016. He has been attended several kinds of training, such as High Conservation Value (HCV) Training, Lead Auditor ISO 9001:2008, Lead Auditor ISO 14001:2005, auditor OHSAS, lead auditor RSPO supply chain by BMTRADA etc. He has some experiences of ISPO audit in Indonesian palm oil in best management practices, land legality, environmental, social and worker welfare aspect. During this audit, he verify partial certification, social, Long Term Business Plan and supply chain aspect.</p> <p>2. Ardiansyah (Auditor). Indonesian citizen, Bachelor of Forest Resources Conservation, Department of Forestry. Had work experience in Environmental NGO for 6 month (2007) and consultant for making EIA Document and KLHS for 3 years (2009 – 2012). Had attend training such as RSPO Lead Auditor course, Lead Auditor ISPO, OHSAS (SIO 18001 – 2007), land cover crop mapping and Management System Certification (ISO 9001-2008), Environmental Management System Certification (ISO 14001-2004), Social Auditing and Conflict Resolution. Had many times following audit activities related to sustainable palm oil certification system which is ISPO as an auditor since 2012 for legal, environmental aspect, conservation and social. Fluent in Bahasa and Malay. At the time of audit, has verify aspect of Legality and Land Dispute.</p> <p>3. Steve Mualim (Auditor). Indonesia citizen. Master of Environmental and Natural Resources Management. Has experience as Environmental management consultant (2012) and Sustainable palm oil assurance auditor since 2013. Has been attended several trainings e.g : ISCC in house training, palm oil GHG emission, HCV management, ISPO lead auditor, RSPO lead auditor, labor and human rights issues, ISO 19011, and ISO 9001:2008. Has been conducted several audits for RSPO / ISPO scheme since 2013 for best management practices, conservation, and environmental management. Fluent in Bahasa and Chinese Mandarin. During the assessment he assigned to verified Environment, HCV and GHG aspect.</p> <p>4. Satria Adi Putra (Auditor). Indonesian citizen, Diploma III majoring in Palm Oil Plantation. Have experience of work more than six years since 2009 as the operational staff of private oil palm plantations in Indonesia. Training have been followed including Occupational Health and Safety Expert, Orang Utan and Wildlife Management, ISPO Auditor Training, RSPO Awareness, IHT Potential Mapping and Conflict Resolution in Production Forests, OHSAS 18001, SA 8000, RSPO Lead Training, Lead Auditor Training for ISO 9001, ISO 14001, ISO 17021, ISO 17065, ISO 19011, ISO 22000,. During this audit, he verify Best Management Practices, OHS and Long Term Business Plan.</p> <p>5. Rindu Galih Rezza Rachmansyah (Auditor Trainee). Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agro technology). He has 1 year experience as Field Expert in Pesticide Company and 3 years experience in Industrial Forest Management, Forest Rehabilitation and Reclamation on BUMN Indonesia as Assistant. Training which had attended including Training Lead Auditor ISO 9001, ISO 14001, ISO 17021, ISO 19011, ISPO Lead Auditor's training, RSPO Lead Auditor's training course, RaCP and NPP awareness for RSPO, OHSAS 18001 : 2007, SA 8000. He has been involved in several audit activities related to sustainable palm oil certification since 2017 covering Best Management Practices aspect, social aspect and worker welfare aspect. During the assessment, support to verify Transparency, Worker Welfare and Social Aspect.</p>
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
RC	<p>Number of auditors : 4 auditors Number of days for RC at site : 6 days Number of working days for RC at site : 24 Working days</p>

2.2.2	Assessment Process
RC	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Adei Plantation & Industry - Nilo POM 2 to the requirements of Indonesian National Interpretation of RSP0 Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSP0 Board of Governors meeting on 30th September 2016) and RSP0 Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSP0 Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D / E for CPO Mill).</p> <p>Until this re-certification audit, facility only using single supply chain model which is Mass Balance Model. However, for the next certification period facility want to implemented 2 module for mills which is Module D (Identity Preserved) and Module E (Mass Balance).</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 Recertification delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA 1.1). Improvement of findings from main assesment findings were observed by auditors at this Recertification assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of Recertification.</p> <p>The assessment program please find Appendix 2</p>
2.2.3	Locations of Assessment
Recertification	<p>Number of units in this certification activity is two (5) estates, which supply the raw material (FFB) to one (1) palm oil mill. In conducting the assessment, the team of auditors used the 0.8√y*z formula to determine the management units sampling to be focused on and also considered the issues raised by stakeholder. Based on this formula, the team of auditors determined that the sampling locations are one (1) palm oil mill (Nilo POM 2) and two (4) estates (Nilo Timur 1 Estate, Nilo Timur 2 Estate, Ladang Mutiara Estate and KKPA).</p> <p>Nilo POM 2</p> <ol style="list-style-type: none"> 1. Sterilizer Station. Observation of application and interview with sterilizer operators related to SOP, K3 and employment. 2. Engine Room. Observations and interviews with engine room operators on employment, occupational safety and health and defined work procedures. 3. Kernel Stations. Observations and interviews with kernel station operators regarding employment, occupational safety and health and defined work procedures. 4. Boiler Station. Observations and interviews with boiler operators regarding labor, occupational safety and health and defined work procedures. 5. Digester & Press Stations. Observations and interviews with digester/press station operators regarding employment, occupational safety and health and defined work procedures. 6. Security Gate. Observation and interview with security officer regarding of receive and dispatch procedure. 7. Weighbridge. Observation and interview with weighbridge operator regarding of receive and dispatch procedure, certified and noncertified product recapitulation etc. 8. Effluent pond. Observation for OHS and POME management 9. Land application block 21 div 8. Observation related POME management 10. Monitoring well block 2 div 8. Observation for POME management 11. Workers housing. Observation related OHS, worker facilities, waste management, and welfare 12. Mill reservoir. Observation related water source management. 13. Hazardous waste store. Observation for OHS and hazadous waste management 14. Chemical store. . Observation related OHS and material handling 15. Sparepart store. . Observation related OHS and material handling

16. **Workshop.** Observation for OHS and worker welfare.
17. **Water treatment plant.** Observation related OHS and water usage monitoring
18. **Diesel fuel tank.** Observation related OHS and material handling

Nilo Timur 1 Estate

19. **Block C55, Division 6.** Observation legal boundary / HGU mark BPN 17
20. **Block C47, Division 6.** Observation legal boundary / HGU mark BPN 11
21. **Block B46, Division 5.** Observation legal boundary / HGU mark BPN 10
22. **Replanting Area, Block 2/3, Division 5.** Observation of replanting activity. There is no fire usage during replanting activity.
23. **Harvesting, Block G52 Division 6.** Observation and interview with harvester and harvesting supervisor regarding to safety working procedure on harvesting, PPE usage, worker rights, payments, complaint etc.
24. **Manuring, Block E47, Division 6.** Observation and interview with workers regarding to safety working procedure of manuring, PPE usage, routine medical examination, payments, worker rights, complaint etc.
25. **Road Maintenance, MR 7 Division 6.** Observation of road maintenance by using heavy equipment (road grader and compactor).
26. **Daycare .** Observation related OHS, worker facilities and welfare
27. **Landfill block G53 div 6.** Observation related OHS and waste management
28. **Spraying team PPE store.** Observation related OHS and material handling.
29. **Chemical mixing store.** Observation related OHS and material handling
30. **Land fire facilities store and emergency simulation.** Observation related land fire facilities and emergency response team
31. **Diesel fuel tank.** Observation related OHS and material handling
32. **Fertilizer store.** Observation related OHS and material handling.
33. **Power house.** Observation related OHS and material handling, and waste management
34. **Housing div 6.** Observation related OHS, worker facilities, waste management, and welfare.
35. **Clinic.** Observation related OHS and worker facilities
36. **Chemical store.** Observation related OHS and material handling

Nilo Timur 2 Estate

37. **Spraying, Block D54/55, Division 6.** Interviews of spraying mechanism, work tools, chemicals used, doses used, medical examinations, extra fooding, PPE, labor aspect and environment.
38. **Subsidence Pole, Block 9, Division 8.** Observation related land management in peat area.
39. **Piezometer, Block 7, Division 8.** Observation related water management in peat area.
40. **Block 32, Division 8.** Observation legal boundary / HGU mark BPN 32
41. **Block 15, Division 8.** Observation legal boundary / HGU mark BPN 31
42. **Block B7, Division 7.** Observation legal boundary / HGU mark BPN 21
43. **Block B5, Division 7.** Observation legal boundary / HGU mark BPN 20
44. **Block B4, Division 7.** Observation legal boundary / HGU mark BPN 19
45. **Block B3, Division 7.** Observation management of HCV area in form of buffer zone of Buluh River

Ladang Mutiara Estate (PT Steelindo Wahana Perkasa)

46. **Pest and Disease Census, Block I5.** Interviews on census mechanism, medical examination, PPE, and labor aspect.
47. **Harvesting & Transport, Block I3-J7.** Observation and interviews with transporter, foremen and harvest workers related to work procedures, health insurance and labor protection, safe working practices and use of PPE.
48. **Fertilizer, Block A16/17.** Interviews of fertilizer mechanism, work tools, chemicals used, doses used, medical examinations, extra fooding, PPE, labor aspect and environment.
49. **Spray Circle & Path, Block J16-18.** Interviews of spraying mechanism, work tools, chemicals used, doses used, medical examinations, extra fooding, PPE, labor aspect and environment.
50. **Road Maintenance.** Observation related road maintenance.
51. **Nest Box (Tyto alba), Block B13.** Observation related integrated pest management.
52. **Subsidence Pole, Block A16.** Observation related land management in peat area.

- 53. **Piezometer, Block A18.** Observation related water management in peat area.
- 54. **Block I2/I3.** Observation legal boundary / HGU mark SWP 15
- 55. **Block H4.** Observation legal boundary / HGU mark SWP 14
- 56. **Block I0.** Observation legal boundary / HGU mark SWP 22
- 57. **Daycare.** Observation related OHS, worker facilities and welfare.
- 58. **Housing.** Observation related OHS, worker facilities, waste management, and welfare.
- 59. **Diesel fuel tank.** Observation related OHS and material handling
- 60. **Fertilizer store.** Observation related OHS and material handling.
- 61. **Chemical store.** Observation related OHS and material handling
- 62. **Hazardous waste store.** Observation for OHS and hazardous waste management
- 63. **Spraying team PPE store.** Observation related OHS and material handling.
- 64. **Chemical mixing store.** Observation related OHS and material handling
- 65. **Land fire facilities store and emergency simulation.** Observation related land fire facilities and emergency response team

KKPA Sungai Buluh

- 66. **Harvesting, Block 11, 12 and 13.** Observation and interview with harvester and harvesting supervisor regarding to safety working procedure on harvesting, PPE usage, worker rights, payments, complaint etc.
- 67. **Chemical Weeding, Block C12.** Observation and interview with chemical applicator regarding to chemical weeding procedure, PPE usage, routine medical examination, payments, worker rights, complaint etc.

KKPA SP2

- 68. **Lot no 118, 175, 188, 187, 154, 177, 200, 167, 148, 193, 170, 202.** Observation and interview related to harvesting, upkeep, payment system, land title, previous land owner history, land conflict and dispute mechanism.

Stakeholder

- 69. Public consultation with government of Pelalawan Regency (Regional Environmental Agency; Regional of Labor Agency; National Land Agency and Regional Plantation Agency)
- 70. Public consultation with surrounding community (local contractor, Sungai Buluh and Telayap Village)
- 71. Public consultation with Internal Stakeholders (Gender committee, Labor Union)

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
Recertification	<p>The public consultation with stakeholders to PT. Adei Plantation & Industry and supply base done through:</p> <ul style="list-style-type: none"> (1) Conduct a public announcement on the CB website (www.mutucertification.com) and RSPO website on 18th February 2019. (2) Conducting visits and direct interviews with stakeholders (Regional Environmental Agency; Regional of Labor Agency; National Land Agency and Regional Plantation Agency, Pelalawan Regency, Province of Riau) on March 18, 2019. (3) Conduct consultations via email questionnaire to NGOs (Walhi, Sawit Watch, World Wildlife Fund, Forest Peoples Programme, Aliansi Masyarakat Adat Nusantara) on March 11, 2019 (4) Conducting visits and direct interviews with communities (Nilo, Sungai Buluh and Telayap Village on March 23, 2019). (5) Conducting Interviews with the Cooperative Employees, local contractor, Gender Committee, Labor Union PT. Adei- Nilo POM 2 on March 26, 2018. <p>Some verbal feedback from stakeholders both positively and negatively received by the audit team to be clarified as a material consideration in the assessment</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>

2.4	Determining Next Assessment
	The next visit ASA 1.1 will be determined determined eight to twelve 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 supply base of PT Adei Plantation & Industry, subsidiary of Kuala Lumpur Kepong Bhd operation consisting of one (1) mill, three (3) oil palm estates and three (3) scheme smallholder (857 Smallholders).

During the assessment, there was one (1) nonconformity were assigned against Minor Compliance Indicators; and four (4) opportunities for improvement were identified. Further explanation of the non-conformities raised are provided in section 3.5.

MUTUAGUNG LESTARI found that Nilo POM 2 – PT Adei Plantation & Industry, subsidiary of Kuala Lumpur Kepong Bhd complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INANITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016) and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D & E for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is issued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
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 & 1.1.2	<p>The company has had transparency procedure where stakeholder can access information by using information request procedure (<i>SOP Permintaan dan Pemberian Informasi, Komunikasi dan Pengaduan</i>) that valid since 10 August 2017. These document stated that stakeholder can access several company information by using information request mechanism. Related stakeholder can requested the company’s public document by official letter, email or by phone. All request will be recorded in information request log book by public affair staff and responded within 14 days. List of document that can be accessed by relevant stakeholders such as accident report, policy, RSPO audit report, crop report, etc. The PIC that can be contacted by stakeholder is <i>HUMAS Department</i>.</p> <p>In accordance to the procedure’s above, public affair staff has documented company’s stakeholder list which is updated annually. During the audit, auditor has verify the number of stakeholder list that contain stakeholder from external (government institution, hospital, police station, fire fighter, NGO’s, local communities leader, village head local contractor, etc.) and internal stakeholder (labor union representatives, gender committee, labor cooperation etc.).</p> <p>Both PT. ADEI and PT. Steelindo Wahana Perkasa had a documented requested information in <i>log book permintaan informasi</i>. Those document informed incoming letter that should be response by management. For example, there was an incoming letter from central bureau of statistic on 20 September 2018 regarding to plantation activity survey. Unit management has responded on 25 September 2018. Not later than procedure.</p>	
	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
 The company has provided the list of publicly available document. For example: company's policy, regional director memos, crop report, agreement, OHS program, external/internal audit report RSPO/ISPO, work accident report, financial report of scheme smallholder, land title and so on. Some of document also can be access in KLK website (www.klk.com.my) such as sustainability report and policy.

Based on public consultation result with local government staff, village head and representatives, smallholder association board and labor representatives during the audit known that the company has socialized the list of public document and the mechanism to request those documents.

	Status: Comply	
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**1.3
 Growers and millers commit to ethical conduct in all business operations and transactions.**

1.3.1
 The company has a written policy to respect human rights, that supports the Universal Declaration of Human Rights by the United Nations / PBB. The policy approved by the Chief Executive Officer / CEO on December 1, 2014. The policy is communicated to employees, installed in every office.

The commitment to ethical behavior in all the operation and the transaction set forth in the Code of Conduct for Employees (4.6) dated October 1, 2014. Employees are expected to understand and comply with laws, rules and regulations of the office and / or their work, including but not limited to enactment laws relating to anti-money laundering, anti-terrorism funding, anti-corruption, protection of personal data and competition. The Company reserves the right to report any action or activity that putatively criminal to the police forces or other relevant authorities.

Socialization on the policies has been conducted on September 2018 to workers and contractors. Interviews with workers in the Estate, as well as local contractors have known and understood the company's ethical behavior. This is also confirm during interview with government agencies.

	Status: Comply	
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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
 CH has showed compliance with regulations, such as:

- Has had land tenure for all operation area
- Has had business permit for all operation area
- The company has applied a minimum wage in the wage system and is in accordance with Regulation of Manpower Ministry No. 07 of 2013 concerning Minimum Wages
- The company has a wage structure and scale for each level of work and is in accordance with Regulation of Manpower Ministry No. 01 of 2017 concerning Wage Structure and Scale
- The company has regularly reported the Annual Mandatory Workforce Report and in accordance with Regulation of Manpower Ministry No. 18 of 2017 concerning Mandatory Reporting on Labor
- The company has carried out the recording of workers with PKWT status to the Manpower Office and in accordance with Decree of Manpower Ministry No. 100 of 2004 concerning Provisions for Implementing Certain Time Work Agreements
- The company has provided overtime payment in accordance with Decree of Manpower Ministry No. 102 of 2004 concerning Overtime Work and Overtime Work Wages.
- The company displays documents related to operator certificates/training related to OHS including welder qualifications in the workplace, power and production training, lift and transport operators, steam operators, OHS

- electric technicians and realization of hyperkes training for paramedics (OFI).
- Conduct management and monitoring of environmental impact every semester and reporting to Environmental Agency
- Store hazardous waste in licensed hazardous warehouse
- Using licensed seed
- Conduct replanting by mechanical method not using fire.
- Allocate and give community CSR every year.

2.1.2; 2.1.3; 2.1.4

According to the laws/ regulation compliance procedure, the laws/ regulation list shall be updated and evaluated annually. The company has appointed sustainability staff to updating the list of laws/regulation related to plantation operational. Through the latest laws/regulation on December 2018, the list of national and local regulation are in place. Sustainability staff in coordination with legal and public affair staff has evaluated of company regulation compliance on December 2018.

	Status: Comply	
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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

CH manages area as large as 9,413.53 Ha consist of 6,450 Ha under PT Adei, 1,363.53 Ha under PT Steelindo Wahana Perkasa and 1,600 Ha under smallholders. Area which manage by CH has had land tenure in form of:

- HGU decree No. 108 on 21 November 2018 on behalf of PT Steelindo Wahana Perkasa for an area of 1,363.53 Ha.
- HGU certificate No. 1 on 25 January 1994 on behalf of PT Adei Plantation & Industry for an area of 12,860 Ha. For PT Adei Plantation there are 2 mills so that the scope of RSPO certification is divided into 2 namely 6,179 Ha for Nilo POM 1 and 6,450 for Nilo POM 2. While there are 231 Ha is exlude from certification scope because the area has been given to smallholders of Telayap
- Land title of smallholders for an area of 1,600 Ha consist of 1527 Ha planted area and 60 Ha infrastructure.

Beside that CH also has had business permit consist of:

- *Surat Pendaftaran Usaha Perkebunan*/ Registration of Plantation Business on behalf of PT Adei Plantation on 2002 for oil palm plantation as large as 12,860 Ha and mill with capacity 60 Ton FFB/ hour
- Plantation Business Permit (*Izin Usaha Perkebunan/ IUP*) on behalf of PT Steelindo Wahana Perkasa on 2007 for oil palm plantation as large as 1,800 Ha.
- Plantation business permit for smallholders is *Surat Tanda Daftar Budidaya (STDB)* which issued by Plantation Agency on 2017 for all smallholders in this certification scope.

2.2.2

CH has a map of legal boundary for all operation area in accordance with map from BPN. Boundary marks has monitored twice a year according to BPN Pole Monitoring Procedure. The last monitoring is conducted on March 2019 in Kebun Nilo Timur 1, which inform all marks (36 marks) in good condition. Based on field visit on 6 marks in Nilo Timur Estate 1 & 2 known that all marks is in good condition. While the last monitoring of boundary marks in PT Steelindo Wahana Perkasa is conducted on December 2018, which inform all (55 marks) in good condition and this is confirm by field visit on 3 marks.

During field visit in KKPA Sungai Buluh and SP 2 found boundary markers between community plantation. The marker is made from pipe with red colour in the number.

2.2.3, 2.2.4, 2.2.5 and 2.2.6

Based on the hectare statement, consultation with relevant agencies and communities known that there are no disputes/ conflicts over the HGU. Settlement of land issues conducted in accordance with the SOP No. 6. Land Dispute Resolution 1st Rev, published on 30 Dec 2017. Based on the procedure, known that if there is land conflict resolution consist of negotiations and consultations, mapping the area, mediation with land agency and legal ways.

Certificate holder has a policy to not use the military for operations dated on 07 March 2016 by the Group Manager. Based on field observation and direct interview with sampled workers and communities, it was known that the certificate holder has no evidence to instigate violence in maintaining peace and order in their current operations.

Status : Comply

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

Document review and stakeholders consultation, CH has not carried out land expansion and land compensation since the last audit (ASA-4). The Certificate Holder has developed a mechanism of Implementation of Free Prior Informed Consent as document SOP No 6 Dated 10 Agustus 2017 (*Prosedur Penyelesaian Sengketa Lahan/* land dispute settlement) that describes the mechanism of settlement of border land disputes, land occupation disputes, social issues. In such mechanisms it has explained the procedures and methods of FPIC.

CH has made compensation for the area it manages. The compensation process was first carried out in 1991 by PT Adei Crumb Rubber Factory (old management). After that, in the 2000 PT Adei Plantation & Industry (new management) returned the compensation process to landowners in the permit area. As for the PT Safari Riau area, previously it has been managed by other companies that have a Timber Utilization permit. The compensation process was carried out starting in 2004. Land compensation document has been completed with agreement and map.

The results of interviews with stakeholders (Palas Village, Batang Nilo Village, Kemang Village, Telayap Village, Sei Buluh Village and Often Villages) are known that some regions are controlled by ethnicity but there are some lands which are controlled by individuals. Auditor is try to contact 30 previous land owners but only found 6 previous land owners. The interview results with previous land owners indicate that the compensation process has been carried out voluntarily and without coercion. Based on interviews, there are still people who do not want to be compensated and until now they still own the land. In compensation process the land owner represent their self so they didn't use the other party or institution.

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

PT. ADEI, PT Steelindo Wahana Perkasa and Scheme Smallholder (KKPA Sungai Buluh, KKPA SP1 and KKPA SP2) has set the long term business plan for period 2018 – 2023 that informed of hectare statement, planting material (seed), projection of FFB production, extraction, price estimation, revenue, cost, tax, profit and other financial indicator. This business plan has include for scheme smallholders. During the audit, auditor also verify the report public accountant audit that stated opinion of the company's financial report is fair. The company also shown their tax payment evidence for 2018. The long term plan also consider the result of drainability assessment, which inform the area is still viable for the next cycle.

3.1.2

Replanting plan and activity only in PT. ADEI which is programmed since 2018 and ended in 2020.

Year	Hectare	Status
2018	824	Planted
	939	Planted
2019	979	On progress
	815	On progress
2020	860	Planned

Based on field visit to replanting area there was no fire usage during replanting. The replanting program has been review once a year to evaluate the achievement of replanting.

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

The Company already has an estates SOP (starting from Land Clearing to Harvest) and SOP of the mill (starting from receipt of FFB to shipment of CPO & PKO) that has been documented, including in the revised SOP Sustainability document dated August 10, 2017 and authorized by the General Manager. The SOP includes major processes such as harvesting (SOP number 10), transportation (SOP number 11), fertilization (SOP number 7C), IPM (SOP number 17) and supply chain (SOPs 31 and 32). During an audit, a copy of the SOP is available at the audit site and in the Indonesian language.

Based on field visits and interviews with spray workers in the Block E51 / 52, Division 6, KNT-2 and Block J18 Ladang Mutiara Estate (PT Steelindo Wahana Perkasa), it is known that workers understand the procedures related to spraying activities such as not spraying near water bodies and do not spray downwind.

During field visit in KKPA Sungai Buluh and KKPA SP 2 found that the workers of cooperative has implement the procedure such as pruning, harvesting, manuring and upkeep. The condition of smallholders plantation is accordance with procedure such as circle is clean, no wild weed in collecting point and harvesting path, etc.

4.1.2; 4.1.3

The company has personnel assigned to internal supervision to monitor the consistency of the application of procedures in the field, including the Internal Audit Division. Based on the results of interviews with management, it is known that the company conducts evaluations every year to monitor updates related to procedures where if there are significant things, for example based on the results of internal operational audits, internal audits of ISPO and RSPO. CH also conduct monitoring to contractor performance by give a supervisor to ensure the contractor workers comply with company procedure.

The company shows the results of the harvest internal audit carried out in February 2019 by the internal auditor. From the results of the internal audit, it is known that the presentation of Nilo Timur 1 Estate, Nilo Timur 2 Estate and PT Steelindo Wahana Perkasa (Ladang Mutiara Estate) have met the standards for competence which are above 95%. Regarding the procedure for nonconformities and corrective actions carried out by filling in the identification of root problems, corrective actions, determining the PIC and determining the deadline for improvement.

4.1.4

The company has a procedure for purchasing FFB as regulated in SOP 45, July 1, 2014 (External FFB Acceptance Procedure). In the SOP, it is explained that each FFB Supplier must meet the requirements, as follows: Having their own oil palm plantation, FFB supplied is not from plantations that are in a forest area, legally incorporated (PT, CV, Cooperative, etc.), have deed of establishment, Having a Permanent Business License (IUT) and Business Place Permit (SITU), Owning a Company Registration Certificate (TDP) and Having a Tax Registration Number (NPWP).

Beside that, the company has SOP No.13 regarding the search for estate from FFB outside suppliers received by the Factory, the SOP explains the purpose of tracing the origin of FFB, Source of FFB, collecting data from outside suppliers, mapping FFB suppliers from outside, verifying data by factories and approving new FFB suppliers.

The company (Nilo POM 2) has shown a list of TBS contractors including PT. Steelindo Wahana Perkasa – Ladang Mutiara Estate, KKPA Kuala Tolam SP1, KKPA Kuala Tolam SP2 and KKPA Sungai Buluh.

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; 4.2.2

The Company has SOP to maintain soil fertility and recording of its implementation in accordance with SOP number 7C related to crop maintenance which explains that fertilization is based on the recommendation issued on soil and leaf test result. In addition, there are SOPs on fertilization before re-planting and fertilizing special compound fertilizer. Based on the result of document review and interview with the management, known that the implementation and monitoring of soil and leaf analysis is done by Agronomist Team of PT AARI as the party issuing fertilizer recommendation.

The company has shown a fertilization realization program. The recording of fertilizers in Nilo Timur Estate includes fertilization in Blok 01A1 using ZA fertilizers in January 2019 as many as 37,250 kg with a realization of 100% compared to the recommendations set.

Based on field observations at Blok A16 / 17 Ladang Mutiara Estate (PT Steelindo Wahana Perkasa), it is known that workers understand related fertilization procedures such as not fertilizing close to water bodies and fertilizing according to the recommended dosage.

4.2.3

The company has SOP 7. Seedling, Planting and Maintenance of Oil Palm Plants point C.7 Fertilization based on the results of soil and leaf analysis carried out every year and fertilizer dosage must follow the recommendations of the Agronomist. As an implementation of the procedure, the company through PT. AARI (Applied Agricultural Resources Indonesia) periodically conducts soil analysis, leaf analysis and visual analysis every year as a basis for determining fertilizer recommendations.

The company analyzes the soil every year that is carried out by PT. AARI (Applied Agricultural Resources Indonesia). Analysis of the soil is contained in the document Soil Analysis Result. The realization of the evaluation of soil fertility status at PT Steelindo Wahana Perkasa is an observation on August 1, 2018 to determine pH, organic C content, total N, total P content, K content, Mg content, Na content, Ca content and cation exchange capacity (CEC).

Beside that, the company has shown proof of implementation records in accordance with the SOP as shown in the leaf test report with January 1, 2018 in KNT. The indicators carried out by observations included levels of N, P, K, Mg, Ca, B and Ash and carried out supporting data in the form of visual observations. The examples include leaf sampling (Rachis Analysis Result) on Block PM2003C2a with the results of N (2.64%), P (0.161%), K (1.12%), Ca (0.61%), Mg (0.25 N) (2.47%).), P (0.168%), K (1.42%), Ca (0.35%), Mg (0.17%), B (12.60 ppm), Cu (2.83 ppm) and Zn (9.63 ppm).

4.2.4

The company has demonstrated a nutrition recycling strategy, among others, carried out EFB applications, land applications, the use of fiber and shells for boiler fuel and the remaining palm oil trees when replanting. Based on the field visit to Block G49 KNT-2, it is known that the company has conducted EFB applications with a dosage of 250 kg/staple.

Based on the field visit to the replanting area in Block 2/3 Division 5 KNT-1 it is known that the company has implemented nutrient recycling by utilizing the chipping results of oil palm plants to increase organic content in the soil.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1; 4.3.2

The company has a PT Adei Plantation & Industry Nilo Land Map with a scale of 1: 100,000 in 2014. The map informs the slope of the land in the operational area of PT Adei Pantation & Industry, which is flat (0 - 4%) covering 9.545 Ha (77%), bumpy (2 - 6%) covering 2,667.90 Ha (22%), and hilly (12 - 24%), covering 227 Ha (2%). Also available is a map of PT Steelindo Wahana Perkasa KKPA Sungai Buluh, Scale 1: 80,000 made by PT. AAR Indonesia. Based on the map it is known that the type of land cultivated is 100% peat soil.

SOP No 15 concerning erosion control and optimal management of soil fertility for productivity on 10 August 2017 which explains the technical actions related to high erosion area management, for example make sure cover crops are prioritized before planting oil palm, use of empty bunches, making conservation terraces for slopes above 15 -22°, and the prohibition on planting oil palm on slopes above 40%.

The company has also shown LCC Planting documents in the replanting area, including planning LCC (*Pueraria javanica* and *Calopogonium mucunoides*) planting in the complex PR18B6 as 186 Ha. Realization up to September 2018 covering 186 Ha (100% Realization). Based on the results of field visits in Block D54 / 55, Division 6 KNT-2, it was found that the company had planted LCC and carried out fronds arrangement between the plants. This is the company's effort to retain nutrients and prevent erosion/runoff.

4.3.3

The company has presented the Road Maintenance Program document 2018-2019. The data includes Grader in KNT-2 in February 2019 in Block A32. In addition, there is a road maintenance program (Upkeep Road) in Sungai Buluh KKPA (CR19) in February 2019 with a length of 26,253 meters. The realization is carried out in February along 1,000 meters.

Based on the results of a field visit to Block J06 at PT SWP, it is known that the company has carried out road maintenance activities manually, in general the road conditions are in good condition and can be traversed by FFB transport trucks.

4.3.4; 4.3.6

The management unit has minimized the subsidence of peat soil by adjusting the water level and conducting regular monitoring. These efforts include by installing piezometer and subsidence pole point as a monitoring point of peat land decline. The management unit also shows the Decree of the Director General of Pollution Control and Environmental Damage, number SK.99/PPKL/PKG/PKL.0/12/2017 on the stipulation of ground water level monitoring, point of installation of automatic groundwater level gauge and point of rainfall monitoring station of PT Adei Plantation & Industry Kebun Nilo, dated December 27, 2017, which among others decided 49 monitoring point measurement of ground water level and 4 point of rainfall monitoring station.

The company has a water management program, including in accordance with the directions from the Director General of PPKL KLHK regarding the decision of monitoring points measuring water and rainfall height monitored every 2 weeks and planting cover crops such as *Mucuna bracteata* on replanting areas on peat soil.

The company shows a document of Monitoring the Decrease of Surface Height of Peat Soils (Subsidence), for example at Mutiara Estate Estate (PT SWP) for 2019 as follows subsidence stakes number 23, in Block A16 until March 2019 (check date March 15 2019) there is a decrease of 9 mm. in addition, monitoring of Piezometer in Nilo Timur Estate, Nilo Timur 2 Estate, PT SWP and KKPA with results, among others, carried out monitoring on Piezometer No.130 it is known that in February 2019 it was recorded 55 cm.

The company has shown the *Mucuna bracteata* planting recapitulation document in KNT-1, based on the document, it is known that the company has planted *Mucuna bracteata* on October 6, 2018 as many as 1000 seedlings with an area of 6.3 hectares. In addition, based on the field visit to Blok E51 / 52 in the replanting area, it was found that the company had planted *Mucuna bracteata* aimed at managing ground cover and to prevent runoff.

4.3.5

The company has carried out the level of accuracy analysis stated in Drainability Assesment Report of Replanting Area in Nilo Estate PT Adei Plantation & Industry, Riau. Assessment is carried out before replanting by PT. Applied Agricultural Resources Indonesia in February 2015. The results of the assessment inform that the current peat level and future estimates (after 25 years of subsidence) are high averages. The recommended recommendation in the event of a flood is to keep the peat water level at 60 cm underground, still maintain the boundary of the northern estate and install automatic covers at all outlets.

	Status: Comply	
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4.4 Practices maintain the quality and availability of surface and ground water.

4.4.1

PT Adei Plantation & Industry and PT SWP has established and implemented water management based on water management plan 2018. This water management plan document are consist of water source identification based on HCV assessment, water usages monitoring for mill, water sources protection, and wetland/peatland protection by water level maintaining.

In addition, company also has been conduct surface water quality testing and clean water that used by workers as specified in regular environmental management and monitoring plan documents. Result of surface water and clean water testing has been reported to enviromental agency for every semester, and semester 2 2018 testing results indicates that surface water quality are still comply with standard quality, for examples BOD on Batang Nilo Kecil downstream are 2.39 mg/l.

4.4.2

Procedures for watersheds and water sources protection has been established and listed on sustainability procedures no 22 & 16 on 2017. PT Adei and PT SWP shown identification and maps for water courses and wetlands included riparian on 1 : 70000 scale. Water sources map and HCV identification shown the main watersheds on company areas are Telayap river on KNT 1 div 5 and Buluh river on (Ladang Mutiara & KKPA Sungai buluh). Field visit during audit, for examples on Buluh riparian acquired information that company shown proper ways for maintain and protect the catchment area for example manual weeding and marking (± 50 m bothsides) the chemical boundary border.

4.4.3

All palm oil mill effluent produced by NPOM 2 are processed at waste water treatment plant based on procedures No 23/2017 before it distributed to KNT 2 estates as land applications. This pome applications was conducted based on decree of Pelalawan regent No 503/DPMPTSP-LA/2019/01 valid until 2024.

Waste water quality testing document review shown for Nov 18 -Feb 19 all of waste water testing parameters are compliant to the standards quality (for examples BOD on February 2019 are 181.2 mg/l), and all of waste water management and monitoring has been reported to related institutions for regular basis per 3 month.

Field visit on NPOM 2 effluent pond during audit found there is no leakage indications and these waste water treatment plant are managed well by specific person in charge with appropriate training.

4.4.4

Field observations on Nilo POM 2 water treatment plant found monitoring of raw and process water usage was done by officer periodically and flowmeters at inlet/outlet serves normally. Procedure for mill water usage and monitoring are provided and has been listed on procedure for process water usage on 2016.

Standards of water usage for FFB process recorded on 2018 budget projected 1.2 m³/mt FFB processed. Water usage monitoring was done periodically and recorded, for example on February 2019 FFB processed 5163 mt, process water usage 2310 m³ and water usage efficiency was 0.45 m³/mt FFB processed.

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

4.5.1; 4.5.2

The company already has SOP 17 - Management of Integrated Pest Management (IPM) and IPM program in 2017/2018. In the SOP, it was explained that the provision of rat poison bait was carried out if the rate of new damage to oil palm plants exceeded 5%. Stages of integrated pest control (IPM) carried out include pest detection, identification of species and populations of pests through censuses, control of pests in technical and biological cultures, and control of chemistry (with chemicals) if the attack level exceeds the threshold to maintain ecosystem balance. Company has monitor the implementation of IPM plan, such as census has been conducted in accordance with plan for termite three

times and rat twice a years, etc.

The company has shown documents related to the recapitulation of nettle caterpillar census, ganoderma, termites, horn beetles and rat pests. The recordings related to the results of the census in January 2019 stated that there were no attacks on termite pests, rat pests and ganoderma. Based on the results of the census it is known that there are still attacks of caterpillar pests but are still below the prescribed economic threshold.

The company has attempted to conduct biological control to suppress disease pest populations, such as planting and beneficial plant treatments to suppress nettle caterpillars, installation of BOB and monitoring of owls to suppress rat pest populations, and installation of pheromone traps in blocks with sufficient horn beetle populations.

The company has shown footage of the Integrated Control Pest Census Training activity conducted on October 27, 2018 on Nilo Timur Estate and was attended by 4 participants consisting of maintenance labor and head supervision. Based on the results of interviews with census workers in Block 4 Division 8 KNT-2 Estate it is known that potential pests are termite pests.

Status: Comply

4.6

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

4.6.1;4.6.2

The company shows SOP.18 related to the Security of Use and Storage of Chemicals including Hydrocarbons, revised 1 dated August 10, 2017, which explains that only the agrochemical materials listed in the legislation and the applicable regulations that may be used and the dosage of chemical use are following recommendations.

The company has documented the Monitoring of Toxicity of Pesticides and Chemical Materials in Nilo Timur 1 Estate, Nilo Timur 2 Estate, PT SWP and KKPA. The document details the type of material used, registration number, control target, acute oral toxicity (oral LD50), dose/ha, LD50, active ingredient (%) and active ingredient/ha.

The company (East Nilo 1 Estate, East Nilo 2 Estate, KKPA and PT SWP) has shown a pesticide application program listed in the 2018 Period and Costing Book Program and Work Realization documents, while the Pesticide application plan includes Circle Path activities in Division 1 KNT in January 2019 had a program covering an area of 1482 Ha with realization of 1375.73 Ha (under realization of 7.17%).

Based on field visits and interviews with spraying workers in Block D54/55 Division 6 KNT-2, it is known that labor have been spraying according to procedures such as not spraying near water bodies, having knowledge of the types of pesticides used, understanding dosages which is used and capable of identifying the target weeds. Based on this, it can be concluded that the company can show procedures and implementation regarding security in the use of chemicals.

4.6.3

Integrated pest control is carried out based on predetermined methods, such as biological, mechanical and chemical, where chemical control is the last method based on the results of detection and census that exceeds economic threshold values. Biological control is done as a preventive measure to suppress or control pest populations naturally (using natural treatments).

The company has shown recapitulation of nettle caterpillar census, ganoderma, termites, horn beetles and rat pests. The recordings related to the results of the census in January 2019 stated that there were no attacks on termite pests, rat pests and ganoderma. Based on the results of the census it is known that there are still attacks of nettle caterpillar pests but are still below the prescribed economic threshold.

Based on the results of field visits to Block D54 / 55 KNT-2, it was found that the company had planted beneficial plants (*Turnera subulata*) as an effort to add live media to predators of nettle caterpillar pests.

The company has documented the use of pesticides for the past 1 year and compared them to the use of the previous

year. Based on these data it is known that in general there is an increase in the use of glyphosate pesticides. Based on management justification, it is known that the increase is due to replanting activities, so that more pesticides are needed per hectare because of increased open areas and exposure to sunlight which can trigger the development of weeds.

4.6.4

The company has documented the WHO Recommended Classification of Hazards and Guidelines to Classification 2009, published by IPCS (International Program on Chemical Safety) - IOMC (Inter-Organization Program for the Sound Managing of Chemical), A Cooperative Agreement Among FAO, ILO, UNEP, UNIDO, WHO & OECD. In the document there is a list of pesticides which include Class 1 A (Extremely active hazardous technical grade ingredients in pesticides), such as Brodifacoum (LD50 0.3 mg / kg) and Class IB (Highly hazardous technical grade active ingredients), such as Carbofuran (LD50 8 mg / kg).

The company has documented the use of pesticides for the past 1 year and compared them to the use of the previous year. Based on the data above, it is known that there has been a decline in pesticide use with Group IA (Paraquat), the last use of which was carried out in the 2015-2016 period. Based on the results of field visits on the Pest and Disease Census in Block B13 Ladang Mutiara Estate (PT SWP), it was found that there were currently no rat attacks so there was no use of warfarin / brodifakum.

Based on observations to the chemical warehouse KNT-2 and the Ladang Mutiara Estate, it was found that there were no pesticides included in groups 1A and 1B of the WHO list or listed in the Stockholm or Rotterdam Conventions.

4.6.5; 4.6.7

The company has SOP 18 (August 10, 2017) concerning the Safety of Use and Storage of Chemicals including Hydrocarbons. The company has shown a Spray Team Training document at PT SWP on February 8, 2018. The training was carried out for 18 pesticide applicators and warehouse officers.

Based on the results of observations and interviews on spraying activities at KNT-2 (Block D54 / 55), Ladang Mutiara Estate (Blok J18) and KKPA. The workforce has understood the spray dose used such as spraying with the use of the active ingredient isopropyl amine glyphosate using a dose of 100 ml of chemicals for every 20 liters of water. Beside that, it was found that there were uses of PPE (masks, helmets, aprons, gloves) that were in accordance with the risk analysis and MSDS available.

During field visit to KKPA Office (KKPA Sungai Buluh, SP 1 and SP 2) found that there are PPE storage for pesticide applicators and washing room.

4.6.6

Procedure of pesticides storage and material handling has presented in Sustainability procedures No 18/2017 about agrochemical storage and handling. Based on field observation on agrochemicals storage on KNT and PT SWP, it was found a complete series of MSDS, in accordance to the current stock. Specific pesticides mixing site has also available. Water which had used for knapsack washing and pesticides mixing process was properly reused again for same purpose. The storage has also equipped with pesticides records, proper risk symbols, PPE, first aid.

All of ex pesticides/agrochemicals containers were kept on temporary hazardous and toxic storage. Furthermore, based on field observation to KNT and ladang mutiara housing complex, it could be concluded that there were no ex pesticides or hazardous material containers used for other household purposes.

4.6.8

Based on the results of interviews with government agencies, management, workers and communities around the plantations, it is known that the company does not apply for pesticides from the air.

4.6.9

The company has conducted training annually related to handling technic/OHS of pesticides, and emergency response training for the workers who involved on pesticide activity such as Pesticide & MSDS (Material Safety Data Sheet) training on 11 March 2019 was attended by 9 participants and on 21 March 2019 attended by 21 participants. The

annual training of 2019 has been documented into minutes of meeting, list of attendees, and activity photos. Company already had MSDS (Material Safety Data Sheet) for each agrochemical substance (Pesticide) that describes handling and storage guidance, treatment when accident occurs (First Aid Measures), hazard identification, measures against spillage and leakage, personal protection equipment, physical and chemical characteristics, reactivity and stability, Toxicology information, Ecology information, waste disposal and transport with appropriate language so all workers knowing the information. The company has conducted training annually related to handling technic/OHS of pesticides, and emergency respons training for the workers who involved on pesticide activity such as Pesticide & MSDS (Material Safety Data Sheet) training on 04 February 2019 was attended by 2 participants and on 02 February 2019 attended by 3 participants include smallholder.

4.6.10

Company possess procedure for Toxic and Hazardous waste including ex agrochemicals management presented on Sustainability procedures No 23/2017. These procedure stated that all ex chemicals containers must be kept on temporary hazardous storage at mill/estates. Training for workers and staff regarding hazardous & toxic material handling have been conducted on Dec 2018 for PT Adei and on Oct 2018 for ladang mutiara and KKPA workers representatives.

Based on interview with spraying team on PT ADEI found that workers recognized how to properly disposed waste materials and workers have been trained by company about waste and hazardous materials handling.

Field visit on toxic & hazardous waste storage for exmples on Ladang mutiara found company showed proper ways for ex agrochemical disposal. Monitoring evidence for agrochemical usage and ex agrochemicals container stored in storage are available and verified by auditors. Besides that company also has monitored ex agrochemicals containers that used for pesticides mixing activities, therefore ex container usage for other purposes can be avoid by company internal mechanism.

4.6.11; 4.6.12

The company has SOP 18 (August 10, 2017) concerning the Safety of Use and Storage of Chemicals including Hydrocarbons. The SOP explains, among other things, about pregnant and breastfeeding women who are prohibited from working in the spraying section or in connection with chemicals.

The company displays the latest periodic results for PT Adei Plantation & Industry (KNT), PT SWP and Sungai Buluh KKPA for September 2018 with details of 76 employees consisting of Spraying employees, foremen and warehouse officers. Health checks include physical, blood, urine and cholinesterase examinations conducted by Nurul Medika Clinic. Based on a review of documents it is known that all employees are diagnosed in a healthy state (within the normal / fit on job limit).

Based on the results of field visits to the KNT-2 (Blok D54 / 55) and Ladang Mutiara Estate (Block J18), it is known that the workforce has been subjected to periodic health checks, in addition workers have also been socialized regarding the results of the health examination. Workers can also explain that there is a prohibition on pregnant and lactating women to carry out work using chemicals.

Status: Comply

4.7

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

4.7.1; 4.7.2

The company has demonstrated the company's policy regarding OHS. The company shows the OHS Policy set by the Group Plantation Director on November 7, 2014. The company has also socialized OHS policies such as the use of first aid, emergency response training and MSDS through official socialization and through morning briefing activities.

The company has shown the OHS program document in the 2019 Occupational Safety & Health Management System (SMK3) Plan. Documents are arranged by the P2K3 secretary, approved by the chairperson of P2K3 and known by the company manager (General Manager).

The company shows the Hazard Identification document, Risk Analysis and Risk Control made by the estate team of PT Adei Plantation & Industry PT SWP and KKPA which was approved by the management leader on April 26, 2018. The document contains hazard identification, risk analysis, and risk control in every plant maintenance activity (spraying pesticides, using fertilizers, empty bed applications, midrib pruning, etc.), harvesting activities (including commensurate electricity), transportation of FFB, all FFB processing activities (weigh bridges, press stations, sampling, stations boilers, etc.), and General Activities (warehouses, workshops, employee transportation, employee housing, garbage disposal, generator & water pump machines, and security personnel).

The company has a PPE warehouse at KNT1 and KNT 2 but the company have opportunity to realization of construction of PPE warehouses and work tools at KKPA SP2 and ensure adjustment of rotation of chemical applications with other work items (OFI).

Based on the results of field observations and interviews with workers in NPOM 2, KNT2 and PT SWP, it is known that workers have been provided with PPE in accordance with the risk analysis that has been determined. In addition, for jobs that use chemicals (spray and fertilizer), the company has provided MSDS and applied it according to written provisions such as using carbon masks for spray workers and the use of gloves for workers in fertilizing activities.

4.7.3

The company displays documents related to operator certificates/training related to OHS including welder qualifications in the workplace, power and production training, lift and transport operators, steam operators and OHS electric technicians.

The company has also shown PPE granting documents, among others to Suswardi (Harvesters) in the form of shoes on March 8, 2018 and harvesting sickle gloves on March 16, 2019. This is also confirm during field visit in Nilo Timur 1 Estate, Nilo Timur 2 Estate, Ladang Mutiara Estate, KKPA Sungai Buluh and KKPA SP 2, harvester workers and pesticide applicators are using PPE in accordance with specified hazard identification and risk analysis.

4.7.4

The company shows the approval documents of the Provincial Level Occupational Safety and Health Committee (P2K3) at PT. Adei Plantation & Industry which is in effect on March 8, 2019 in accordance with the Decree of the Head of the Riau Province Manpower and Transmigration Office (No. KPTS.560 / Disnakertrans.PK / SK-P2K3 / X / 2019/06). In addition, the company also has documents related to ratification of P2K3 arrangements for PT Steelindo Wahana Perkasa (Ladang Mutiara Estate) in accordance with the Decree of the Head of the Riau Province Manpower and Transmigration Office (No. KPTS.560 / Disnakertrans.PK / SK-P2K3 / X / 2019/05) valid from March 8, 2019. One of the documents explains the employee in the name of Budiman Simanjuntak as secretary is a OHS Expert, with permit documents No. Reg: 14372 / PK3 / AJ / 14/2013 / PO valid until January 26, 2021.

The company shows documents related to the minutes of the P2K3 monthly meeting, among others, the October 2018 P2K3 Meeting for NPOM 2 was held with a discussion regarding the safety line making line.

4.7.5

The company has an Emergency Response SOP 24 approved on August 10, 2017. In the section on handling work accidents, the stages are explained: minor accidents will be handled by first aid workers in the field / work location, then delivered to the clinic, reported to the company, P2K3 meetings are held to discuss the accident and continued with training or revision of SOPs to prevent repeated accidents. If a serious / serious accident, is delivered to the company's clinic for first aid, report it to the company and TK BPJS, reports to the Department of Manpower and the Police (if needed), hold P2K3 meetings and take precautions according to recommendations.

The company showed that several training documents related to first aid included training for holders of first aid kits in the KNT1 on behalf of Ilham Ritonga (No Certificate 2507 / PK3-P3K / IV / 2017).

Based on the results of field observations it is known that the foreman of the harvest, spray and fertilizer, brings a first aid kit with the contents according to the list set by the company. In addition, first aid officers are also able to explain the

functions of each tool in the first aid kit.

4.7.6

The company has shown evidence that all workers have been registered to get medical services and are protected by accident insurance registered in the “BPJS Ketenagakerjaan dan Kesehatan” program. The following is proof of insurance payments that have been made:

- “BPJS Kesehatan” Payment for the February 2019 period through Bank Mandiri for KNB 1, KNB 2, KNT 1, KNT 2, Nilo 1 POM, Nilo 2 POM, Contract workers (PKWT) on 08 February 2019.
- “BPJS Ketenagakerjaan” Payment for February 2019 through Bank Mandiri for 1,458 workers (KNB1 354, KNB2 376, KNT1 285, KNT2 278, Nilo1 98, Nilo2 77) and Contract workers (PKWT) on 15 March 2019.
- “BPJS Kesehatan” Payment of for February 2019 paid on 08 February 2019 for 161 workers through Bank Mandiri (PT SWP).
- “BPJS Ketenagakerjaan” Payment for February 2019 paid on 15 March 2019 for 161 workers through Bank Mandiri. (PT SWP).

Besides being able to show evidence that all company employees are registered in the “BPJS” program, the company can also show that contractor workers who work in the company’s operational area have also been included in the “BPJS” program including:

- Payment for “BPJS Ketenagakerjaan dan Kesehatan” for 71 workers (PT Solangan Maju Bersama) in 19 February 2019 through Bank BNI.
- Payment for “BPJS Ketenagakerjaan dan Kesehatan” for 48 workers (PT Garda Bakti Nusantara) in 07 February 2019 through Bank BNI.

Based on the results of interviews with workers (sprayers, harvesters and fertilizers) and contractor workers it is known that workers have been able to use their “BPJS” cards to do treatment at the nearest health facility and can also be used as insurance to handle / claim workplace accidents that occur. So far the use of “BPJS Ketenagakerjaan dan Kesehatan” has no problems and all workers have it.

4.7.7

The Company has calculated the Loss Time Accident for the period March 2018 - February 2019. The document describes the month, number of employees, number of work days, number of hours worked (employees & all employees), number of cases of poisoning and illness (Death, Lost work days and without loss working day) and the number of HK lost. The following is a calculation of Lost Time Accident owned by the company:

Unit	Fatality Rate	Incident Rate	Frequency Rate	Severity Rate
KNB	-	50,2	25,3	176,8
KNT	-	38,5	19,5	65,1
NPOM 1	-	50,7	25,6	46,1
NPOM 2	-	51,4	25,4	107,9
PT Safari Riau	-	200,6	101,4	235,5
PT SWP	-	36,1	18,2	36,4

Status: Comply

4.8

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

4.8.1 & 4.8.2

The company has a training program that covers all aspects of the RSPO principles and criteria for each unit. The program is also intended for all workers, contractors and contract workers, including:

Mill Training Program (NPOM)

- K3 socialization
- Operator training at each station (Belt Press, Sterilizer, Grading, Engine Room, EFB Press, Kernel, Boiler etc.)
- Laboratory Procedure Training

- Limited Space Training
- Training on the use of PPE
- Mill General Training and Etc

Estate Training Program and PT SWP

- Management Team Training
- Nozzle Calibration / Spray Training
- Training on the use of PPE
- Harvest Refreshment Training
- Fertilization Refreshment Training
- Fire Emergency Response Training and Etc

In addition to having the program mentioned above, the company can also show proof of its realization, including the following:

- The socialization of the revised KLK Policy dated 30 August 2018 which was attended by 89 participants on 07 January 2019.
- Training on the use of PPE on 25 March 2019 which was attended by 61 participants
- Policy socialization, HCV, zero burning policy, complaints mechanism, information disclosure, and employee recruitment system on 19 December 2018 which was attended by 30 participants
- Policy socialization, HCV, zero burning policy, complaints mechanism, information disclosure, and employee recruitment system on 27 December 2018 which was attended by 68 participants
- Socialization of the supply chain mechanism on 18 March 2019 which was attended by 19 participants
- MSDS training on 11 March 2019 which was attended by 9 participants
- Electrical OHS training on 21 February 2019 which was attended by 3 participants
- Training on welding procedures on 11 February 2019 which was attended by 16 participants

The company has training records for each worker according to the type of training that has been given. The record is stored and available in each unit.

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

PT ADEI has a document of Environmental Impact Assessment (EIA) for the scope of Oil Palm Plantation for estate and KKPA which approved by BAPEDALDA Pelalawan Regency on 2006. This document covered 12,860 ha plantations areas (included 1,543 ha areas for KKPA Batang Nilo kecil and KKPA Telayap). Nilo POM 2 also have RKL/RPL document approved by head of Environmental agency Pelalawan Regency based on decree 660/BLH-AM/2011/812 on 2011, and covered mill capacity for 70 mt FFB/hour.

Meanwhile PT SWP (Ladang mutiara) and KKPA sungai Buluh have another EIA document i.e EIA document on 2006, approved by BAPEDALDA Riau province based on letter no 660/Bapedalda/2006/1327. Study areas for this EIA included KKPA Sungai buluh 1200 ha, and 1800 ha areas for ladang mutiara, KKPA SP1, and KKPA SP2.

5.1.2

The environmental management plan for PT ADEI and PT SWP (ladang mutiara and KKPA Sungai Buluh) are included in the Environmental Management Plan & Environmental Monitoring Plan Implementation report for semester II of 2018 such as, air quality and noise; surface water quality, sedimentation and flood potential, land fires, aquatic biota, peat subsidence, and Public health. The PIC for environmental management is sustainability officer which support by each

officer in specific site.

Document review and interview with management shown that on 2016, certificate holder conduct land preparation for replanting activities. Regarding to this, on 2015 PT. ADEI established environmental management and monitoring plan listed on monitoring/management plan for replanting documents. Furthermore, action plan for replanting activities management has been implemented and established for examples related to surface water management, soil erosion, and OHS.

5.1.3

Public consultation with Environmental agency of Pelalawan regent indicate that the company has made environmental management and there is no issue of pollution caused by the company's operational activities.

PT ADEI and PT SWP (Ladang mutiara and KKPA Sungai Buluh) has a management plan listed in the document Environmental Management Effort (RKL) and Environmental Monitoring Effort (RPL) per semester. These report described realization of monitoring and management of the environment in accordance with environmental parameters in the RKL/RPL including replanting activities. Review for environmental monitoring/management plans have been developed and listed on evaluation chapter on every semester RKL/RPL report, for examples evaluation for RKL/RPL report 2nd semester 2018 report shown that company have managed all potentials impact causes by operational activities including replantings. Results of monitoring for environmental management plan done by PT ADEI and PT SWP also shown that company has monitored all potentials impact by mill and plantation activities for examples related surface water quality (still comply with standard), pome (still comply with standard), air ambient and emission (still comply with standard).

Status: Comply

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 SWP (ladang mutiara and KKPA sungai Buluh) shown HCV assessment conducted on 2011 by RSPO approved assessor. Based on this HCV indentifications, indicates there is no all HCV attributes presence on both ladang mutiara and KKPA sungai Buluh.

PT ADEI (KNT 1 and KNT 2) showed HCV assessment conducted in October 2011 by RSPO Approved Assessor. The identification were carried out using the Revised HCV Toolkit Indonesia 2008 guide. HCV assessment has been carried out by involving stakeholders on October 14th, 2011. These indentifications indicates there is HCV 1.4 & HCV 4 presence on KNT 1 covered for 34 ha areas. All of indicates HCV areas was mapped by 1:70000 scale and this HCV indentifications covered all estates/mill operational areas including surrounding landscape and RTE species.

5.2.2 & 5.2.3

HCV identification results explain there is an RTE species according IUCN-Redlist for examples : *Batagur baska* and *Tomistoma schlegelli*. PT. ADEI has established HCV management plan 2018-2020 that includes appropriate management and monitoring to maintain HCV attributes and RTE species. The management plan has contain type of activities, timeline, PIC and location.

Related to RTE species, company had RTE species protections procedures, listed on sustaonability procedures SOP 22 on 2017 stated that all workers including contractors are not allowed to hunt, to raise, and killed all RTE species. To provide protection against those RTE species, management unit has made the hunting ban signboard, regular patrols, rehabilitation of riparian as habitat and report to relevant agencies (Nature Conservation Agency). Company also conduct regular inspection for HCV/RTE species protection based on management plan every one month, last inspection was done on February 2019, and indicates there is no wild hunting and no wild animal traps presence on PT ADEI HCV areas.

Evidence for workforce educations related to RTE species are available and verified by auditors team, for examples on

November 2018 for KNT1 and KNT2 workers and for PT SWP workers was conducted on August 2018. Housing visit on KNT and ladang mutiara estates found there is no RTE / wild species reared by workers and based on interview with workers and housing residence shown that workers have aware regarding RTE and wild species protection polucy by company.

5.2.4

Certificate holders has established HCV management plan 2018-2020, and implemented it well. Regularly inspection (monthly basis) for examples on March 2019 record shown company has been monitored illegal hunting, wild species presence, and other illegal activities. All of records for monthly patrols on each estate are available and verified by auditors. For example patrols summary results for February 2019 on KNT 1 found *varanus salvator* and kingfisher, meanwhile wild species trap is not presence. The result of monitoring also reported to government institution every six month listed on RKL/RPL report. Company has evaluate the monitoring result of HCV areas for 2018, as the results of monitoring 2018 output, company has plan feed back into the management plan 2019 for examples painting and renewing HCV signboard on each HCV areas on PT ADEI and PT SWP.

Meanwhile for HCV are enrichment or species habitat enhancement, company also has conduct revegetation for examples on Telayap riparian with pulai trees or *Alstonia scholaris* during 2016-2018.

5.2.5

Results of documents verifications, field visits and interviews with Telayap villagers obtained information that there is no areas of HCV-related and affect to the local community on KNT 1, KNT 2, PT SWP (Ladang mutiara), and KKPA Sungai Buluh.

Status: Comply

5.3

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

5.3.1

All waste products and sources of pollution have been identified and documented in waste management and identificatidocument.

Based on field visit and document review shown company have implemented waste management based on waste identification source and management plan for examples are :

- Estates, waste source : chemist activities, waste type : ex pesticides containers (toxic and hazardous waste), managed by stored in optimalization store and sent to related transporters
- Mill, waste source : FFB process, waste type : shell and fiber (non toxic/hazardous waste), managed by renewable energy usage for boiler
- Mill, waste source : FFB process, waste type : palm oil mill effluent, managed by effluent pond and land applications as nutrient cycle
- Estates, waste source : pruning activities, waste type : oil palm frond (organic waste), managed by frond stacking

5.3.2

Based on document review and interview with management, shown all ex pesticide containers on estates and other hazardous waste are managed by rinse on pesticides mixing store and regular submitted to related vendors i.e PT Primanru Jaya.

Document review shown that company has disposed all toxic and hazardous waste to PT Primanru Jaya (licensed collector by decree of national environmental minister) on March 2019, for examples manifest BC0047623 for ladang mutiara for 544 kg ex agrochemical / contaminated containers. Observation during audits at Nilo POM 2 and ladang mutiara temporary hazardous store also shown that all current hazardous waste that stored are compliant with the periods in permit.

Inventory for all chemicals usage and its containers are available on chemicals storehouse / temporary hazardous storage. All ex chemicals containers were kept on temporary hazardous waste store, and company has a permit for

all hazardous and toxic waste storage issued by Pelalawan related agency.

5.3.3

PT ADEI and PT SWP and KKPA has implemented waste management /utilization based on management plan. Field visit to Nilo POM 2 shown that palm oil mil effluent are managed on effluent pond before its distributed as land application on KNT 2 esstate; Fiber and shell has been utilized as a boiler fuel and has been monitored, housing trash has been collected in the garbage then disposed to the landfill area. Field visit on land application activities on KNT-2 shown that company has utilized POME as nutrient cycle based on permit which it belongs.

Related to domestic waste, field visit on KNT and ladang mutiara housing found that All settlements waste are not disposed off using open fire and companies managed settlements/housing domestic waste by provide landfill on each estate.

Status: Comply

5.4

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

5.4.1

Nilo POM 2 shown commitment to reducing fossil fuel by renewable energy usage such as shell and fiber as boiler fuel for substitute diesel fuel by generator. Shell and fiber usage have been monitored per month and realization of fossil fuel usage, for examples during December 2018 are 11924 litre.

During Jan-Dec 2018, fiber and shell usage for boiler resulting average energy efficiency for electricity grid generated by renewable energy (boiler) are 112.38 kWh/mt CPO produced, and for diesel fuel (used by generator) are 7.38 litre/mt CPO produced.

Furthermore, as fossil fuel usage reducing plan on PT SWP, ladang mutiara and each cooperatives also have monitored direct fossil fuel usages estimation for FFB transport per month, for examples diesel fuel usages per tonne FFB produced on Dec 2018 for Sungai Buluh and ladang resepectively are 3.77 litre/mt FFB produced and 3.66 litre/mt FFB produced.

Status: Comply

5.5

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

5.5.1 & 5.5.2

Zero burning activities for land preparation are listed on land preparation procedures No 9/2018 and Group Sustainability policy on 2018 related zero buring activities on land preparation.

Document review and field verification on KNT 1 and KNT 2 shown that replanting activities was conducted by zero burning activities. Document review for replanting working agreeemnt letter for examples SPK No Adei-KNT/SPPB/140/2018 between PT ADEI and PT Indotama Jaya Mas on 2018 shown that article 5 clearly mentioned that all contractor are not allowed to conduct land preparation by open fire methods.

Status: Comply

5.6

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

5.6.1 & 5.6.2

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. 2nd Semester 2018 testing result indicates all parameters related to emission are still comply with standard quality for examples Nilo POM 2 boiler opacity are 10 %.

All waste including emissions and pollutions sources from Mill and estate included KKPA sungai Buluh are identified and recorded on GHG mitigation document. This document informed e.g : greenhouse gases produced and mitigations plans such as new planting and replanting activities (CO₂, & N₂O), and renewable fuels used (SO₂ & NO₂).

Fossil fuel reducing have been implemented by fiber and shell usage. Realization of renewable energy have been monitored on monthly report for fiber and shell usage. Waste water has been monitored every months and monitoring periods Jan-Dec 2018 sighted that all of waste water testing parameters are still compliant to the standards quality.

5.6.3

Nilo POM 2 conduct GHG calculation and its monitoring using RSPO palm GHG calculator V3.0.1. Summary of GHG emission for Nilo POM 2 for periods Oct 2017 - Sept 2018 are listed as follows :

Summary of Net GHG Emissions

Emissions per Product	tCO ₂ e/t Product
CPO	11.34
PK	11.34

Production	ton/year
FFB processed	110085.75
CPO produced	23768.98

Land Use	Ha
OP planted area	8761.20*
OP planted on peat	2171*
Conservation	179*

*planted areas are based areas statement periods Sept 2018 and conservation areas are included non HCV conservation areas. Therefore there is a difference with current (2019) statement areas due to replanting activities

Extraction	%
OER	21.59
KER	5.31

Summary of Field Emissions and Sinks

Description	Own Crop			Group		
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e
Land Conversion	36.27	2.03	0.13	947.74	0.77	0.05
*CO ₂ Emissions from Fertilizer	1930.83	0.43	0.03	934.71	0.76	0.05
**N ₂ O Emissions	29200.33	6.02	0.38	9858.38	8.05	0.053
Fuel Consumption	373.16	0.06	0	181.73	0.15	0.01
Peat Oxidation	185302.04	40.4	2.52	66885	54.6	3.57
Sinks						
Crop Sequestration	-30173.58	-6.84	-0.43	-11468.12	-9.36	-0.61
Conservation Sequestration	0	0	0	0	0	0
Total	196669.05	42.11	2.62	67339.44	54.97	3.59

Summary Oil Mill Emissions and Credits

Remarks	tCO ₂ e	tCO ₂ e/t FFB

Emissions sources		
POME	23337.25	0.21
Fuel consumption	9.65	
Grid electricity	0	0
Credits	0	0
Export of grid electricity (housig)	0	0
Sales of PKS	0	0
Sales of EFB	-2140.73	-0.02
Total	21206.17	0.19

Palm Oil Mill Effluent (POME) Treatment

Divert to compst (%)	0
Divert to anaerobic digestion (%)	100

POME Divert to Anaerobic Digestion

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

Based on document review for examples : pesticides usages monitoring, diesel fuel monitoring, HCV identification and etc found that accurate data has been put into the RSPO palm GHG Calculator. Meanwhile this GHG calculation using options No 1 (apply full version).

GHG calculation on 2018 shown net emission of GHG for NPOM 2 are decreasing compared to 2017 net GHG (18.06 tCO₂e/t Product vs 11.34 tCO₂e/t Product), this indicates company has implemented well plan to reduce emission.

Status: Comply

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

The company has conducted a well-documented social impact analysis in the following documents:

- AMDAL Document for Oil Palm Plantation and Plantation Activities in Pelalawan District, which was approved by letter from Pelalawan Regent No. 660 / Bapedalda / 2006/1328, dated October 17, 2006, the scope of PT ADEI. The important social impacts that are managed and monitored are open employment and business opportunities (measures of the impact of the number of local residents absorbed, business opportunities and welfare levels) and the emergence of community perceptions (the measure of impact is community perceptions of plantation activities and company presence, number of people who restless due to plantation activities, social turmoil and conflicts with the community)
- Environmental and Social Impact Analysis From Replanting (replanting) Activities of PT Adei Plantation and Industry, approved by the Chairman of PT Ade Plantation and Industry in May 2015. The social impacts managed and monitored are open employment opportunities and public perceptions. Note: Analysis is carried out by the Internal Company (Andria, Sanusi, Hendra Rizki Hadi, and Budiman Simajuntak). Mr. Andria has experience related to AMDAL, RKL / RPL and the environment.
- The SIA document was carried out on November 1 - 10, 2011 and the report was published in January 2012. The

SIA was implemented and prepared by AKSENTA.

- AMDAL Document for Oil Palm Plantation and Plantation Activities in Pelalawan District, which was approved by letter from the District Head of Pelalawan No. 660 / Bapedalda / 2006/1327, October 17, 2006, the scope of PT SWP (including KKPA S. Buluh, KKPA SP1 and KKPA SP2). The important social impacts that are managed and monitored are open employment and business opportunities (measures of the impact of the number of local residents absorbed, business opportunities and welfare levels) and the emergence of community perceptions (the measure of impact is community perceptions of plantation activities and company presence, number restless due to garden activities, social turmoil and conflicts with the community).

6.1.2

PT Adei Plantation

Based on the results of the SIA document review, the assessment has involved consultation with the affected parties, affected parties and records including the affected parties. The affected parties expressed their opinions through the Focus Group Discussion and In-depth Interview. In the document attachment, evidence of participatory activities has been shown, including:

- Minutes of FGD with internal and external stakeholders, documentation and attendance for each FGD. The internal FGD was conducted 2 x, with 8 estate employees present and 13 PKS employees present. External FGD was conducted in Telayap Village and attended by 16 residents, Batang Nilo Kecil Village, attended by 7 people.
- Photos of the activities of opening, closing, FGD, interviews and field observations
- In addition to conducting FGD, In-depth Interview was also conducted.
- List of resource persons as many as 118 people.

PT SWP

Based on the results of the SIA study document included in the AMDAL, it can be shown that the social impact study conducted by the company has been carried out in a participatory manner involving the affected villagers. In the document, it can be shown that there is documentation of the process of collecting aspirations. The opinion of the surrounding community is by conducting a Forum Group Discussion (FGD) and being attended by each representative from the surrounding village, including:

- Minutes of FGD with internal and external stakeholders, documentation and attendance of 25 people
- Photos of the activities of opening, closing, FGD, interviews and field observations
- In addition to conducting FGD, In-depth Interview was also conducted.
- List of resource persons as many as 63 people.

6.1.3, 6.1.4 & 6.1.5

The company in preparing the management program and social monitoring has determined the person in charge, the duration of the activity, and documentation of all activities carried out. all management activities and social monitoring carried out by the company are listed in the second semester of the RKL-RPL report in 2018 and there is also documentation of activities that have been carried out including:

- Socialization of Corporate Policy, HCV, prohibition on burning, complaints mechanism, information disclosure, and employee recruitment system on December 19, 2018 which was attended by 30 participants consisting of the surrounding community and village apparatus.
- Socialization of Corporate Policy, HCV, prohibition on burning, complaints mechanism, information disclosure, and employee recruitment system on December 27, 2018 which was attended by 68 participants.
- Socialization and evaluation of management plans and annual social monitoring activities for surrounding villagers in December 2018 through the submission of questionnaires to the community to find out the social developments that have occurred over the past year.
- Report on the realization of CSR activities in 2018.
- Making plans for CSR activities in 2019
- In carrying out mitigation activities against the social impacts that exist within the plasma farmers, one of the efforts made by the company is to place each PIC (assistant) in providing guidance / socialization / mediation to the plasma farmers in each Cooperative.

The company conducts evaluation / review of management plans and social monitoring every once a year. The last

evaluation was carried out in December 2018 for the preparation of the management program and social monitoring in 2019. In conducting evaluations, the company carried out socialization activities and gave questionnaires to the surrounding village community to be able to participate in the activities. This evaluation was carried out in the villages affected by plantation operations and factories, including Telayap, Batang Nilo Kecil, Kemang, Palas and Sungai Buluh Villages with a total of 29 respondents. Based on the results of a review of the management plan and social monitoring of the previous year (2018), it is known that the plan is still very relevant to be carried out again in 2019 and is said to be still very relevant to the current social developments.

Non-conformity No. 2019.01 with Minor category

Evidence observed (filled by auditor):

Based on the results of document studies and interviews with PT Adei Plantation & Industry union officials, it was found that there were cases of industrial relations disputes between the company and employees in 2018 and there were still disputes that were still in process. But the results of the evaluation of the management plan and monitoring of social affairs in 2019 have not covered the issue.

Non-Conformance Description (filled by auditor):

The company has not been able to show evidence that the 2-year evaluation of the management plan and monitor social has covered all issues of social internal / external and carried out in a participatory manner from all affected parties.

6.1.4	Status: Non-conformity No. 2019.01 with Minor category
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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 & 6.2.3

The company has a list of stakeholders that are always updated every year, in the list of stakeholders is divided into each category, namely, institutions / legal entities, surrounding communities / community leaders, surrounding villages, workers' organizations, suppliers, contractors, NGOs, buyers and others. The company also has an SOP on Requests and Information Giving and Complaints and Communication and Complaints submitted by the Director on 10 August 2017. The SOP explains several things, including:

- Explain the PIC responsible
- Stages for communicating and consulting with companies
- Ways to communicate can be through letters from stakeholders and recorded in the logbook
- Communicate and consult with stakeholders at least once a year.

Stakeholders understand the communication and consultation procedures along with the officers responsible for this. Based on the results of interviews with surrounding villagers it is known that the officers responsible for conducting communication and consulting activities are part of the company's public relations. In addition, communication between the company and the community has been running quite well so far.

The company has also carried out socialization activities related to the procedure so that the relevant stakeholders can understand the procedures that are owned. One of the socialization that has been done is:

- Socialization of KLK Policy, HCV, zero burning policy, Complaints, Information Giving Mechanism, Consultation, and Information on Recruitment of workers (job openings) on 19 December 2018 to surrounding villages and related stakeholders such as Village of Sungai Buluh, Telayap, Batang Nilo Kecil, Kemang, Palas, member of Cooperative SP-1, member of Cooperative SP-2, and labor union party. Participants who attended the socialization were 30 participants.

Based on the results of interviews with the surrounding village community, it is known that the community knows about the communication and consultation procedures owned by the company, one way is by sending a letter to the company which will later be recorded and acted upon. So far, the community feels that there are no problems in the communication and consultation procedures that the company has.

<p>The company has logbook to record the incoming mail and response, such as there is a letter from Sungai Buluh Head of Village in 30 November 2018 and already response in the same day.</p>	
<p>Status: Comply</p>	
<p>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.</p>	
<p>6.3.1 & 6.3.2 The company has a grievance mechanism described in the SOP on Requests and Information Giving and Complaints and Communication and Complaints submitted by the Director on 10 August 2017. This SOP describes the types of complaints submitted, for example: work conditions and conditions, OHS, violence and discrimination, abuse and abuse of authority. These complaints can be channeled / delivered / recorded through the media or the designated PIC, namely:</p> <ul style="list-style-type: none"> • Logbook complaints • “Ketua RT” (housing supervisor)/foreman • Suggestion Box • Gender Committee • Labor union • Hotline / Email <p>This procedure also explain how to resolve the complaint and grievance which consist of investigation of complaint, response the complaint or facilitate with third party. The officer responsible for documenting complaints and complaints is the manager, Assistant and foreman.</p> <p>Based on the results of the document review, it was found that there were no complaints from the surrounding village community, whereas for workers there were complaints that were recorded and documented in the logbook of complaints related to housing damage.</p>	
<p>Status: Comply</p>	
<p>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.</p>	
<p>6.4.1, 6.4.2 and 6.4.3 The certificate holder has had a procedure for identifying legal, customary or user rights, and for identifying people entitled to compensation in “SOP No 5 about Land Acquisition”, who explains the procedure for land acquisition that include identification of land ownership by third parties including communities, custom rights and other land use.</p> <p>CH has had the concession since 1994 and the last compensation is made on 2013. From interviews with the local communities is also known there are no new land clearing and land acquisition in period 2018 to 2019. For the documented evidence of land compensation is stored by Public Relation department.</p>	
<p>Status: Comply</p>	
<p>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.</p>	
<p>6.5.1, 6.5.2, 6.5.3 & 6.5.4 PT Adei Plantation & Industry has a Collective Labor Agreement (PKB) document between PT. ADEI Plantation & Industry with 3 trade unions (PK SB SI 1992, PUK SPPP All Indonesian Workers Union and SBSI Hukatan PK) in 2015 - 2017. The Collective Labor Agreement was approved by the Head of the Pelalawan District Manpower and Transmigration Office on 1 October 2015 and valid for 2 years from the date of stipulation. After the validity period of the PKB expires, it can be extended for a period of 1 year and if after the extension period ends the new Collective Labor Agreement has not been validated, the previous PKB is still a reference for employment in the company. In the</p>	

Collective Labor Agreement also explained about Employee Relations, Worker Status, Wages, Deposits and Position, Wage Increase, Working Days, Working Hours, Social Security / Welfare (BPJS), Overtime Work, Pregnancy / Childbirth Leave, Protection, Equipment, Occupational Safety and Health , etc.

Based on the results of interviews with the labor unions, it is known that currently the preparation related to the new Collective Labor Agreement period is still in the process of negotiations between the company and the union. If an agreement has taken place, final preparations and records will be made to the relevant agencies.

PT Steelindo Wahana Perkasa has a Company Regulation that has been approved by the Head of the Pelalawan District Manpower and Transmigration Office based on the number of KPTS.560 / DTKT-HS / PP / 84 dated 24 April 2018 which is valid from 01 July 2018 to 30 June 2019. Some things that are regulated in the company include: employee acceptance, worker status, wages, dependents, positions, wage increases, fines, losses, deductions from wages, official travel expenses, working days / hours, overtime work, care, childbirth, benefits accidents / death, wages during illness, wages during detention by the authorities, family planning programs, holiday allowances, bonuses, sago liver, employee cooperatives, unions, leave, work safety, environment, provisions for transfer, order, prohibition , disciplinary violations, termination of employment, provision of severance pay, settlement of complaints, obligations of workers, work experience certificate, age limit to stop working, and the period of validity of company regulations.

Based on the results of interviews with the workers' union, it is known that the minimum wage for the 2019 period has not been ratified by the Governor so that the company still uses the minimum wage in 2018. However, if the minimum wage is ratified then the company will pay a minimum wage payment since January 2019 This has been done every year because the company and trade unions agreed to use the Sectoral Plantation Minimum Wage (UMSP) for the basis of the minimum wage in the company. The harvester is work based on target, interview with harvester known that for old oil palm the target is achieved after 5 working hours.

Based on the results of interviews with harvest workers, spraying, fertilizers and factory operators, it is known that the company has provided wages in accordance with the determination of the minimum wage set by the government and overtime payments have also been in accordance with applicable regulations. This also confirm during document review of pay slip. The harvester is work based on target, interview with harvester known that for old oil palm the target is achieved after 5 working hours.

Field visit in KKPA found that all workers has contract with the cooperative and the workers didn't bring their family to the field. Based on interview with KKPA workers and field visit known that KKPA has provide toilets for all workers and their family. The condition of facilities is adequate.

The company has welfare facilities provided free of charge to workers. These facilities include housing, elementary school, junior high school, high school, clinic, ambulance, school bus, church, mosque, prayer room, soccer field, badminton and other public facilities. In terms of electricity availability, now all housing facilities have been provided by the "PLN" and the company also provides subsidies every month to workers.

Based on the results of field observations, it is known that the company has provided facilities and infrastructure for decent and adequate workers. Housing is in good condition, electricity comes from PLN, and water comes from bore wells. For consumption water, workers buy bottled water sold at Nilo Mart at affordable prices. In addition, the company also provides child care, school buses, elementary, junior high schools and senior high school. When observing, it was known that the company was building a high school so that employee children could study around the plantation area for elementary-high school level at the Nilo Complex. In addition, there are also clinics that provide class 1 health facilities (health facilities class 1) equipped with medical doctors and nurses.

Based on the results of observations and interviews with residents of the house, it is known that the company gives permission / freedom to sell basic needs in the housing complex. In addition, the distance of housing to the nearest market ranges from ± 5 km. There are also many traders who enter residential areas to sell basic necessities, so far the workers have never experienced difficulties in obtaining basic necessities and food sources during their stay in the house.

	Status: Comply	
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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 & 6.6.2
 The company has shown trade union related company policies such as:

- Circular Regional Director of PT. ADEI Plantation & Industry on October 1, 2011. The policy reads: "The company gives freedom to workers to organize legally according to the applicable law".
- Collective Labor Agreement Article 4 concerning Recognition of Companies and Labor Unions. In the article it is written that "the company recognizes that workers / laborers have the right to become or not become members of labor unions".

Companies can show evidence of meetings between trade unions and companies to discuss labor issues that occur in the work environment. These meetings include:

- Meeting on 01 March 2019 which was attended by 16 participants and discussed the draft PKB for the new period. In the minutes stated that at the meeting the company and trade unions jointly discussed the points per point listed in the new Collective Labor Agreement draft.
- Meeting on 24 January 2019 which was attended by 16 participants and discussed the draft PKB for the new period. In the minutes stated that at the meeting the company and trade unions jointly discussed article 35 to article 39 listed in the new draft Collective Labor Agreement.
- Meeting on 17 January 2019 which was attended by 16 participants and discussed the draft PKB for the new period. In the minutes it was stated that during the meeting the company and trade unions jointly discussed article 27 to article 30 listed in the new draft Collective Labor Agreement.

Based on the results of interviews with labor union officials it is known that in the selection / formation of labor union administrators carried out independently by workers and there was no intervention from the company. In addition, the company has always given workers the freedom to join the union and there is no coercion in this matter.

	Status: comply	
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6.7
Children are not employed or exploited.

6.7.1
 The company has a policy on worker age requirements that was approved by the Managing Director on 01 August 2013. This policy explains that the company is committed not to employ children under the age of 18. In addition, the company has a Recruitment Procedure (Employee Admission) (KLKA / CP-HR / 001) Revision 1 on 18 April 2011. In general, the procedure includes: Requests for new workers, the selection process, placement, probation and appointment / termination of employment, signing of a work agreement and appointment of workers.

Based on the results of the workers' list document study, it was found that there were no workers who entered work at the age of under 18, the age of the youngest worker at the time of starting work at the company was workers aged 18 years. This is in line with the results of interviews with harvest, spray, fertilizer and plant operator's workers who stated that so far there were no workers under the age of 18 working because the company had a policy of prohibiting the employment of underage workers.

	Status: comply	
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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 & 6.8.2
 The Company has a Policy on Opportunities and Similar Treatment in Job Opportunities dated October 1, 2011 which was signed by Director (Tan Kei Yoong) which contains that the Company is always fair and gives equal treatment without discriminating on race, ethnicity, caste, nationality, religion, gender, sexual orientation and union membership. In addition, also in the KLK Group's sustainability policy, point 3.2.ix stated that the group and its suppliers / contractors

must guarantee equal opportunities at work.

Based on the results of a study of the workers' list document, it is known that all workers working in the company come from various regions, religions and tribes including the Javanese, Batak, Melayu, and Sundanese. In addition there are also workers who are Muslims, Christians, Hindus and others so that there is no discrimination that occurs in the work environment of the company. This is in line with the results of interviews with harvest, fertilizer, spray and factory operators who stated that the provision of equal employment opportunities based on expertise and reliability by the company has caused no discrimination in the work environment.

6.8.3

The results of interviews with workers, labor union and gender committees known that in the recruitment process there are several requirements that must be met, such as identity cards, CV, family card, health examination results, etc. In addition, workers are also given training related to their job description to improve skills / expertise of workers. So that workers who are appointed or recruited indeed have the skills / abilities in accordance with their job description. For example: Employee acceptance letter as permanent employee with letter No. SKPT/LKL//2018/057 dated 21 September, 2018. There are file personnel such as ID cards, CV, health checks etc.

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

PT KLK Group has a policy on Sexual Harassment and Violence signed by Tan Kei Yoong on October 1, 2011 which must be carried out by all of its subsidiaries, namely:

- The company has no tolerance for sexual harassment and violence against women in the workplace.
- Sexual acts and violence are serious mistakes so that the company will give firm action to the perpetrators.
- Management must set an example and be responsible as an example and prevent sexual harassment and violence.

In the KLK Group sustainability policy, point 3.2.XI states that the group and its suppliers / contractors will not tolerate any form of harassment or violence. The company has also conducted socialization using policy warnings found in several estate and division offices, in addition the company also conducts direct socialization to workers and their families through gender committee activities.

The Company has a policy of Protection of Women's Reproductive Rights signed by the Regional Director, dated October 1, 2011:

- The Company will comply with all legal and regulatory requirements relating to the reproductive rights of women.
- Gender Committee will be established to implement and monitor this policy. The results of field visits at the clinic also found policies and procedures regarding the leave application related to reproductive rights.

The company has a gender committee work program in 2019 as a reference for carrying out activities for one year. The activities listed in the program are the implementation of routine mutual cooperation, visits / socialization at TPA, routine posyandu, activities for housewives, socialization of company policies, hygiene and other socialization.

6.9.3

The company has a grievance mechanism explained in the SOP on Requests and Information Giving and Communication and Submission of Complaints authorized by the Director on August 10, 2017. This SOP describes the types of complaints submitted, for example: working conditions, K3, violence and discrimination, harassment and abuse of authority.

Complaints of Workers are recorded / recorded in the Complaint Log Book and Stakeholder Logbook Form. For stakeholder logbook forms provide information about the names of stakeholders, stakeholder complaints, plans and realization of improvements from the company, as well as the signatures of both parties.

The results of the study of the Grievance Log Book document and the Stakeholder Logbook Form note that during the 2018 - 2019 there were no complaints coming from both employees and stakeholders.

The routine gender committee activity is socialization on sexual harassment and submission mechanism if there is a sexual harassment. The interview result with women worker shows that the worker has understood the existence of gender committee and the policy regarding women right protection. The administrator of gender committee also stated that the company guarantees the anonymity of the reporting and the revealer of the case.

Status: Comply

6.10

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

6.10.1, 6.10.2, 6.10.3 and 6.10.4

Company are receives FFB from Cooperative of Terantang Jaya Mandiri, the FFB price document mechanism referring to the FFB pricing letter every 1 week from the Plantation Agency of Riau Province. List of prices will be announced publicly every week.

The payment of FFB has been made in a timely manner and in accordance with the pricing provisions of the Plantation Agency. For example the pricing of the period 13-19 March 2019, the price of FFB for the 10 – 20 years old oil palm is Rp. 1.523,13/Kg.

Based on the results of a review of the February 2019 FFB payment document, it is known that the payment made is in accordance with the specified time period and the payment amount is in accordance with the price set by the Plantation Agency. Based on interview with smallholders known that they already aware about the agreement and know about the price which using in certain period.

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1 & 6.11.2

The company has a program to improve the quality of life and the local environment. This, as stated in the Corporate Social Responsibility (CSR) Program of 2018 and 2019, which was prepared in a participatory manner with the community was invited by the meeting on December 2018, and the questionnaire evoked a social management and monitoring plan. The contribution that based on community needs such as scholarship, provide seed of oil palm, provide heavy equipment to conduct replanting in community plantation.

The company also participates in improving the welfare of the community around the plantation by build smallholder plantation of Cooperative of Terantang Jaya Mandiri. Besides that, the company committed to use local labor, local contractors, and committing to local purchases according to community capabilities.

Development of smallholder cooperatives is carried out through among others establish fertilizer recommendations for maintenance activities, help provide fertilizers and pesticides, facility of management with the foreman and field assistant to supervise the practice of cultivation.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1, 6.12.2 & 6.12.3

The company has a sustainability policy owned by the company, point 3.2.i stated that the group and its suppliers / contractors will not employ or support the use of forced labor or human trafficking and will take appropriate measures to prevent the use of such labor.

Based on the results of a review of work contract documents and a list of workers it is known that there were no foreign workers working at the level of the executive workers up to assistant positions. Foreign workers only exist at the top

management level. In addition, there are also no workers from trade or illegal workers because all workers have work ties with the company.

Based on the results of interviews with harvest, fertilizer, spray workers and factory operators it is known that so far there has been no use of forced labor, child labor, or family members who assist employees. All workers have work ties with the company. Interview with workers know that there is no any indication of force labour. All workers is free to resign if they want and mostly workers has been work for twenty years.

Status: Comply

**6.13
Growers and millers respect human rights**

6.13.1

The company has a policy on human rights listed in the KLK Group sustainability policy which was approved by the Chief Executive Officer on December 1, 2014. Point 3.1 states that KLK and all of its subsidiaries recognize the individual dignity inherent in everyone and support the UN's universal human rights declaration.

Based on the results of interviews with harvest, fertilizer and spray workers, it is known that there have never been cases of human rights violations that occurred within the scope of the company's operations. This is in line with the results of interviews with surrounding villagers who stated that there had never been cases related to human rights violations that occurred around or within the operational scope of the company.

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 & 7.1.3

The results of document studies, field visits and interviews revealed that since the 2015 activities up to the current activities, the company did not conduct new land clearing activities or development of operational areas. The distribution of planting years in the operational area consisted of 1992, 1998, 1999, 2000, 2001, 2002, 2003 and 2015. The planting years of 2015 and 2016 were replanting activities.

Analysis of environmental impacts and identification of social impacts for existing plantations have been described in indicators 5.1 and 5.2

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; 7.2.2

The results of document inspection, field visits and interviews with officers are known, that the company does not carry out new land clearing activities or development of operational areas. The year of planting in the operational area consisted of 2000, 2001, 2002, 2003, 2004, 2015, 2016, and 2017. The 2015, 2016, and 2017-2018 planting years were replanting.

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

PT SWP (ladang mutiara) and KKPA Sungai Buluh are performed land clearing after Nov 2005 without preceded by HCV identifications. PT SWP (ladang mutiara) has undertaken LUCA and disclosure of liability on March 2017, meanwhile KKPA Sungai Buluh has undertaken LUCA and disclosure of liability on May 2017. As a result RSPO has approved and announced that both Ladang Mutiara and KKPA Sungai Buluh have zero liability disclosure on December 2017.

7.3.3

Based on LUCA document review and interview with management shown that initial land preparation and land clearing for Ladang mutiara & KKPA Sungai Buluh was done since year end of 2004 until 2008. Since ASA-1 until ASA-4, KNT 1, KNT 2, Ladang Mutiara, and KKPA Sungai Buluh did not expand or develop new operational areas.

7.3.4 & 7.3.5

Since ASA-1 until ASA-4, KNT 1, KNT 2, Ladang Mutiara, and KKPA Sungai Buluh did not expand or develop any new operational areas, therefore HCV identifications and management plan are covered on current document see indicator 5.2.

Status: Comply

7.4

Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.

7.4.1; 7.4.2

The results of document inspection, field visits and interviews with officers are known, that the company does not carry out new land clearing activities or development of operational areas. The year of planting in the operational area consisted of 2000, 2001, 2002, 2003, 2004, 2015, 2016, and 2017. The 2015, 2016, and 2017-2018 planting years were replanting.

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

The results of document inspection, field visits and interviews with officers are known, that the company does not carry out new land clearing activities or development of operational areas. The year of planting in the operational area consisted of 2000, 2001, 2002, 2003, 2004, 2015, 2016, and 2017. The 2015, 2016, and 2017-2018 planting years were replanting.

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.

Based on document review, field visits and interviews known that since the ASA-4 there are no new land clearing or new development in its operational area.

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 & 7.7.2

Since ASA-1 until ASA-4, KNT 1, KNT 2, Ladang Mutiara, and KKPA Sungai Buluh did not expand or develop any new operational areas. Current zero burning activities record and policy for replanting and land preparation were able to

seen on indicator 5.5.	
Status: Comply	
7.8	
New plantation developments are designed to minimise net greenhouse gas emissions.	
7.8.1 & 7.8.2	
PT ADEI, PT SWP and KKPA Sungai Buluh has not conduct any expansion and development of plantation area after Jan 1 st 2015. Existing GHG emission calculations result are able to seen on Indicator 5.6.3	
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.	
The company has conducted internal audit of sustainability scheme on 10 – 14 December 2018. Based on internal audit report, found some findings that has been closed through the management review on 10 January 2019.	
<p>Certification award</p> <ul style="list-style-type: none"> • NPOM 2 has awarded PROPER BIRU on 2017 – 2018. • NPOM 2 and it supply based has holding ISCC certificate. <p>The company has had action plan to improve the performance of each activities such as environmental, social, HCV and best practices. The company has calculated the decrease in peat soil (subsidence pole), with method is taking four the direction of the sample point on the pole, which is the calculation of the north, east and south direction. This aims to obtain a more accurate calculation of peatland reduction.</p>	
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>Facility had an agreement with PT. Kreasijaya Adhikarya Refinery certified RSPO Supply Chain (Certificate Number CU-RSPO SCC-845661 start date 15 September 2014) for CPO. They also had an agreement with Mandau KCP (certified RSPO Supply Chain Certificate Number CU-RSPO- SCC 847893 start date 18 August 2014) for Palm Kernel processing.</p> <p>Status: Comply</p>																
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>Nilo POM 2 received FFB from own estate (including from other estate under KLK Group) and smallholder that had agreement before. Based on document verification, mill received FFB from supplier below:</p> <table border="1"> <thead> <tr> <th>Mill</th> <th>Supplier</th> <th>Code</th> </tr> </thead> <tbody> <tr> <td rowspan="6">NPOM2</td> <td>KNT 1</td> <td>KLK252</td> </tr> <tr> <td>KNT 2</td> <td>KLK257</td> </tr> <tr> <td>Ladang Mutiara Estate (PT. Steelindo Wahana Perkasa)</td> <td>KLK510</td> </tr> <tr> <td>KKPA Sungai Buluh</td> <td>KLKA02</td> </tr> <tr> <td>KKPA SP1</td> <td>KLKA08</td> </tr> <tr> <td>KKPA SP2</td> <td>KLKA10</td> </tr> </tbody> </table> <p>Status: Comply</p>	Mill	Supplier	Code	NPOM2	KNT 1	KLK252	KNT 2	KLK257	Ladang Mutiara Estate (PT. Steelindo Wahana Perkasa)	KLK510	KKPA Sungai Buluh	KLKA02	KKPA SP1	KLKA08	KKPA SP2	KLKA10
Mill	Supplier	Code															
NPOM2	KNT 1	KLK252															
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	KKPA Sungai Buluh	KLKA02															
	KKPA SP1	KLKA08															
	KKPA SP2	KLKA10															
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>Nilo Palm Oil Mill 2 - PT ADEI Plantation & Industry, subsidiary of Kuala Lumpur Kepong Bhd has registered in RSPO membership 1-0014-04-000-00 since 16 May 2014.</p> <p>Nilo Palm Oil Mill 2 has been registered in IT platform palm trace RSPO https://palmtrace.rspo.org/web/rspo/member-directory which information as follows:</p> <ul style="list-style-type: none"> Member Name: Nilo Palm Oil Mill 2 - PT ADEI Plantation & Industry Account UID: RSPO_AC1000001448 Core Product: Palm Oil Member ID: RSPO_PO1000001418 Type of Business: Oil Mill <p>All transaction of certified product has been register in palmtrace, include credit. For period March 2018 to Feb 2019 there are 5,067 MT CSPO sold as credit.</p> <p>Status: Comply</p>																
5.1.4																	

Processing aids do not need to be included within an organization's scope of certification.	
Facility has had an agreement with bulking of PT. Kreasijaya Adhikarya Refinery and Mandau KCP.	
	Status: Comply
5.2	Supply chain model
5.2.1	
The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	
Until this re-certification audit, facility only using single supply chain model which is Mass Balance Model. However, for the next certification period facility want to implemented 2 module for mills which is Module D (Identity Preserved) and Module E (Mass Balance).	
	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.	
Until this re-certification audit, facility only using single supply chain model which is Mass Balance Model. However, for the next certification period facility want to implemented 2 module for mills which is Module D (Identity Preserved) and Module E (Mass Balance).	
	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.	
There is a change in the supply chain procedures since previous assessment. Facility still using SOP No.32 related to Supply Chain Documentation-Mass Balance Model dated August 10, 2017 in which it explains:	
<ul style="list-style-type: none"> • FFB suppliers come from internally and externally certified and non-certified • Documentation required by the mill, among others: records of FFB receipts and daily production, monthly summary records, CPO/PK shipment summary records, monthly and annual balance records • All records/documentations are kept for a minimum period of 10 years • Responsibilities of each key person include Manager, internal sustainability audit, marketing division • SCCS internal audit activities are conducted annually • Management review is conducted at least once a year • All complaints refer to SSOP No. 01 concerning Complaints Procedure on the revision date of the August 10, 2017 • Supply chain training is conducted at least once a year • FFB acceptance mechanism at security post and weigh stations • Listing of certified and non-certified FFB suppliers • The mill operates by applying SCCS MB • Sales and delivery mechanism. 	
They also had procedure of SCCS IP/SG implementation are describes in SOP 31 revision of 3 on 18 April 2018, explained in the section of definision that the use of these document is for IP/SG implementation, the document has contains all the requirements in the latest SCC standard and system (document which issued on 2017). The mechanism to switch from MB to IP is flushing the facilities with 1.5 volume of MB product with IP product. The flushing product is not claim as certified product. The mill is spare 1 storage to store the MB product.	
In the SOP has been describes regarding to the key personnel involves and responsible, namely:	
<ol style="list-style-type: none"> a. Mill manager: will guarantee the implementation and compliance to the SOP, monitoring the balance of certified products in palm trace and ensure that each contract has been announced to RSPO, communicate with CB if there is a change in supply chain model and reporting if there is over-production b. Dept of sustainability : is responsible for conducting an internal audit of the SCCS implementation on an annual basis and ensuring correction to nonconformities have been applied c. Marketing division : is responsible for issuing sales contracts, arranging shipments and making claims on non-conforming 	

product and accepting payment invoices, carrying out shipping announcements for each sales to RSPO

d. Assistant : is responsible for checking safety seals and ensuring availability of shipping documents

e. Weighbridge operator: responsible for ensuring all product shipping documents are complete (company name, estates name, ticket number, tonnage number etc.)

During the audit, NPOM 2 implemented Module E for mills (Mass Balance). But now they want to use both Module which is Module D for mills (Identity Preserved) and Module E for mills (Mass Balance). Mill will implemented IP. However, mill also can received uncertified FFB in case NPOM 1 being damaged or breakdown. NPOM 2 has provide 2 storage tank which is 5,000 MT per tank. One of the storage tank has been emptied and washed to preparing the IP system.

Moreover, facility has shown the evidence of annual supply chain refreshment training that held on 5 March 2019 with 9 participants who having responsibility in supply chain implementation such as mill manager, security officer in mill's gate, weighbridge operator, mill's administration clerk and sustainability staff). Based on interview with weighbridge operator known that the mill system has prepared to implement Module D – Identity Preserved and Module E – Mass Balance.

Status: Comply

5.3.2

The site shall have a written procedure to conduct annual internal audit

The company has conducted internal audit of sustainability scheme including RSPO supply chain for mill on 10 – 14 December 2018. Based on internal audit report, found some findings that has been closed through the management review on 10 January 2019.

Status: Comply

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

Nilo POM 2 not purchased CSPO or CSPK

Status: Comply

5.4.2

The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents

Facility has had procedure for handling nonconforming palm product named Complaint Handling Procedure (*SOP No. 1 Prosedur Penyampaian Pengaduan/Keluhan*). However, Nilo POM 2 not purchased CSPO or CSPK.

Status: Comply

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.

Facility outsourcing their physical handling activity with third parties as follows:

- Transporting CPO/PK with PT Dongan Yakin Bersama and PT. Dalan Yakin Bersama (annual contract valid from 1st January 2019 to 31 December 2019).
- CPO storage with PT Kreasijaya Adhikarya Refinery and PT Dumai Paricitra Abadi.
- Kernel crushing plant with Mandau KCP (under the same Kuala Lumpur Kepong management).

Through the document verification, field observation and interview with the local transporter has signed an agreement to share their information to the CB's regarding to RSPO standard.

Status: Comply

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. 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
In accordance with the third parties contract regarding to physical handling, the mill has been agreed to implementing supply chain standard. The third parties worker has been socialized regarding on this.
During the audit, auditor has observed and interviewed the local transporter which is informed that there are a contract between mill and transporter. The local transporter has agreed to share their information to the CB's regarding to RSPO standard.
Status: Comply
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.
Facility has record all of third parties organization that used to be a physical handling palm product of NILO POM 2. This document are completed with company name, phone number, email, marketing staff and others.
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 additional contractor.
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
Facility has documented all information of their palm oil products buyer. During the certification period, there was some palm product potential buyer as follows:
<ul style="list-style-type: none"> • CPO <ol style="list-style-type: none"> 1. PT Kreasi Jaya Abadi Bulking, located in District of Dumai, Province of Riau. 2. PT Intibenua Perkasatama, located in District of Medan, Province of North Sumatra. 3. PT Dumai Pricitra Abadi, located in District of Dumai, Province of Riau. 4. Neste Singapore PTE LC , located in Raffles City Tower, Singapore. • PK: PT. ADEI Plantation & Industry (Mandau KCP) located in Duri, Riau.
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
Facility has shown their transaction document that consist registration in IT platform. It also can be downloaded at RSPO palm trace. During the audit, auditor has verified the sales information in RSPO Palm Trace that informed there was some RSPO certified product sold. All certified product (CPO/PK) sold as other scheme (ISCC) and conventionally.
Status: Comply

5.7.2	
The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:	
<ul style="list-style-type: none"> 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. 	
Based on document verification, facility has documented record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. All of these transactions are recorded in the RSPO IT Platform. Based on interviews with related staff, obtained information that data related to sales was the authority of the Marketing Department at the Head Office in Jakarta.	
	Status: Comply
5.8	Training
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	
During the audit, facility has shown the evidence of annual supply chain refreshment training that held on 5 March 2019 with 9 participants who having responsibility in supply chain implementation such as mill manager, security officer in mill's gate, weighbridge operator, mill's administration clerk and sustainability staff).	
	Status: Comply
5.8.2	
Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed	
Based on interview and document verification, all personal who having responsibility and authority are able to demonstrate their competency regarding the implementation of supply chain. All FFB delivery note from certified source has stamped with "CERTIFIED" and noncertified stamped with "NONCERTIFIED". When in case Identity Preserved has accepted by RSPO, mill will no longer using "NONCERTIFIED" stamps.	
	Status: Comply
5.9	Record keeping
5.9.1	
The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these <u>RSPO Supply Chain Certification Standard requirements</u>	
Facility has been well maintained all record regarding to supply chain implementation (FFB receiving including its certified/non-certified sources, CPO/PK dispatch) in mass balance document.	
	Status: Comply
5.9.2	
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	
Based on document verification on supply chain procedure, retention time for all records and report regarding to supply chain are kept for 10 year. All of record and report kept in mill archive room (room number 6). Auditor has verify the document of supply chain such as FFB delivery note and weighbridge ticket on 17 March 2009 from Division 3.	

	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.																							
Facility estimated their palm product which is written in annex of recertification certificate and monitored in three-monthly bases. If any overproduction, facility will inform the CB to extend their volume.																							
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	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																							
Facility did not using conversion rate.																							
	Status: Comply																						
5.10.2																							
Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.																							
Facility did not using conversion rate.																							
	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.																							
Facility did not using logo.																							
	Status: Comply																						
5.12	Complaints																						
5.12.1																							
The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.																							
Based on SOP No.32 relates to Supply Chain Documentation-Mass Balance Model, all complaints refer to SSOP No. 01 concerning Complaints Procedure on the date of the August 10, 2017 (see criteria 6.3).																							
	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																							
In accordance with supply chain procedure, internal audit of supply chain conducted annually. Facility has held internal audit																							

supply chain on 10 – 14 December 2018 with some findings. Facility has showed management review that consist information such as findings, corrective action and preventive action.	
	Status: Comply
5.13.2 The input to management review shall include information on: <ul style="list-style-type: none"> • 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. 	
In accordance with supply chain procedure, internal audit of supply chain conducted annually. Facility has held internal audit supply chain on 10 – 14 December 2018 with some findings. Facility has showed management review that consist information such as findings, corrective action and preventive action.	
	Status: Comply
5.13.3 The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. 	
It documented in management review document as written in preventive action.	
	Status: Comply

3.2.2 (Module D) CPO Mills – Identity Preserved Requirements

Clause	Requirement																						
D1	Definition																						
D.1.1	<p>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from plantation/ estates that are certified against the RSP0 Principles and Criteria (RSP0 P&C), or against the Group Certification scheme. Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSP0 certified products. If a mill process certified and uncertified FFB without physically separating them, then only Module E is applicable.</p> <p>Until this re-certification audit, facility only using single supply chain model which is Mass Balance Model. However, for the next certification period facility want to implemented 2 module for mills which is Module D (Identity Preserved) and Module E (Mass Balance).</p> <p>Status: Comply</p>																						
D.2	Explanation																						
D.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 certification body (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 RSP0 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>Until this re-certification audit, facility only using single supply chain model which is Mass Balance Model. However, for the next certification period facility want to implemented 2 module for mills which is Module D (Identity Preserved) and Module E (Mass Balance).</p> <p>Facility estimated their palm product which is written in annex of recertification certificate and monitored in three-monthly bases. If any overproduction, facility will inform the CB to extend their volume.</p> <table border="1"> <thead> <tr> <th rowspan="2">Product</th> <th rowspan="2">Estimation of Certified Product (MT)</th> <th rowspan="2">Actual Production 12 Month before audit (March 2018 – February 2019 (MT)</th> <th colspan="2">Projected production of the next license period (MT)</th> </tr> <tr> <th>IP</th> <th>MB</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>73,297</td> <td>69,916</td> <td>90,464</td> <td>16,684</td> </tr> <tr> <td>CPO</td> <td>16,309</td> <td>15,252</td> <td>19,450</td> <td>3,432</td> </tr> <tr> <td>PK</td> <td>3,813*</td> <td>3,809</td> <td>4,523</td> <td>798</td> </tr> </tbody> </table> <p><i>Source: book keeping data 12 month before audit (March 2018 – February 2019)</i> <i>*During ASA-4 to RC there is an extension volume (PK) because the increase of production</i></p> <p>Status: Comply</p>	Product	Estimation of Certified Product (MT)	Actual Production 12 Month before audit (March 2018 – February 2019 (MT)	Projected production of the next license period (MT)		IP	MB	FFB	73,297	69,916	90,464	16,684	CPO	16,309	15,252	19,450	3,432	PK	3,813*	3,809	4,523	798
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PK	3,813*	3,809	4,523	798																			
D.2.2	<p>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSP0 supply chain managing organization (RSP0 IT platform).</p> <p>Nilo Palm Oil Mill 2 - PT ADEI Plantation & Industry, subsidiary of Kuala Lumpur Kepong Bhd has registered in RSP0 membership 1-0014-04-000-00 since 16 May 2014.</p> <p>Nilo Palm Oil Mill 2 has been registered in IT platform palm trace RSP0 https://palmtrace.rspo.org/web/rspo/member-directory which information as follows:</p>																						

- Member Name: Nilo Palm Oil Mill 2 - PT ADEI Plantation & Industry
- Account UID: RSPO_AC1000001448
- Core Product: Palm Oil
- Member ID: RSPO_PO1000001418
- Type of Business: Oil Mill

All transaction of certified product has been register in palmtrace, include credit. For period March 2018 to Feb 2019 there are 5,067 MT CSPO sold as credit.

Status: Comply

D.3 Documented procedures

D.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

- a. Complete and up to date procedures covering the implementation of all the elements in these requirements;**
- b. The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.**

There is a change in the supply chain procedures since previous assessment. Facility still using SOP No.32 related to Supply Chain Documentation-Mass Balance Model dated August 10, 2017 in which it explains:

- FFB suppliers come from internally and externally certified and non-certified
- Documentation required by the mill, among others: records of FFB receipts and daily production, monthly summary records, CPO/PK shipment summary records, monthly and annual balance records
- All records/documentations are kept for a minimum period of 10 years
- Responsibilities of each key person include Manager, internal sustainability audit, marketing division
- SCCS internal audit activities are conducted annually
- Management review is conducted at least once a year
- All complaints refer to SSOP No. 01 concerning Complaints Procedure on the revision date of the August 10, 2017
- Supply chain training is conducted at least once a year
- FFB acceptance mechanism at security post and weigh stations
- Listing of certified and non-certified FFB suppliers
- The mill operates by applying SCCS MB
- Sales and delivery mechanism.

They also had procedure of SCCS IP/SG implementation are describes in SOP 31 revision of 3 on 18 April 2018, explained in the section of definision that the use of these document is for IP/SG implementation, the document has contains all the requirements in the latest SCC standard and system (document which issued on 2017). The mechanism to switch from MB to IP is flushing the facilities with 1.5 volume of MB product with IP product. The flushing product is not claim as certified product. The mill is spare 1 storage to store the MB product.

In the SOP has been describes regarding to the key personnel involves and responsible, namely:

- a. Mill manager: will guarantee the implementation and compliance to the SOP, monitoring the balance of certified products in palm trace and ensure that each contract has been announced to RSPO, communicate with CB if there is a change in supply chain model and reporting if there is over-production
- b. Dept of sustainability : is responsible for conducting an internal audit of the SCCS implementation on an annual basis and ensuring correction to nonconformities have been applied
- c. Marketing division : is responsible for issuing sales contracts, arranging shipments and making claims on non-conforming product and accepting payment invoices, carrying out shipping announcements for each sales to RSPO
- d. Assistant : is responsible for checking safety seals and ensuring availability of shipping documents
- e. Weighbridge operator: responsible for ensuring all product shipping documents are complete (company name, estates name, ticket number, tonnage number etc.)

During the audit, NPOM 2 implemented Module E for mills (Mass Balance). But now they want to use both Module which is Module D for mills (Identity Preserved) and Module E for mills (Mass Balance). Mill will implemented IP. However, mill also can received uncertified FFB in case NPOM 1 being damaged or breakdown. NPOM 2 has provide 2 storage tank which is 5,000 MT per tank. One of the storage tank has been emptied and washed to preparing the IP system.

Moreover, facility has shown the evidence of annual supply chain refreshment training that held on 5 March 2019 with 9 participants who having responsibility in supply chain implementation such as mill manager, security officer in mill's gate, weighbridge operator, mill's administration clerk and sustainability staff). Based on interview with weighbridge operator known that the mill system has prepared to implement Module D – Identity Preserved and Module E – Mass Balance.

Status: Comply

D.3.2

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

In the supply chain documentation procedure for IP / SG document number SOP 31, section 6 describes regarding to mechanism of the reception of FFB at the security station and the weighbridge station, explained that the seal checks and ensures the delivery documents are carried out at the security station, if there are sources of FFB from non-certified sources, then the FFB will not be accepted by Nilo POM2. The mill management will approve all FFB suppliers to ascertain whether they are certified or not through the RSPO website and ensure the RSPO certificate for new suppliers. Delivery notes from certified outside suppliers must display the company name, estate name, ticket number, tonnage number, RSPO certificate number and its validity date.

Status: Comply

D.4 Purchasing and goods in

D.4.1

The site shall verify and document the tonnage and sources of certified FFBs received.

During the audit, facility still implemented Mass Balance Module. The sum of certified and non-certified FFB received 12 months before audit (March 2018 – February 2019) listed in the this following table:

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
March 2018	4,545	2,671	7,216
April 2018	7,614	4,690	2,924
May 2018	5,681	3,555	9,236
June 2018	5,642	3,151	8,794
July 2018	6,725	4,249	10,974
August 2018	6,761	4,047	10,808
September 2018	6,771	4,015	10,786
October 2018	6,735	4,196	10,931
November 2018	5,471	3,585	9,056
December 2018	4,190	2,411	6,602
January 2019	4,132	2,951	7,083
February 2019	2,910	2,253	5,163
Total	67,178	41,775	99,573

Source: All FFB received data recorded on the weighbridges system in mill.

Until the audit, NPOM 2 implemented Module E for mills (Mass Balance). But now they want to use both Module which is Module D for mills (Identity Preserved) and Module E for mills (Mass Balance). Mill will implemented IP. However, mill also can received uncertified FFB in case NPOM 1 being damaged or breakdown. NPOM 2 has provide 2 storage tank which is 5,000 MT per tank. One of the storage tank has been emptied and washed to preparing the IP system.

Status: Comply

D.4.2

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

During the audit, facility still implemented Mass Balance Module. Facility estimated their palm product which is written in annex of recertification certificate and monitored in three-monthly bases. If any overproduction, facility will inform the CB to extend their volume.

Product	Estimation of Certified Product (MT)	Actual Production 12 Month before audit (March 2018 – February 2019) (MT)	Projected production of the next license period (MT)	
			IP	MB
FFB	73,297	69,916	90,464	16,684
CPO	16,309	15,252	19,450	3,432
PK	3,813*	3,809	4,523	798

Source: book keeping data 12 month before audit (March 2018 – February 2019)

*During ASA-4 to RC there is an extension volume (PK) because the increase of production

Notes: auditor using 12 month data's, it's different with certification period.

Status: Comply

D.5 Record keeping

D.5.1 The site shall record and balance all receipts of RSP0 certified FFB and deliveries of RSP0 certified CPO and PK on a real-time basis.

Mill has documented the record and balance of all RSP0 certified FFB and deliveries of RSP0 certified CPO and PK on a real-time basis and / or three-monthly basis. Based on book keeping data 12 month before audit (March 2018 to February 2019) found that summary of certified/noncertified product sold as follow:

Period	CPO Production (MT)		Total	Cert CPO Dispatch (MT)			Total
	Cert	Non Cert		RSP0	Other scheme	Non certified	
March 2018 to February 2019	15,252	7,664	22,916	-	4,846	7,844	12,690

Period	PK Production (MT)		Total	Cert PK Dispatch (MT)			Total
	Cert	Non Cert		RSP0	Other scheme	Non certified	
March 2018 to February 2019	3,809	2,182	5,580	2,959	-	760	3,719

Status: Comply

D.6 Processing

D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSP0 certified oil palm product is kept separated from non-certified oil palm product including during transport and storage to strive for 100% separation.

According to the Identity Preserved Procedure, all FFB processed only from certified supply base. During the IP implementation, mill will assure and verify through documented procedures and record keeping that the RSP0 certified oil palm product is kept separated from non-certified oil palm product including during transport and storage to strive for 100% separation. If mill will received non certified FFB, Mass Balance Procedure will applied. Two available storage tank will support double module implementation.

In time when mill started to implemented IP from MB, storage tank will flushing to ensure CPO/PK is kept separated from non-certified oil palm product including during transport and storage to strive for 100% separation.

Status: Comply

3.2.3 (Module E) CPO Mills – Mass Balance Requirements

Clause	Requirement																						
E.1	Definition																						
<p>E.1.1 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>Nilo POM 2 received FFB from own estate (including from other estate under KLK Group) and smallholder that had agreement before. Based on document verification, mill received FFB from supplier below:</p> <table border="1"> <thead> <tr> <th>Mill</th> <th>Supplier</th> <th>Code</th> </tr> </thead> <tbody> <tr> <td rowspan="6">NPOM2</td> <td>KNT 1</td> <td>KLK252</td> </tr> <tr> <td>KNT 2</td> <td>KLK257</td> </tr> <tr> <td>Ladang Mutiara Estate (PT. Steelindo Wahana Perkasa)</td> <td>KLK510</td> </tr> <tr> <td>KKPA Sungai Buluh</td> <td>KLKA02</td> </tr> <tr> <td>KKPA SP1</td> <td>KLKA08</td> </tr> <tr> <td>KKPA SP2</td> <td>KLKA10</td> </tr> </tbody> </table> <p>Until this re-certification audit, facility only using single supply chain model which is Mass Balance Model. However, for the next certification period facility want to implemented 2 module for mills which is Module D (Identity Preserved) and Module E (Mass Balance).</p> <p>Status: Comply</p>		Mill	Supplier	Code	NPOM2	KNT 1	KLK252	KNT 2	KLK257	Ladang Mutiara Estate (PT. Steelindo Wahana Perkasa)	KLK510	KKPA Sungai Buluh	KLKA02	KKPA SP1	KLKA08	KKPA SP2	KLKA10						
Mill	Supplier	Code																					
NPOM2	KNT 1	KLK252																					
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E.2	Explanation																						
<p>E.2.1 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>Facility estimated their palm product which is written in annex of recertification certificate and monitored in three-monthly bases. If any overproduction, facility will inform the CB to extend their volume.</p> <table border="1"> <thead> <tr> <th rowspan="2">Product</th> <th rowspan="2">Estimation of Certified Product (MT)</th> <th rowspan="2">Actual Production 12 Month before audit (March 2018 – February 2019) (MT)</th> <th colspan="2">Projected production of the next license period (MT)</th> </tr> <tr> <th>IP</th> <th>MB</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>73,297</td> <td>69,916</td> <td>90,464</td> <td>16,684</td> </tr> <tr> <td>CPO</td> <td>16,309</td> <td>15,252</td> <td>19,450</td> <td>3,432</td> </tr> <tr> <td>PK</td> <td>3,813*</td> <td>3,809</td> <td>4,523</td> <td>798</td> </tr> </tbody> </table> <p>Source: book keeping data 12 month before audit (March 2018 – February 2019) *During ASA-4 to RC there is an extension volume (PK) because the increase of production Notes: auditor using 12 month data's, it's different with certification period.</p> <p>Status: Comply</p>		Product	Estimation of Certified Product (MT)	Actual Production 12 Month before audit (March 2018 – February 2019) (MT)	Projected production of the next license period (MT)		IP	MB	FFB	73,297	69,916	90,464	16,684	CPO	16,309	15,252	19,450	3,432	PK	3,813*	3,809	4,523	798
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<p>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).</p> <p>Nilo Palm Oil Mill 2 - PT ADEI Plantation & Industry, subsidiary of Kuala Lumpur Kepong Bhd has registered in RSPO membership 1-0014-04-000-00 since 16 May 2014.</p>																							

Nilo Palm Oil Mill 2 has been registered in IT platform palm trace RSPO <https://palmtrace.rspo.org/web/rspo/member-directory> which information as follows:

- Member Name: Nilo Palm Oil Mill 2 - PT ADEI Plantation & Industry
- Account UID: RSPO_AC1000001448
- Core Product: Palm Oil
- Member ID: RSPO_PO1000001418
- Type of Business: Oil Mill

All transaction of certified product has been register in palmtrace, include credit. For period March 2018 to Feb 2019 there are 5,067 MT CSPO sold as credit.

	Status: Comply
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E.3	Documented procedures
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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:

- a. Complete and up to date procedures covering the implementation of all the elements in these requirements;**
- b. The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.**

There is a change in the supply chain procedures since previous assessment. Facility still using SOP No.32 related to Supply Chain Documentation-Mass Balance Model dated August 10, 2017 in which it explains:

- FFB suppliers come from internally and externally certified and non-certified
- Documentation required by the mill, among others: records of FFB receipts and daily production, monthly summary records, CPO/PK shipment summary records, monthly and annual balance records
- All records/documentations are kept for a minimum period of 10 years
- Responsibilities of each key person include Manager, internal sustainability audit, marketing division
- SCCS internal audit activities are conducted annually
- Management review is conducted at least once a year
- All complaints refer to SSOP No. 01 concerning Complaints Procedure on the revision date of the August 10, 2017
- Supply chain training is conducted at least once a year
- FFB acceptance mechanism at security post and weigh stations
- Listing of certified and non-certified FFB suppliers
- The mill operates by applying SCCS MB
- Sales and delivery mechanism.

They also had procedure of SCCS IP/SG implementation are describes in SOP 31 revision of 3 on 18 April 2018, explained in the section of definision that the use of these document is for IP/SG implementation, the document has contains all the requirements in the latest SCC standard and system (document which issued on 2017). The mechanism to switch from MB to IP is flushing the facilities with 1.5 volume of MB product with IP product. The flushing product is not claim as certified product. The mill is spare 1 storage to store the MB product.

In the SOP has been describes regarding to the key personnel involves and responsible, namely:

- a. Mill manager: will guarantee the implementation and compliance to the SOP, monitoring the balance of certified products in palm trace and ensure that each contract has been announced to RSPO, communicate with CB if there is a change in supply chain model and reporting if there is over-production
- b. Dept of sustainability : is responsible for conducting an internal audit of the SCCS implementation on an annual basis and ensuring correction to nonconformities have been applied
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- d. Assistant : is responsible for checking safety seals and ensuring availability of shipping documents

e. Weighbridge operator: responsible for ensuring all product shipping documents are complete (company name, estates name, ticket number, tonnage number etc.)

During the audit, NPOM 2 implemented Module E for mills (Mass Balance). But now they want to use both Module which is Module D for mills (Identity Preserved) and Module E for mills (Mass Balance). Mill will implemented IP. However, mill also can received uncertified FFB in case NPOM 1 being damaged or breakdown. NPOM 2 has provide 2 storage tank which is 5,000 MT per tank. One of the storage tank has been emptied and washed to preparing the IP system.

Moreover, facility has shown the evidence of annual supply chain refreshment training that held on 5 March 2019 with 9 participants who having responsibility in supply chain implementation such as mill manager, security officer in mill's gate, weighbridge operator, mill's administration clerk and sustainability staff). Based on interview with weighbridge operator known that the mill system has prepared to implement Module D – Identity Preserved and Module E – Mass Balance.

Status: Comply

E.3.2

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

In accordance with supply chain procedure as explained in clause E.3.1 above, facility has demonstrated mass balance procedure (separating between certified and non-certified product).

According to the interview with weighbridge operator known that the company has had the procedure to separate FFB that comes from certified or noncertified sources. All of FFB received will be separate in weighbridge system and calculate CPO/PK certified/noncertified product and stamped with certified and noncertified stamp. Administration staff will informed the sum of certified/noncertified product in daily bases, monthly and three monthly bases.

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.

Certified and non-certified FFB received 12 months before audit (March 2018 – February 2019)

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
March 2018	4,545	2,671	7,216
April 2018	7,614	4,690	2,924
May 2018	5,681	3,555	9,236
June 2018	5,642	3,151	8,794
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January 2019	4,132	2,951	7,083
February 2019	2,910	2,253	5,163
Total	67,178	41,775	99,573

Source: All FFB received data recorded on the weighbridges system in mill.

Status: Comply

E.4.2

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

Facility estimated their palm product which is written in annex of recertification certificate and monitored in three-monthly bases. If any overproduction, facility will inform the CB to extend their volume.

Product	Estimation of Certified Product (MT)	Actual Production 12 Month before audit (March 2018 – February 2019) (MT)	Projected production of the next license period (MT)	
			IP	MB
FFB	73,297	69,916	90,464	16,684
CPO	16,309	15,252	19,450	3,432
PK	3,813*	3,809	4,523	798

Source: book keeping data 12 month before audit (March 2018 – February 2019)

*During ASA-4 to RC there is an extension volume (PK) because the increase of production

Notes: auditor using 12 month data's, it's different with certification period.

Status: Comply

E.5 Record keeping

E.5.1

- a. The site shall record and balance all receipts of RSP0 certified FFB and deliveries of RSP0 certified CPO and PK on a real-time basis and / or three-monthly basis.
- b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSP0.
- c. 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.)

Mill has documented the record and balance of all RSP0 certified FFB and deliveries of RSP0 certified CPO and PK on a real-time basis and / or three-monthly basis. Based on book keeping data 12 month before audit (March 2018 to February 2019) found that summary of certified/noncertified product sold as follow:

Period	CPO Production (MT)		Total	Cert CPO Dispatch (MT)			Total
	Cert	Non Cert		RSP0	Other scheme	Non certified	
March 2018 to February 2019	15,252	7,664	22,916	-	4,846	7,844	12,690

Period	PK Production (MT)		Total	Cert PK Dispatch (MT)			Total
	Cert	Non Cert		RSP0	Other scheme	Non certified	
March 2018 to February 2019	3,809	2,182	5,580	2,959	-	760	3,719

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√
RC	PT Adei Plantation & Industry do not use trademark. KLK as parent company of PT Adei Plantation & Industry has had trademark license with number RSPO-1106058.	√
	Status: Comply	
2.	Implementation of certificate and Trademark used by Client comply with size and type (shape) against Guideline of Trademark Use	X or√
RC	Nilo POM 2 and supply bases, does not use the Trademark both in the on-product and off-product. KLK as parent company of PT Adei Plantation & Industry has had trademark license with number RSPO-1106058.	√
	Status: Comply	
3.	Implementation of Certificate and Trademark is not used on product	X or√
RC	Nilo POM 2 and supply bases, does not use the Trademark both in the on-product and off-product. KLK as parent company of PT Adei Plantation & Industry has had trademark license with number RSPO-1106058.	√
	Status: Comply	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate Trademark.	X or√
RC	Nilo POM 2 and supply bases, does not use the Trademark both in the on-product and off-product. KLK as parent company of PT Adei Plantation & Industry has had trademark license with number RSPO-1106058.	√
	Status: Comply	

3.4. Summary of RSPO Partial Certification.

Compliance of the uncertified management units of Kuala Lumpur Kepong Bhd 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.

Kuala Lumpur Kepong Bhd Time Bound Plan is explained in point 1.10. Kuala Lumpur Kepong Bhd has informed the Time Bound Plan progress, MUTU has considered that Kuala Lumpur Kepong Bhd is complied with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by Kuala Lumpur Kepong Bhd on 2016.

MUTU has verified partial certification for un-certified unit's subsidiary of Kuala Lumpur Kepong Bhd based on their Time Bound Plan. There are two (2) uncertified mills and twelve (12) uncertified estates of Kuala Lumpur Kepong Bhd. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

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

2.2 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?	Positive assurance statement provided, which does not include the new mill found in the revised time bound plan..
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. 	The company has conducted HCV assessment in January – February 2012 for all subsidiaries where the assessment report confirms that there was no replacement of primary forest or containing HCV. The new mills and newly acquired land are still under consultant preliminary report.
2.2.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	No new planting reported for existing units. However, the newly acquired lands will adhere to the NPP procedures when it is ready.
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.	SIA conducted reported that there are land conflicts at some of the uncertified units and the company is handling through FPIC and grievance procedures.
2.2.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	None noted. No stakeholder comments or complaints received

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.	None noted. No stakeholder comments or complaints received
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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 ASA-4

<i>NCR No.</i>	: 2018.01	<i>Issued by</i>	: M Syarip Lambaga
<i>Date Issued</i>	: 21 March 2018	<i>Time Limit</i>	: 20 March 2019
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 04 December 2018
<i>Standard Ref. & Requirement</i>	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.		
<i>Non-Conformance Description & Evidence observed (filled by auditor):</i> Based on document review, PT SWP-Ladang Mutiara not yet have Land Use Title.			
<i>Root Cause Analysis (filled by organization audited):</i> The process of obtaining a permit / certificate of land use rights (HGU) takes a long time.			
<i>Correction (filled by organization audited):</i> - There is already an official report on Minutes of Committee B (Attached). - SK HGU is available for PT. Steelindo Wahana Perkasa (Attached)			
<i>Corrective Action (filled by organization audited):</i> Input into the company's Permit Checklist and follow-up the permit arrangement every month until the permit is received.			
<i>Assessor Evaluation and Conclusion (filled by auditor):</i> December 4, 2018 The company shows Decree of Minister of Agrarian Affairs and Spatial Planning No. 108 / HGU / KEM-ATR / BPN / 2018 dated 21 November 2018 concerning the granting of land use rights on behalf of PT Steelindo Wahana Perkasa in Pelalawan Regency, Riau Province with an area of 1,363.53 Ha with a validity period of 35 years. Based on these explanations, this non-conformity is stated to be fulfilled.			
<i>Verified by</i>	: Muhammad Rinaldi		

<i>NCR No.</i>	: 2018.02	<i>Issued by</i>	: M Syarip Lambaga
<i>Date Issued</i>	: 21 March 2018	<i>Time Limit</i>	: Re-Certification
<i>NC Grade</i>	: Minor	<i>Date of Closing</i>	: 23 January 2019
<i>Standard Ref. & Requirement</i>	2.2.2. Legal boundaries are demonstrated clearly and maintained.		

Non-Conformance Description & Evidence observed (filled by auditor):

Based on field observation, Sumber Rezeki Cooperation (KKPA Sungai Buluh) not yet applied pole among kaveld as cited on clause 17 verse 3 of Government regulation No. 24 year 1997 and freehold title appendix.

Root Cause Analysis (filled by organization audited):

Lack of understanding that the boundary between lots must be given the boundary mark

Correction (filled by organization audited):

- Installing a signboard for border mark between lots
- Available maps for installation of boundary poles between plots.
- Available progress in installing boundary poles between plots
- There is a monitoring checklist of boundary poles between lots
- There are procedures for monitoring boundary poles and frequencies (SOP of boundary poles monitoring).

Corrective Action (filled by organization audited):

- Keep a plot map that shows the boundaries between the KKPA Sungai Buluh lots in the form of hard copy and soft copy.
- Caring for the signboard between the plots that have been installed
- Socialize to employees to treat the signboard between the plots that have been installed
- Make a letter of agreement together with all the heads of farmer group of KKPA Sungai Buluh (Sumber Rezeki Cooperative) to maintain the boundary poles between the plots that have been installed in the field.
- Carry out monitoring of stakes at least once a year

Assessor Evaluation and Conclusion (filled by auditor):

04 December 2018

The company shows proof of improvement, including:

- Map of the Plot Design with Scale 1: 15,000
- Photo of installation of boundary poles plots at KKPA Sungai Buluh
- Evidence of socialization related to maintenance and did not damage the boundaries plots to employees of KKPA Sungai Buluh on November 29, 2018 with a total of 30 workers

However, it has not shown the number of plots that have been installed and need to re-identify how to ensure that these nonconformities do not recur.

23 January 2019

The company shows proof of improvement, including:

- The progress of installing plots with a total stake of 1240 pieces; 315 stakes were installed and 925 stakes still in progress to installed
- Joint Agreement Letter to maintain boundary poles plots that agreed by all head of farmer groups.
- SOP No. 4 related to BPN Boundary Poles Monitoring on 10 August 2017 which explained that border poles monitoring will carried out at least 1 time in 1 year
- The boundary poles plot monitoring activity carried out on January 14-19 2019. The total number of stakes monitored was 656 plots where all stakes were in good condition

Based on this explanation, this non-conformity is stated to be fulfilled and will be observed again in the next assessment.

<i>Verified by</i>	: M. Syarif Lambaga & Muhammad Rinaldi
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<i>NCR No.</i>	: 2018.03	<i>Issued by</i>	: Afiffuddin
<i>Date Issued</i>	: 21 March 2018	<i>Time Limit</i>	: 20 March 2019
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 03 December 2018
<i>Standard Ref. & Requirement</i>	: 4.1.1 Standard Operating Procedures (SOPs) for estates (land clearing to harvesting) and SOP for mills (reception of FFB to dispatch of CPO and PKO) shall be available		
<i>Non-Conformance Description & Evidence observed (filled by auditor):</i> Based on document review of Sustainability procedure SOP 7 about nursery, planting, and upkeep of oil palm trees and technic guidance of oil palm trees PT KLK Agriservindo (No. GP/Agric/OP2) it known that there's procedure related to wild weed annihilation on mature trees, including wild oil palm trees. However, based on field observation in block D6, F5, F6 and F6A KKPA Sungai Buluh, found volunteer oil palm seedling in interrow, platform, and harvesting path. It showed that wild weed control activity still not suitable with company procedure			
<i>Root Cause Analysis (filled by organization audited):</i> Less consistent in carrying out established procedures related to weed control in Mature area, including volunteer oil palm seedling			
<i>Correction (filled by organization audited):</i> - Spraying the wild oil palm trees on circle, inter row and FFB collecting area. - Analyze the use of active ingredients per hectare			
<i>Corrective Action (filled by organization audited):</i> - Creating programs and realization of volunteer oil palm seedling spraying.			
<i>Assessor Evaluation and Conclusion (filled by auditor):</i> 3 December 2018 The certification unit shows proof of improvement as follows: <ul style="list-style-type: none"> • Document of Participant List & Training Evaluation to spraying worker of volunteer oil palm seedling in Sungai Buluh KKPA - Sumber Koperasi Sumber on 9 October 2018 which was attended by 8 participants. • Program and Realization of Spraying Activities in blocks (circle, harvesting path & roads) on Petani Sumber Rezeki Cooperative, Sungai Buluh KKPA, which explain the weed control program every month from October 2018 - May 2019. • Volunteer oil palm seedling Costing Book Spray period for October 2018, which describes area (block), actual ha, % ha Actual, type of pesticide, total pesticide, % active ingredient/ha, actual FFB (kg) and etc. Based on these documents, it is known that volunteer oil palm seedling control has been carried out in block 05A2 covering an area of 112.4 ha and block 05A4 covering an area of 98.6 ha. Based on the results of the analysis of the root cause, the preventive action and evidence of the improvements shown, this non-conformity was stated to be fulfilled by observation.			

<i>Verified by</i>	:	Afiffuddin
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<i>NCR No.</i>	:	2018.04	<i>Issued by</i>	:	Briyogi Shadiwa
<i>Date Issued</i>	:	21 March 2018	<i>Time Limit</i>	:	20 March 2019
<i>NC Grade</i>	:	Major	<i>Date of Closing</i>	:	04 December 2018

<i>Standard Ref. & Requirement</i>	:	4.6.5 Evidence of pesticide application by trained person and in accordance with application guidelines in product label and storage guidelines shall be available. Appropriate safety equipment shall be provided and utilized. All precautions attached to the products shall be properly observed, applied, and understood by workers
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Non-Conformance Description & Evidence observed (filled by auditor):
 Based on the results of interviews with 5 sprayer workers at KKPA Sungai Buluh, known that workers inform PPE spray brought to their home, because there is no PPE storage house in KKPA Sungai Buluh.

The Company took corrective actions on March 14, 2018 by building PPE storage house at the KKPA Sungai Buluh office, but the company has not shown any evidence of socialization comprehension regarding the technical procedures of PPE storage (in accordance with company procedures in SOP 18 about the Safety of Chemical Use and Storage including Hydrocarbons) to sprayer workers of KKPA Buluh.

Root Cause Analysis (filled by organization audited):
 - Lack of understanding regarding the technical procedures for spraying PPE storage

Correction (filled by organization audited):
 - Give the officer at the PPE storage area and make sure the PPE in the storage area. (Appointment Letter Attached)
 - Make / maintain a PPE storage area.

Corrective Action (filled by organization audited):
 Socialize the technical procedure for storing spraying PPE to spray workers

Assessor Evaluation and Conclusion (filled by auditor):
04 December 2018
 The unit management has shown the evidence, including:

- Records of socialization of PPE storage training and pesticide storage for spray workers at Sungai Buluh KKPA on October 8, 2018.
- Letter of appointment of PIC / personnel responsible for store the PPE and pesticide materials.

Based on evidence of this improvement, non-conformity has been fulfilled and will be further observed regarding its consistency in next assessments.

<i>Verified by</i>	:	Briyogi Shadiwa
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<i>NCR No.</i>	:	2018.05	<i>Issued by</i>	:	Rizliani Aprianita Hsb
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<i>Date Issued</i>	: 21 March 2018	<i>Time Limit</i>	: 20 March 2019
<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 09 December 2018
<i>Standard Ref. & Requirement</i>	6.5.2 Collective Labor Agreement/Company Regulation, in accordance with the manpower regulations, shall be available in understandable language and explained by the management or Labor Union to the workers.		
<p><i>Non-Conformance Description & Evidence observed (filled by auditor):</i> The results of document verification founded non conformity, such as:</p> <ul style="list-style-type: none"> - Results of payroll document review it known that worker who absent then his/her wage will be cut by 1/25 from monthly wage. It is not suitable with company procedure clause 5 that state every worker who absent then his/her wage will be cut by 1/30 from monthly wage - Result of field observation in harvesting activity of KKPA Sungai Buluh block D6 and legal contract document review, it known that there's a man who done harvesting activity without work relationship with cooperation. 			
<p>Root Cause Analysis (filled by organization audited): PT. Steelindo Wahana Perkasa – Ladang Mutiara The negligence of the company to change the Company Regulations in article 5 that the absent worker will be deducted by 1/25 of the wages a month.</p> <p>KKPA Sungai Buluh The cooperative has banned the harvesters' to bring his wives but there are some harvesters who do not obey with this rule.</p>			
<p>Correction (filled by organization audited): PT. Steelindo Wahana Perkasa – Ladang Mutiara has been revised the Company Regulation to the Department of Manpower and Transmigration in Pelalawan Regency by amending article 5 regarding the deducted by 1/25 of a month's wages.</p> <p>KKPA Sungai Buluh</p> <ul style="list-style-type: none"> - Give a Warning Letter (SP1) to harvesters who bring helpers to pick loose fruit. - The person who helped the harvester was already employed with a clear working agreement and had registered the social security agency 			
<p>Corrective Action (filled by organization audited): PT. Steelindo Wahana Perkasa – Ladang Mutiara</p> <ul style="list-style-type: none"> - Providing information to Human Resources if there are the latest regulations / laws. - Monitor the latest regulations / laws issued by the government to be quickly implemented by the company. <p>KKPA Sungai Buluh</p> <ul style="list-style-type: none"> - Socialize Cooperative Management Circular letters to all workers. 			
<p>Assessor Evaluation and Conclusion (filled by auditor): 09 December 2018 The unit management has shown the evidence, including:</p> <ul style="list-style-type: none"> • Decree of the Head of Pelalawan District Labor Agency No. KPTS.560 / DTK-HS / PP / 2018/40 dated April 24, 2018 concerning registration of company regulations PT Steelindo Wahana Perkasa. In the regulation, it is explained that if workers is absent, then their wages will be deducted by 1/25 of a one-month wage. • Memo from Sungai Buluh KKPA on January 2, 2016 concerning the Tasks and Responsibilities of Harvesters and FFB Loaders. In the memo it was explained that the duties and responsibilities of harvesters and FFB loaders must be carried out by harvesters and loaders themselves and may not be assisted by other people who are not registered as employees. 			

- List of attendance of the socialization about duties and responsibilities of harvesters on October 24, 2018, which consists of 31 workers.
- Warning letter to employees who bring people that assisted the harvester without any employment agreement with letter No. 07 / KKPS S.BULUH / SP / II / 2018 dated March 16, 2018.
- Work Agreement for the person who helped the harvester with SPK No. 01/05 / PKWT / KKPA-SG-BULUH / 2018 dated May 1, 2018.
- Social security card on behalf of Razi Rahmat workers.

Based on evidence of this improvement, non-conformity has been fulfilled and will be further observed regarding its consistency in next assessments.

Verified by : Rizliani A HSB

NCR No.	: 2018.06	Issued by	: Rizliani Aprianita Hsb
Date Issued	: 21 March 2018	Time Limit	: Re-certification
NC Grade	: Minor	Date of Closing	: 25 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): The results of field observation in KKPA Sungai Buluh emplacement, it known that KKPA worker live in barrack. KKPA only serve 2 restroom for 1 row of barrack (6-8 doors) for worker and their family, that facility condition is not worthy. Company showed correction program for emplacement (April – September 2018) with 70 unit will be repaired and addition 10 unit restroom. However, still not found evidence that KKPA already adding worthy restroom for worker and their family.			
Root Cause Analysis (filled by organization audited): Less attention to the conditions of the facilities that have been provided.			
Correction (filled by organization audited): <ul style="list-style-type: none"> • Make toilets in the housing of employees. • Housing renovations that have begun to break down. • Available needs and housing sketch plans for employees of KKPA Sungai Buluh • Available programs, realization and completion targets for toilet construction • There are plans for the distribution of materials for making toilets • Available photos of making the toilet • The ratio of toilet usage in the employee housing of KKPA Sungai Buluh • Available the identification results of the number of housing occupied and the number of available bathroom / toilet facilities. • There is a bathroom / toilet development program available. • Additional toilet photos are available 			
Corrective Action (filled by organization audited): <ul style="list-style-type: none"> • Housing improvement and realization program • Incorporating a budget to improve the facilities and infrastructure of the KKPA Sungai Buluh. 			
Assessor Evaluation and Conclusion (filled by auditor): Verification on 9 December 2018			

- Program to improve the employees housing of the KKPA Sungai Buluh on November 16, 2018, with a total of 71 units to be rehabilitated, buildings that have been rehabilitated is 55 units, buildings in progress on rehabilitation is 6 units and the remaining 15 units are not yet rehabilitated. The remaining unrehabilitated buildings will be programmed in 2019-2020.
- Photograph of rehabilitation of the KKPA Sungai Buluh employee housing including toilet repairs.

Verification on 04 January 2019

The company shows proof of improvement in the form of:

- Housing Sketch Plan for KKPA Sungai Buluh and Plans for Making New 22 toilet.
- Photograph of making toilets and that has been completed.
- Picture of plan for making semi-permanent toilets @ 2 doors.
- Program for the construction of the KKPA Sungai Buluh toilet set on December 22, 2018 with a total of 22 closets with completion targets on January 2019.
- Material Requirement Budget Plan Making semi-permanent toilets
- Ratio of use of residential toilets in Sungai Buluh KKPA. As for the number of closets, there are 12 closets and 22 closets still in progress, with a ratio of 1: 7 toilet use.

Verification on 25 January 2019

The company shows proof of improvement in the form of:

- Identification of the number of employees, houses and toilets facilities available in the housing of employees. From the data presented, it is known that there are 56 houses occupied in the KKPA Sungai Buluh Housing. Of the 56 inhabited houses, 29 of them already have bathroom facilities and 15 of them have toilet facilities.
- 10 units of semi-permanent bathroom manufacturing program.
- Continuous improvement program consisting of adding toilets, adding bathrooms and adding 1000 L water tanks which are targeted for completion on January 31, 2019.
- Records of toilet-making in the KKPA Sungai Buluh Housing.

Based on the explanation above, it is known that for 56 houses inhabited there are 29 bathrooms and 27 closet. In addition, there is a construction program of 10 bathroom units and 22 closet. This shows that KKPA Sungai Buluh has made progress to complete employee facilities, **so that this non-conformity can be stated as fulfilled, but will be observed again in next assessments related to the adequacy of toilets facilities at the KKPA Sungai Buluh employees' housing.**

Verified by : Rizliani Aprianita Hsb & Muhammad Rinaldi

3.5.2 Identification of Findings, Corrective Actions and Observations at Recertification

<i>NCR No.</i>	: 2019.01	<i>Issued by</i>	: Rindu Galih Rezza Rachmansyah
<i>Date Issued</i>	: 26 Maret 2019	<i>Time Limit</i>	: Next Surveillance
<i>NC Grade</i>	: Minor	<i>Date of Closing</i>	:
<i>Standard Ref. & Requirement</i>	6.1.4 The documented plan for management and monitoring of social impacts is reviewed at least once every two years. If needed, the plan should be corrected. There must be evidence that the review process involves the participation of all affected parties.		
Evidence observed (filled by auditor): Based on the results of document studies and interviews with PT Adei Plantation & Industry union officials it is known that there were cases of industrial relations disputes between the company and employees in 2018 and there were still unresolved disputes. But the results of the evaluation of the management plan and monitoring of social affairs in 2019 have not covered the issue. Based on the results of the SIA document review of PT Adei Plantation & Industry, it was found that there were 6 villages which were the scope of the study: Telayap Village, Batang Nilo Kecil, Sering, kemang, Palas and Sungai Buluh. However, in evaluating the management plan and monitoring social affairs in 2019 there were only 5 villages that became the scope of the evaluation study, and for the Village it was often not implemented.			
Non-Conformance Description (filled by auditor): The company has not been able to show evidence that the 2-year evaluation of the management plan and monitor social has covered all issues of social internal / external and carried out in a participatory manner from all affected parties.			
Root Cause Analysis (filled by organization audited):			
Correction (filled by organization audited):			
Corrective Action (filled by organization audited):			
Assessor Evaluation and Conclusion (filled by auditor):			
<i>Verified by</i>	:		

3.5.3. Opportunity for Improvement

No	Ref. Std.	Description
1	2.1.1	Realization of Hyperkes training for paramedics
2	2.2.2	Progress on marking the boundary mark of the KKPA plasma plot of land
3	4.7.2	- Realization of construction of PPE warehouses and work tools at KKPA SP2 - Ensure adjustment of rotation of chemical applications with other work items
4	6.3.2	Settlement of unresolved industrial relations disputes

3.5.3 Noteworthy Positive Components

No	Description
1	Management's commitment to apply the principles of sustainable palm oil management.
2	Personal competence related to meeting sustainable palm oil certification standards.
3	Having cooperative ties related to the development of smallholdings for the community whose benefits have been felt by the community participants in the plasma.
4	Is the holder of a sustainable palm oil certificate (ISPO and ISCC).
5	Obtain BLUE PROPER certificate 2017 - 2018

3.6 Summary of Arising Issues from Public and Auditor Verification

Issue from Public	Auditor Verification
<p>Department of Plantations of Pelalawan District</p> <ul style="list-style-type: none"> • Communication with PT Adei Plantation & Industry, PT Steelindo and PT Safari Riau are good, the company is technically agronomy already meet the applicable laws and regulations. • There should be good communication with the public in order to avoid conflicts. • Report progress on the plantation business routinely reported per semester such as LPUP (<i>Laporan Perkembangan Usaha Perkebunan</i>). • There are no negative issues such as landfires, conflicts / disputes with local communities and other business interruptions. • The company has a CSR program with the local government as well as the surrounding village. • The company reported replanting activities to Department of Plantations. • The company already had a fire fighter team and facilities of firefighter. Beside that, the company also report about fire routinely to the Plantation Department. • There is no issue related the land fire. • <i>Penilaian Usaha Perkebunan</i> (PUP) was carried out in November 2016 (PT Adei Plantation & Industry and PT Steelindo Wahana Perkasa) 	<p>The company has a development plan for smallholder and is currently still in process prepare land area and has been explain at 6.1. There is no issue of land disputes and has explain 2.2 and about CSR program has been explain at criterion 6.11</p>
<p>Labor Union SBSI 1992 (Serikat Buruh Seluruh Indonesia - 1992)</p> <ul style="list-style-type: none"> • Labor union can inform can be done directly to management without having wait for the official meeting. • There was no significant issue regarding to industrial relationship between the company and labor union. • Minimum wages year of 2018 is Rp 2,617,500/month, the determination of wages (2019) will be done following the rules. • A common work agreement is still in the form of processing • There is no socialization of regulatory harvesting premium • Menstrual permit are not in accordance with the joint work agreement • There is no issue related child labor • The Company has also provided PPE's which is provided for free. • Facilities have been good, the company giving a subsidies for electricity (Rp 150,000) • The company has a complains system such as report complain directly to the leadership. • Member of SBSI 1992 is around 600 member 	<ul style="list-style-type: none"> • Has been described in criterion 6.5. • Has been described in indicator 6.5.1 • The company has paid labour social insurance and labour health insurance for all workers as written in indicator 4.7.6. • Has been described in indicator 4.6.11. • Has been described in indicator 4.7.3 • Based on document verification known that if there are things that will submitted to company, the union held a meeting with the company (see C6.6)

<ul style="list-style-type: none"> • The overtime has already appropriate with regulation • All employees have been included in the program BPJS employment and health. • Medical Check Up has been implemented. 	
<p>Labor Union SPSI (<i>Serikat Pekerja Seluruh Indonesia</i>) dan SBSI FKUI (<i>Federasi Kontruksi Umum dan Informal</i>)</p> <ul style="list-style-type: none"> • Minimum wages year of 2018 is Rp 2,617,500/month, the determination of wages (2019) will be done following the rules. • The overtime has already appropriate with regulation • Issued associated with premiums that have never been an increase 	<p>As written in principle 6</p>
<p>PT Solangan Maju Bersama (Local Contractor – Transport EFB, Solid, Employee Transport, Application EFB and Solid and Manual Weeding)</p> <ul style="list-style-type: none"> • The company unit has been working with local contractors and paid according to the contract and on time. • The contract limited every 6 month • Clausa of contract is related assurance, PPE, quantity and prices. • Contractors worker doesn't have any training. 	<p>As written in principle 6</p>
<p>Employee Cooperative (<i>Koperasi Asri Jaya Mandiri</i>)</p> <p>Business is drinking water and will increase to the provision of fuel</p>	<p>As written in principle 6</p>
<p>PT Indotama Jayamas Bersama (Local Contractor – Replanting Activity)</p> <ul style="list-style-type: none"> • The company unit has been working with local contractors and paid according to the contract and on time. • The contract limited every 6 month • Clause of contract is related assurance, PPE, quantity and prices. • Contractors worker have any training such as training all of the activity according to the procedure. 	<p>As written in principle 6</p>
<p>SPSI (PT SWP)</p> <ul style="list-style-type: none"> • At 2014, the labor union has been build and had already 1 period. • Monthly meeting (every 3 month) has been conducted on each estates. • The worker already know about company regulation. • Minimum wages year of 2018 is Rp 2,617,500/month, the determination of wages (2019) will be done following the rules. • The Company has also provided PPE's which is provided for free such as safety shoes, helmet, apron, mask and uniform. • The Company give a facility such as house, electricity, garbage 	<p>As written in principle 6</p>

<p>and clean water</p> <ul style="list-style-type: none"> • There is no issue related child labor • Member of SBSI is around 73 member • The employee has an insurance (BPJS) 	
<p>SPSI FKUI</p> <ul style="list-style-type: none"> • At 2017, the labor union has been build. • Monthly meeting (every 3 month) has been conducted on each estates. • The worker already know about company regulation. • Minimum wages year of 2018 is Rp 2,617,500/month, the determination of wages (2019) will be done following the rules. • The Company has also provided PPE's which is provided for free such as safety shoes, helmet, apron, mask and uniform. • The Company give a facility such as house, electricity, garbage and clean water • There is no issue related child labor • There's are an employee worker (contract) at • Member of SBSI FKUI is around 27 member • The employee has an insurance (BPJS) 	<p>As written in principle 6</p>
<p>PT Logoh Mitra Mandiri (Drainage Maintenance)</p> <ul style="list-style-type: none"> • There are socialization such as PPE, assurance, no burning activity and etc. • Clause of contract is related assurance, PPE, quantity and prices. • The company unit has been working with local contractors and paid according to the contract and on time. • All worker (13 worker) already has an assurance such as BPJS 	<p>As written in principle 6</p>
<p>PT Indotama Jayamas Bersama (Local Contractor – Chipping Ganoderma Activity)</p> <ul style="list-style-type: none"> • The company unit has been working with local contractors and paid according to the contract and on time. • The contract limited every 6 month • Clause of contract is related assurance, PPE, quantity and prices. • Contractors worker have any training such as training all of the activity according to the procedure. 	<p>As written in principle 6</p>
<p>Gender Committee</p> <ul style="list-style-type: none"> • At 2016, the gender committee has been build. • There are no program related gender committee, the activity related women • There is no issue related gender • The women worker had a menstruation and pregnant permit. • The women who identified pregnant was not able work with chemical. 	<p>As written in principle 6</p>

<p>PT Sumatera Kalimantan Jaya (Building Contractor)</p> <ul style="list-style-type: none">• The company unit has been working with local contractors and paid according to the contract and on time.• Clause of contract is related assurance, PPE, quantity and prices.• The contractor has 17 employee working at PT SWP• Contractor give worker a assurance• There are socialization such as PPE, assurance, no burning activity and etc.	<p>As written in principle 6</p>

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Formal Sign-off of Assessment Findings

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.

Signed on behalf of:

PT Adei Plantation & Industry
Management Representative

Mutuagung Lestari
Lead Auditor



Indra Gunawan

26 April 2019



Andi Pratama Pasaribu

26 April 2019

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	Pelalawan District, Riau Province	-	Interview	March 18, 2019	✓	
4	Labour Agency	Pelalawan District, Riau Province	-	Interview	March 18, 2019	✓	
5	Plantation Agency	Pelalawan District, Riau Province	-	Interview	March 18, 2019	✓	
6	National Land Agency	Pelalawan District, Riau Province	-	Interview	March 18, 2019	✓	
9	Local contractor PT Adei	Pelalawan District, Riau Province	-	Interview	March 26, 2019	✓	
10	CPO and PK transporter	Pelalawan District, Riau Province	-	Interview	March 26, 2019	✓	
11	Cooperative employee of PT Adei	Pelalawan District, Riau Province	-	Interview	March 26, 2019	✓	
12	Gender Committee PT Adei	Pelalawan District, Riau Province	-	Interview	March 26, 2019	✓	
13	Labor Union PT Adei	Pelalawan District, Riau Province	-	Interview	March 26, 2019	✓	
14	Sawit Watch	Indonesia	info@sawitwatch.or.id	Email	March 11, 2019		✓
15	WALHI	Indonesia	informasi@walhi.or.id	Email	March 11, 2019		✓
16	WWF	Indonesia	wwf-indonesia@wwf.or.id	Email	March 11, 2019		✓
17	Forest Peoples Programme	Indonesia	info@forestpeoples.org	Email	March 11, 2019		✓
18	Internal stakeholders: <u>NPOM 2</u> - 3 peoples (sterilizer operator) - 1 people (empty bunch press operator) - 1 people (engine room operator) <u>Nilo Timur 2 Estate</u> - 9 peoples (spraying operator) - 5 peoples (manual weeding operator) <u>Ladang Mutiara Estate(PT SWP)</u> - 5 peoples (manuring operator) - 7 peoples (spraying operator) - 10 peoples (harvesting	Pelalawan District, Riau Province	-	Interview	22-27 March 2019	✓	

	operator) - 3 peoples (ganoderma cencus operator)						
19	Previouse landowners	Pelalawan Regency, Riau Province	-	Interview	19 to 22 - 03-2019	✓	
20	Nilo Village	Pelalawan Regency, Riau Province	-	Interview	22-03-2019	✓	
21	Telayap Village	Pelalawan Regency, Riau Province	-	Interview	23-03-2019	✓	
22	Sungai Buluh Village	Pelalawan Regency, Riau Province	-	Interview	22-03-2019	✓	

Appendix 2. Assessment Program

DATE	12 to 21 March 2018	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 18 March 2019		
06.00 – 07.45	JAKARTA → PEKANBARU	Team Auditor
09.00 – 12.00	PEKANBARU → Public Consultation in Pelalawan Regency Agency	Team Auditor
14.00 – 17.00	Opening meeting <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) 	Team Auditor
Friday, 22 March 2019		
08.00 – 12.00	Stakeholder consultation to affected communities surrounding the plantations (Sungai Buluh and Telayap Village) . Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier	ARD/APP SAP/RGR
12.00 – 14.00	Break	
14.00 – 17.00	Field Observation to Nilo POM 2 <ul style="list-style-type: none"> - Process Station, Safety Aspect and Worker Welfare (Grading-Despatch) - ETP, WTP, Hazardous waste warehouse, Drainage, Collecting place of fiber, Water Discharge, Hazardous warehouse, workshop, chemical store - Supply Chain - Stakeholder consultation to Labor union, gender committee, local contractor, CPO and PK Transporter 	All Team
Saturday, 23 March 2019		
08.00 – 12.00	Field observation to Nilo Timur 1-2 Estate: <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), Fragile Soil Management, OHS implementation and Worker Welfare (payments, complaint mechanism) • Legal operational • High Conservation Value Area, Empty Fruit Bunch Application • Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (B3) management, Land Fire facilities, Storage, ect.\ • Stakeholder consultation to nearest village, local communities and previous land owner. 	All Team
12.00 – 14.00	Break	
14.00 – 17.00	<ul style="list-style-type: none"> • Continue Field Observation and field observation clarification • Verification of field visit and completing checklist 	All Team
Monday, 25 March 2019		
08.00 – 12.00	Field observation to KKPA Sungai Buluh, KKPA SP1 and KKPA SP2 <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), Fragile Soil Management, OHS implementation and Worker Welfare 	All Team

DATE	12 to 21 March 2018	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	(payments, complaint mechanism) <ul style="list-style-type: none"> • Legal operational • High Conservation Value Area, Empty Fruit Bunch Application • Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (B3) management, Land Fire facilities, Storage, ect. 	
12.00 – 14.00	Break	
14.00 – 17.00	<ul style="list-style-type: none"> • Continue Field Observation and field observation clarification • Verification of field visit and completing checklist 	All Team
Tuesday, 26 March 2019		
08.00 – 12.00	Field observation to Ladang Mutiara Estate (PT SWP) <ul style="list-style-type: none"> • Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), Fragile Soil Management, OHS implementation and Worker Welfare (payments, complaint mechanism) • Legal operational • High Conservation Value Area, Empty Fruit Bunch Application • Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (B3) management, Land Fire facilities, Storage, ect. Stakeholder consultation to Labor Union, Gender Committee, Local Contractor, CPO and PK Transporter	All Team
12.00 – 14.00	Break	All Team
14.00 – 17.00	Document Review	All Team
Wednesday, 27 March 2019		
08.00 – 11.00	<ul style="list-style-type: none"> • Closing Meeting 	All Team
11.00 – 13.00	<ul style="list-style-type: none"> • PT ADEI → Pekanbaru 	
16.40 – 18.00	<ul style="list-style-type: none"> • Pekanbaru → JAKARTA 	