

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

☐ Stage-1      ☐ Stage-2      ☒ Surveillance-02      ☐ Re-Certification

Name of Management : **Nilo POM 1 – PT. Adei Plantation & Industry**, subsidiary of Kuala Lumpur Kepong Bhd  
 Organisation  
 Plantation Name : **PT. Adei Plantation & Industry: Kebun Nilo Barat 1 dan Kebun Nilo Barat 2**  
 Location : Telayap Village, Sub District of Pelalawan, District of Pelalawan, Province of Riau, Indonesia  
 Certificate Code : **MUTU-RSPO/039**  
 Date of Certificate Issue : 14 May 2014      Date of License Issue : 14 May 2016  
 Date of Certificate Expiry : 13 May 2019      Date of License Expiry : 13 May 2017

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-02	4 – 6, 9 April 2016	Sandra Purba (LA), Ardiansyah, M. Arif Yusni, Sofyan Hadi Lubis, Benli Manurung	Octo Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-2	30 April 2016

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### FIGURE

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





### Glossary

ASEAN	:	Association of South East Asian Nations
BLH	:	Badan Lingkungan Hidup (Environment Bodies)
BPN	:	Badan Pertanahan Nasional (national Land Agency)
B3	:	Hazardous Material
CPO	:	Crude Palm Oil
CSR	:	Coorporate Social Responsibility
EIA	:	Environmental Impact Analysis
FFB	:	Fresh Fruit Bunches
FGD	:	Focus Group Discussion
FPIC	:	Pree, Prior, Informed, Concern
GHG	:	Green House Gass
HCV	:	High Conservation Value
HGU	:	Hak Guna Usaha ( <i>Land Use Title</i> )
KKPA	:	Kredit Kepada Koperasi Untuk Anggotanya (Cooperative Credit Sceme)
KNB 1	:	Kebun Nilo Barat 1
KNB 2	:	Kebun Nilo Barat 2
KUD	:	Village Cooperative Unit
K3	:	Keselamatan dan Kesehatan Kerja ( <i>Occupational Health and Safety</i> )
MSDS	:	Material safety Data Sheet
OHS	:	Occupational Health and Safey
POM	:	Palm Oil Mill
PPE	:	Personal Protective Equipment
PT AP&I	:	PT Adei Plantation & Industry
P2K3	:	Panitia Pembina Keselamatan dan Kesehatan Kerja ( <i>Guiding Committee of Occupatonal Safety and Health</i> )
PK	:	Palm Kernel
PR	:	Public Relation
RKL/RPL	:	Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan ( <i>Environmental Management Plan / Environmental Monitoring Efforts</i> )
RSPO	:	Rountable on Sustainable Palm Oil
RTE	:	Rare, Threatened and Endangered
SCCS	:	Supply Chain Certification System
SOP	:	Standart Operating System
SPK	:	Surat Perjanjian Kerja (Cooperative Agreement Letter)
WWTP	:	Waste Water Treatment Pond

<b>1.0 SCOPE OF THE CERTIFICATION ASSESSMENT</b>			
<b>1.1 Assessment Standard Used</b>			
	<ul style="list-style-type: none"> <li>• <i>RSPO Principles and Criteria (P&amp;C) for for the Production of Sustainable Palm Oil - April 25<sup>th</sup>, 2013.</i></li> <li>• <i>RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)</i></li> </ul>		
<b>1.2 Organisation Information</b>			
1.2.1	Organisation name listed in the certificate	PT ADEI PLANTATION & INDUSTRY subsidiary of KUALA LUMPUR KEPONG Bhd	
1.2.2	Contact person	Tan Kei Yoong	
1.2.3	Organisation address and site address	<b>RSPO registered Company</b> Wisma Taiko, No 1 Jalan SP Seenivasagam Ipoh/Perak Darul Ridzuan, Malaysia 30000  <b>Liasion Office:</b> Kompleks Pertokoan Taman Anggrek Blok B2 – B5 Jl. Tuanku Tambusai, Pekanbaru, Riau	
1.2.4	Telephone	0761 – 571885, 571861/62	
1.2.5	Fax	0761 – 571884	
1.2.6	E-mail	ky.tan@klk.com.my	
1.2.7	Web page address	<a href="http://www.klk.co.id">www.klk.co.id</a>	
1.2.8	Management Representative who completed the application for certification	Tan Kei Yoong	
1.2.9	Registered as RSPO member	18 October 2004 No. Registrasi 1-0014-04-000-00	
<b>1.3 Type of Assessment</b>			
1.3.1	Scope of Assessment and Number of Management Unit	Nilo POM 1, Kebun Nilo Barat 1 and Kebun Nilo Barat 2	
1.3.2	Type of certificate	Single	
<b>1.4 Locations of Mill and Plantation</b>			
1.4.1	Location of Mill		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b>
			<b>Longitude</b>
	Nilo POM 1	Telayap Village, Sub District of Pelalawan, District of Pelalawan, Province of Riau, Indonesia	N 00° 20' 53"
			E 101° 58' 18"

1.4.2	Location of Certification Scope of Supply Base			
	Name of Supply Base	Location	Coordinate	
			Latitude	Longitude
	Kebun Nilo Barat 1	Batang Nilo Kecil Village, Sub District of Pelalawan and Kemang village, Sub District Pangkalan Kuras, District of Pelalawan, Propinceof Riau. Indonesia	N 0°17' 48"	E 101°55'57"
	Kebun Nilo Barat 2	Telayap Village, Sub District of Pelalawan, District of Pelalawan, Province of Riau, Indonesia	N 00° 20' 59"	E 101° 58' 28"
1.5 Description of Area Statement				
1.5.1	Tenure			
	• State		12,860 Ha	
	• Community		- Ha	
1.5.2	Area Statement			
	• Total area		6,284 Ha	
	• Mature area		5,518 Ha	
	• Immatre area		430 Ha	
	• Building and Mill		52 Ha	
	• Infrastruktur (road and bridge)		95 Ha	
	• Canal		77 Ha	
	• Nursery		10 Ha	
	• Occupation )		2 Ha	
	• HCV**		100 Ha	
	* Source: Statement Area, April 2016			
	** Area of 100 Ha mentioned above is HCV area with a scope of KNB 1&2			
1.6 Planting Year and Cycles				
1.6.1	Age profile of planting year			
	Planting Year	Hectarage (Ha)		
		Nilo Barat Estate 1	Nilo Barat Estate 2	Total
	1992	108	0	108
	1998	801	0	801
	1999	1,075	875	1,950
	2000	682	1,272	1,954
	2001	0	482	482
	2002	0	132	132
	2003	17	74	91
	2004	0	0	-
	2015	0	124	124
	2016	147	159	306

	TOTAL	2,830		3,118		5,948	
1.6.2	New Planting area after January 2010			- Ha			
1.6.3	Planting Cycle			2 <sup>nd</sup> 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 (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	Nilo POM 1	90	209,591.92	45,845.68	21.87	11,035.06	5.27
	* Source: Milll production data period April 2015 – March 2016						
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)	%
	Kebun Nilo Barat 1	2,950	2,830	58,153.06	20.53	56,566.12	97
	Kebun Nilo Barat 2	3,334	3,118	57,484.67	18.44	54,138.29	94
	TOTAL	6,284	5,948	115,637.73	19.49	110,704.41	96
	*Source: Millll production data period April 2015 – March 2016						
	**There are FFB that deliver in May, July and Agust to the other Mill in the one group (Nilo POM 2)						
1.7.3	FFB description from other source						
	Name of sources	Organization	Location	Supplied to Mill			
				FFB (tonnes/year)			
	KKPA Desa Telayap (Non Certified) - 1,002 Ha, 465 Smallholders	PT Adei Plantation& Industry	District of Pelalawan	1,353.01			
	KKPA Batang Nilo Kecil (Non Certified) – 541 Ha, 300 Smallholders	PT Adei Plantation & Industry	District of Pelalawan	7,462.99			
	KKPA Desa Sering (Non Certified) – 100 Ha; 50 Smallholders	PT Adei Plantation & Industry	District of Pelalawan	1,217.95			
	PT. Safari riau (Non Certified) – 2,087 Ha	PT Safari riau	District of Pelalawan	52,022.37			
	KKPA PT. Safari Riau (Non Certified)	PT Safari riau	District of Pelalawan	11,190.63			
	KTA Safari(Non Certified)	PT Safari riau	District of Pelalawan	947.77			
	CV. CDP Mandiri(Non Certified)	Outgrower	District of Pelalawan	2,036.31			
	CV. Bina Mandiri Jaya (Non Certified)	Outgrower	District of Pelalawan	759.50			
	CV. Limbersa Plasma(Non Certified)	Outgrower	District of Pelalawan	20,910.56			
	PT. Sinar Haska Lestari (Non Certified)	Outgrower	District of Pelalawan	650.34			
	CV. Sejahtera jaya(Non Certified)	Outgrower	District of Pelalawan	336.08			
	TOTAL					98,887.51	

\* Source: Mill production data period April 2015 – March 2016

	* Source: Millll production data period April 2015 – March 2016					
1.7.4	Jenis Produk			FFB, CPO, PK		
1.8 Estimate Tonnage of Certified Product						
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 14 May 2015 to 13 May 2016 (ton/year)		Actual certified product 14 May 2015 to 31 March 2016 (ton/year)	
	• FFB Production		99,830		98,486.91	
	• CPO Production		33,461		21,134.59	
	• Palm Kernel (PK) Production		5,191		5,086.55	
1.8.2	Estimate of Certified FFB Claim					
	Name of Estates		Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)
	Kebun Nilo Barat 1		2,950	2,830	50,940	18.00
	Kebun Nilo barat 2		3,334	3,118	46,770	15.00
	TOTAL		6,284	5,948	97,710	16.43
	Source: Production estimate period 14 May 2016 – 13 May 2017					
1.8.3	Estimate of Certified Palm Product Claim					
	Name of Mill	Capacity (tonnes/hour)	FFB Processed (tonnes/year)	CPO Out put (ton)		Extraction (%)
						Palm Kernel Out put (ton)
						Extraction (%)
	Nilo POM 1	90	97,710	21,496	22	5,179
						5.3
	Source: Production estimate period 14 May 2016 – 13 May 2017					
1.9 Other Certifications						
	ISCC		ISCC Certificate No. EU-ISCC-Cert-De105-83153802, April 29, 2015			
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	2017	Malindomas Perkebunan	2017	Berau, Kalimantan Timur	-
			Hutan Hijau Mas	2017		-
			Jabontara Eka Karsa	2017		-

MAP POM		Karya Makmur Abadi	2017	Mentaya Hulu, Kalimantan Tengah	-
		Menteng Jaya Sawit Perdana	2017	Mentaya Hilir Utara, Kalimantan Tengah	-
		Mulia Agro Permai	2017	Baamang, Kalimantan Tengah	-
Steelindo Wahana Perkasa POM	2012	Steelindo Wahana Perkasa	2012	Belitung, Bangka Belitung	Certified
Parit Sembada POM	2013	Parit Sembada	2013	Belitung, Bangka Belitung	Certified
		Alam Karya Sejahtera	2013		Certified
Mandau POM	2012	Mandau	2012	Bengkalis, Riau	Certified
Nilo POM	2012	Nilo	2012	Pelalawan, Riau	Certified
		KKPA	2017		-
Tapung Kanan POM	2012	Sekarbumi Alamlestari	2012	Kampar, Riau	Certified
		KKPA	2019		-
Gohor Lama POM	2014	Basilam	2017	Langkat, Sumatera Utara	-
		Gohor Lama	2017		-
		Tanjung Beringin	2017		-
		Maryke	2017		-
		Bekiun	2017		-
Padang Brahrang POM	2014	Padang Brahrang	2017	Langkat, Sumatera Utara	-
		Bukit Lawang	2017		-
		Tanjung Keliling	2017		-
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 Menglembu, Perak	Certified
		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
	Pinang	2009	Pinang	2009	Tawau, Sabah
			Tundong	2009	Certified
			Ringlet	2009	Certified
	Lungmanis	2010	Lungmanis	2010	Lahad Datu, Sabah
			Sungai Silabukan	2010	Certified
	Rimmer	2010	Rimmer	2010	Lahad Datu, Sabah
			Tungku	2010	Certified
			Bukit Tabin	2010	Certified
	Bornion	2010	Bornion	2010	Kinabatangan, Sabah
			Segar Usaha	2010	Certified
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>				
	PT Adei Plantation and Industry cooperating with surrounding communities for oil palm development with full management by the company. There are three cooperatives that work together consists of <i>Koperasi Petani Sejahtera</i> (Batang Nilo Village), <i>Koperasi Karya Mitra</i> (Sering Village) and <i>Koperasi Tani Harapan Maju</i> (Telayap Village). Until the audit activities, the management unit had socialized RSPO related to each village. The application of the RSPO in the smallholders will be verified during the times of ASA-3 or 3 years after Nilo POM 1 received RSPO certification.				

<b>2.0 ASSESSMENT PROCESS</b>	
<b>2.1 Assessment Team</b>	
<b>ASA-2</b>	<ul style="list-style-type: none"> <li>• <b>Sandra Purba (Lead Auditor).</b> Bachelor of Forestry, Department of Forest Products Technology, Faculty of Agriculture, University of North Sumatra. Have experience working in oil palm plantations Company. She had attended such training: Training Expert of OHSAS General, Training ISPO Auditor, Auditor/Lead auditor Management System Certification (ISO 9001-2008) and RSPO Training. During the assessment the auditor verified legality and SCCS aspect.</li> <li>• <b>Ardiansyah (Auditor).</b> Bachelor of Forest Resources Conservation, Department of Forestry, Bogor Agricultural University. He has followed several activities for identified environmental impact such as preparing EIA document for plantation and plantation forest. He has followed several trainings namely: Management System Certification (ISO 9001-2008/SNI 19011-9001:2008), SMK3 based on OHSAS, RSPO Lead Auditors Training Course endorsed by Proforest and Diameter, Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and mapping for land cover analysis. During the assessment the auditor verified environment, conservation and GHG aspects.</li> <li>• <b>M. Arif Yusni (Auditor).</b> Bachelor of Agriculture, majoring of Plant Pest and Diseases (Plant Protection). He has a working experience for 2 (two) years in oil palm Plantation Company in Indonesia. Trainings attended namely: Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course and Auditor / Lead auditor Management System Certification (ISO 9001-2008). Now he worked at Professional Certification Body. He has been several times following audit related to sustainable palm oil certification system as an auditor. During the assessment the auditor verified base management practices and Occupational health &amp; Safety aspect.</li> <li>• <b>Sofyan Hadi Lubis (Auditor).</b> Master's Program in Environmental and Natural Resource Management, Institute Pertanian Bogor (IPB) and Bachelor of Social Economic Agriculture, Gadjah Mada University (UGM). Participated in several environmental management workshops, climate change mitigation training and adaptation for agricultural productivity in Southeast Asia, Carbon Forum Asia Update. He has also been involved as a research team at the Centre for Research, Development and Climate Change Policy (Puspijak) Ministry of Forestry of Indonesia-Bogor and Research Team in cooperation program IPB-ETH Zurich Switzerland - NUS Singapore. He has followed Auditor training ISPO and Auditor/Lead auditor Management System Certification (ISO 9001-2008), ISO 14001, Awareness RSPO, HCV, GHG Calculation and LUC-ISCC. During the assessment the auditor verified social and conservation aspects.</li> <li>• <b>Benli Manurung (Observer).</b> Bachelor of Agriculture, Department of Soil Science, Sumatra Utara University. He has experience working in palm oil plantation for 4 years.</li> </ul>
<b>2.2 Assessment Methodology, Assessment Process and Locations of Assessment</b>	
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-2</b>	<p>Number of auditors for ASA-2: 4 Auditor and 1 Observer</p> <p>Number of days for ASA-1 at site: 4 days</p> <p>Number of working days for ASA-1 di lokasi : 16 Working days</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-2</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT. Adei Plantation &amp; Industry terhadap RSPO Principles and Criteria (P&amp;C) for for the Production of Sustainable Palm Oil - April 25<sup>th</sup>, 2013 dan RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module E for CPO Mill).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results <b>ASA-2</b> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (<b>ASA-3</b>).</p>

Improvement of findings from main assesment findings were observed by auditors at this **ASA-2** assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of **ASA-2**.

The assessment program please find Appendix 2

<b>2.2.3</b>	<b>Location of Assessment</b>
<b>ASA-2</b>	<p>Number of units in this certification activity is two (2) estates, which supply the raw material (FFB) to one (1) palm oil mill. In conducting the assessment, the team of auditors used the <math>0.8\sqrt{y}</math> 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 1 POM) and two (2) estates (KNB 1 estate and KNB 2 estate)</p> <p><b>Nilo POM 1</b></p> <ol style="list-style-type: none"> <li><b>Security and Weighbridge.</b> FFB source derived from internal (certified) and external (non-certified). Separation of the products has been done since the admission (documentation).</li> <li><b>Grading.</b> Grading criteria has been understood by the personnel, OHS aspect has been implemented. PPE provided in adequate.</li> <li><b>Processing.</b> Has OHS aspect and labour aspect has been implemented well, operator of production unit such as boiler and turbine has a certificate/SIO, audiometric surveillance has been carried out regularly, there are no complaints. Appropriate PPE provided.</li> <li><b>Workshop.</b> Implementation of OHS aspect and environmental aspect has been conducted well, adequate PPE and first aid kit has provided, welders has certificate of competence.</li> <li><b>Chemical warehouse.</b> Observations and interviews related to the management of Hazardous Material, OHS implementation, wages and health examination.</li> <li><b>Oil warehouse.</b> Observations and interviews related to the management of oil and OHS.</li> <li><b>Hazardous Waste Warehouse.</b> Observations and interviews related to the management of Hazardous Waste, health examination, first aid, wages and emergency response.</li> <li><b>Water treatment plant.</b> Observations and interviews related to the monitoring of water use; water treatment for production and domestic needs.</li> <li><b>Collecting place of Fiber and shell.</b> Observations condition of water run off from fiber and shell.</li> <li><b>Waste Water Treatment Plant.</b> Observations and interviews related to the management and application of effluent.</li> </ol> <p><b>Nilo Barat Estate 1</b></p> <ol style="list-style-type: none"> <li><b>Landfill, Division 2.</b> Location block 18 Division 2 KNB1, size has been adequate, distant from the housing, scheduling 2 times a week</li> <li><b>Housing Division 2.</b> Adequate and decent housing, clean water and lighting provided, a complaint mechanism has been understood by the employees, handling of domestic waste has been done well.</li> <li><b>Workshop.</b> Implementation of OHS aspect and environmental aspect has been conducted well, adequate PPE and first aid kit has provided, welders has certificate of competence.</li> <li><b>Agrochemical storage and mixing area.</b> OHS signboard and MSDS provided adequate, officers use appropriate PPE, ex-containers chemical has been managed well.</li> <li><b>Fertilizer Warehouse.</b> OHS signboard and MSDS provided adequate, officers use appropriate PPE.</li> <li><b>Clinic.</b> Handling of Infectious waste has done well.</li> <li><b>Block 24, Division 2.</b> Observations and interviews related to palm oil harvesting.</li> <li><b>Block 35, Division 2.</b> Observations and interviews related to replanting.</li> <li><b>Block 35, Division 2.</b> Observations related to Peat Management (Subsidence pole and water management).</li> <li><b>Block 20, Division 2.</b> Observations and interviews related to weed control chemically (Herbicide Application).</li> <li><b>Block 29, Division 2.</b> Observations and interviews relatedto fertilization.</li> <li><b>Block 3, Division2.</b> Observation of the legal Boundary Pole No 161.</li> <li><b>Block 3, Division2.</b> Observation of the legal Boundary Pole No 162.</li> <li><b>Block 20, Division 1.</b> Observationof HCV management area in form of forestwhich was bees nest.</li> <li><b>Block 16/19, Division1 and Block 9/4, Division 2.</b> Observation of HCV management areas in the form of</li> </ol>

Batang Nilo Kecil riparian.

16. **Block 16, Division1.** Observation of the legal Boundary Pole No 96.

#### Nilo Barat Estate 2

1. **Workshop.** Observations on the hazardous waste management, completeness PPE, P3K Box, certificates of competency, facility, salary, health insurance, etc.
2. **Agrochemical storage and mixing area.** Based of field observastion, obtained information that the OHS signboard and MSDS provided adequate, officer use appropriate PPE, ex-containers chemical has been managed well and chemical officer had followed the periodic health check up, and chemical officer has been training chemical mixing.
3. **Clinic.** Observations on clinical waste management, types of diseases, occupation accident (if any), medicine, health insurance, etc.
4. **Housing Division 4.**Adequate and decent housing, clean water and lighting provided, a complaint mechanism has been understood by the employees, handling of domestic waste has been done well.
5. **Landfil, Division 4.** Observations on domestic waste management, burning activity (if any), pollution, etc.
6. **Workshop.** Based on observations at the central workshop, obtained information that the officer understands hazardous waste management procedures. Hazardous waste stored in hazardous waste temporary warehouse andthere are no spills on the floor, provided first aid emergency box, workshop officer have PPF, basic wage compliance with government regulations, and have health insurance.
7. **Hazardous waste temporary warehouse.** Base on observation at the Hazardous waste temporary warehouse, obtained information that the hazardous waste temporary warehouse has had the coordinates corresponding to license, locations are in areas free of flooding, are not on the water source, location away from residential areas and housing employees, equipped with bells, fire extinguisher, eye wash, first aid emergency box, hazardous waste symbol, Material Safety Data Sheet, oil trapping, trapping tub, logbook, etc. LB3 stored have been prepared according to the type and characteristics of each waste, and there are no spills or spills on the floor or surrounding environment.
8. **Block 23, Division 4.** Observation of replanting activity with mechanized system.
9. **Block 17/16B, Division 4.** Observation of HCV management areas in the form of Telayap riparian.
10. **Block 42A, Division4.** Observation of the legal Boundary Pole No 149.
11. **Block 11, Division4.** Observation of the legal Boundary Pole No 70.
12. **Block 23/11, Division4.** Observation of the legal Boundary Pole No 72.
13. **Block 25/10, Division4.** Observation of the legal Boundary Pole No 73.
14. **Block 43, Division 3.** Observation of POME application.
15. **Block 42, Division 3.** Observation of monitoring well at POME application area.
16. **Block 35, Division 3.** Observation of HCV management areas in the form of cemetery.

#### Stakeholder

1. **Telayap Village.**Auditor conducted an interview with the head of the village, related with the impact of plantation management.
2. **Kemang Village.** Auditor conducted an interview with the head of the village, related with the impact of plantation management.
3. **Sungai Buluh Village.**Auditor conducted an interview with the head of the village, related with the impact of plantation management.
4. **Contractor.** Auditor conducted interviews with contractors of replanting
5. **Labour and transmigration Agency.** Auditor conducted an interview related to Occupational Health and Safety, Employment and Industrial Relations, etc.
6. **Plantation and Forestry Agency.** Auditor conducted an interview related to Plantation Business Rate; Business License, a partnership with the community (if any), the company's liabilities on the business license which has been owned, peatland management (if any), status of the region, land use change, overlap region, the issue of forest fires, etc.
7. **Environmental Bodies.** Auditor conducted an interview related to environmental documents held (EIA / RKL-RPL), permits related to the environment (hazardous waste, waste disposal permits), reporting and management of environmental monitoring, management of emissions and environmental pollution issues, etc.
8. **Natonal Land Agency Office.** Auditor conducted interviews with witnesses measurement, related to land rights-

	managed and their conflicts or land disputes with other parties (if any), etc.
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-2</b>	<p>Public consultation with Stkaholder to PT Adei Plantation &amp; Industry done through:</p> <ol style="list-style-type: none"> <li>1. Public Notification at web mutucertification.com on Maret 17, 2016</li> <li>2. Pubic consultation with local stakeholder by visit to village (Telayap village, Kemang village and Sungai Buluh village) and contractors on April 5, 2016.</li> <li>3. Public consultation with government agency District of Pelalawan (Environment Bodies, Plantation and Forestry Agency, Labour Agency and National Land Agency on April 4, 2016.</li> </ol> <p>Numbers of input from stakeholders were clarified by PT Adei Plantation and Industry.</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<b><i>Please find appendix1</i></b>
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit <b>ASA-3</b> will be pplaned on <i>April -2017</i> .

### 3.0 ASSESSMENT FINDINGS

#### 3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Nilo POM 1 – PT. Adei Plantation & Industry, Kuala Lumpur Kepong Bhd operation consisting of one (1) mill and two (2) oil palm estates.

MUTUAGUNG LESTARI found that Nilo POM 1 – PT. Adei Plantation & Industry, Kuala Lumpur Kepong Bhd complied with the requirements of **RSPO Principles & Criteria and National Interpretation, RSPO Principles and Criteria (P&C) for Sustainable Palm Oil Production, 2013 and RSPO Supply Chain Certification Standard November 2014 for CPO Mill.**

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

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.		
The Company has recorded all information that coming from stakeholders on the <i>Book Information</i> , coordinated by Department of Public Relations (PR) and was kept for 5 years at Department of PR. Based document review on the <i>Book Information</i> , obtained information that years 2015/2016 there were one requests information from Senior High School No. 1 of Pangkal Kuras dated January 23, 2016, about when they will begin apprentice in the company. The information requests have been addressed dated January 23, 2016 by the company, that apprentice will begin on February 1, 2015. Based on SOP owned by company known that the response that had been addressed to the stakeholder has been appropriate and timely.		
The company also regularly communicate information to government of stakeholders, such as:		
<ul style="list-style-type: none"><li>- Implementation report Environmental Management Plan / Environmental Monitoring Plan of Nilo POM 1 and Estate, second semester in 2015 to Environment Bodies Pelalawan District dated January 4, 2016</li><li>- Hazardous Waste reports of Nilo POM 1, fourth quarter in 2015 to Environment Bodies Riau Province and BLH Pelalawan District and Ministry of Environment dated January 9, 2016</li><li>- Hazardous Waste report of KNB 2, fourth quarter in 2015 to Pelalawan District dated January 10, 2016</li><li>- Liquid waste report of Nilo POM 1, fourth quarter in 2015 to Environment Bodies Riau Province and Environment Bodies Pelalawan District and Ministry of Environment dated January 9, 2016</li><li>- Progress report on the business activities of plantation, second semester in 2015 to the Plantation and Forestry Agency and Plantation, Environment Bodies Pelalawan District dated January 19, 2016</li><li>- Capital investment activities report, first semester in 2015 to the Investment Coordinating Board on July 14, 2015, which is the second semester in 2015 dated January 8, 2016</li><li>- Employment report in 2015 to Labour Agency Pelalawan District dated December 2, 2015.</li><li>- Report of prevention, mitigation and control of fire hazards, second semester in 2015 to the Plantation Agency dated February 5, 2016</li></ul>		

Based on interviews with Environment Bodies, Labour Agency, Plantation & Forestry Agency and National Land Agency, obtained information that the company regularly communicate information to stakeholders.

**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.**

Based on review of document at *Master List of Documents*, obtained information that documents can be opened / accessible to public, such as document administration (e.g. letter of entry / exit, file union, AAR document, RSPO document, SPK of piece workers, Distribution Wages, Labor Social Assurance, Daily / Weekly / Montly of FFB production reports and FFB quality reports), SOP documents (SOP RSPOs, Book Information requests, consultation and communication results) as well as documents and regulations, retentions is 5-10 years. It has been described in the SOP requests of information and communication owned by company, based on interview with stakeholder (workers, community and related agency) known that the SOP has been socialized.

**Status: Comply**

### 1.3

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

The Company has a policy commitment that is recorded on the *Code of Conduct for Employees*, issued on October 1, 2014. The guideline contains about compliance with laws, no money laundering, no terrorist, no corruption, restrictions on personal gifts, ban disclose confidential information, prohibition of harassment.

These policy commitment have been socialized to all workers, such as: KNB Division 1 held on March 24, 2016; KNB Division 2 held on March 17, 2016; KNB Division 3 held on March 16, 2016; KNB Division 4 held on March 18, 2016 and Nilo POM 1 held April 4, 2016.

Based on interviews with workers in the workshop, workers in place mixing chemicals and workers at the clinic, obtained information that they have been getting the socialization of the Code of Conduct for employees. Workers known that they are prohibited corruption, terrorism, providing confidential information, harassment and violence, and so on.

**Status: Comply**

## PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

### 2.1

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

Implementation of the regulations made by the company related to environment aspect such as permit of hazardous waste storage at Nilo POM 1 and Nilo Barat Estate 2; permit of POME utilization for land application at Nilo POM 1; Environment Impact Assessment (EIA) document for Nilo POM 1 and oil palm plantation; and did not use fire for replanting.

Implementation of the regulations made by the company related to OHS aspect one of which is has been regularly conducting health surveillance on employees working in areas with high risk. Examination conducted in collaboration with the dr. Heppy S clinic on August 20, 2015, the type of audiometric examination as many as 12 employs.

Written information on legal requirements recorded in the document list of the laws and regulations that must be met by PT AP & I Complex, updated on February 26, 2016, inform the regulation title and number, clauses for liability and compliance status. Legal requirements relevant to the operational of mill and estate has been identified and evaluated, including the addition of new regulations and the removal of regulations that are no longer valid.

There are no changes related to the mechanism to ensure compliance with regulations, namely SOP No. 2 PT Adei P & I on Compliance with applicable regulations and laws. Person in charge is a manager in each division with the

assistance of Administrator Head. To assist the monitoring process, the company drawn up legal documents and official regulations that currently applies in Indonesia, checklist of certificates and permits that must be met by the company, checklist of periodic report should be submitted to the relevant agencies, and the list of information requirements of laws and regulations.

In point 2 stated that the person who responsible of monitoring the changes / updates to the laws and regulations in Indonesia is the Manager of Public Relations, MA, GM, RD, and Chairman. The latest source of legislation is the head office and other sources such as KMSI, GAPKI and mass media. Updates performed 1 time in 6 months.

Based on interviews with Environment Agency, Labour Agency, Plantation and Forestry Agency and National Land Agency, obtained information that the company has been working to comply with applicable regulatory requirements, such as has submitted document RKL-RPL report, second semester in 2015 to Environment Bodies Pelalawan District, has submitted Hazardous Waste reports of Nilo POM 1, fourth quarter in 2015 to Environment Bodies Riau Province and BLH Pelalawan District and Ministry of Environment, etc.

**Status: Comply**

### 2.2

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

There are no changes since the ASA-01, company's HGU with a total area of 12,860 hectares, the company has had documents showing the land tenure and cultivation, among others: location permit in Decree No. Kpts.45 / I.L-I / 1991 of the Governor of Riau Province through Indonesia Investment Coordinating Board on the Permit Area and Acquisition Rights of the land area of approximately 12,750 hectares; Release of Forest area trough Decree of Forestry Minister No. 846 / Kpts-III / 1991 on Release of Some groups Forest S. Nilo - S. Telayap located in the Riau Province, area of 15812.5 hectares; Decree of BPN Head No. 23 / HGU / 1993 on granting the concession on behalf of PT Adei Crumb Rubber Factory, Medan area of 12,860 hectares located in Telayap Village, Kemang Village, and Nilo Kecil Village, Sub District of Pangkalan Bunut and Psngkalan Kuras, District of Kampar, Riau PProvince and HGU Certificate no. 1 year of 1994 issued by BPN Kampar for an area of 12,860 hectares; Plantation Cultivation Business Principle Approval ForAreaadjustment ofCultivation PT Adei Plantation & Industry, Riau Province, through Decree No. HK.350 / E5.335 / 04.97 in 1997 as the government's approval of the conversion of rubber comodity into oil palm commodity.

Verification on an image particular situation no 17/1992 which is an annex of the Decree of the HGU owned by the company covering an area of 12.860 ha, it is known that there are as many as 167 BPN poles which marked the boundary demarcation of the company's area. The company has SOP in monitoring BPN poles and demarcation No. 46 issued on July 1, 2014, the SOP mentioned that the monitoring carried out at least 1 time in 1 year.

The company can show the inspection report of BPN Poles conduct per 6 months, for example:

- BPN poles of KNB1 Div 2 maintained on March 18, 2016 as many as 30 poles, good condition
- BPN poles of KNB2 Div 4 maintained on December 20, 2016 as many as 24 poles, the overall good condition.

Map of poles positions available for each unit and in general.

During the audit has been conducted observation in Block 3 Division 2 KNB1, there were pole No. 161 which is its actual position has not match with the position that has been set by BPN, related to its the company has relocated in accordance with the position that it should, the company can show and explained the evaluation of this case, including the root causes and preventive action to be taken.

Process of land compensation had been completed by the company in 2014 in the village of Palas, Kemang Village and Nilo Kecil Village. The Company showed a written statement from the surrounding villages related to the compensation process. A statement letter dated October 14, 2013 related to the land in the Palas Village, a written statement dated October 9, 2013 related to land in Kemang Village and a statement dated October 26, 2013 related to the land in the

village of Batang Nilo Kecil. In the statement letter there were an explanation that all had been compensated and there were no customary land / indigenous or similar within the HGU, so that excess area according to the verification team is state land. Signed by customary leaders, community leaders, religious leaders, youth leaders and village official.

There is no land conflict. Based on results of public consultation with the surrounding villages, for example with Telayap village, Kemang village and Sungai Buluh village known that currently there is no conflict between the villagers with the company.

Company has done compensation to all areas that have been cultivated. Land dispute resolution has been carried out by the company with the method of FPIC, documents of land settlement agreement can be shown to the auditor, for example, the completion of the concession area occupied by the community of approximately 2 ha in KNB1 Division 2. Company and communities had agreed there will be no conflict related with the area. Provided a two parties statement dated 8 April 2016, signed together above legal stamp with the same legal powers.

The Company does not use force to maintain peace and orderliness of operations being carried out and / or planned.

**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.**

The entire of indigenous rights were identified during the ST 2 assessment is based on the statement of local government (Kampar Regent Letter No. 593/28 / pem / 1987 and Riau Governor's letter No 19, February 1991) has been compensated by the company.

Process of land compensation had been completed by the company in 2014 in the village of Palas, Kemang Village and Nilo Kecil Village. The Company showed a written statement from the surrounding villages related to the compensation process. A statement letter dated October 14, 2013 related to the land in the Palas Village, a written statement dated October 9, 2013 related to land in Kemang Village and a statement dated October 26, 2013 related to the land in the village of Batang Nilo Kecil. In the statement letter there were an explanation that all had been compensated and there were no customary land / indigenous or similar within the HGU, so that excess area according to the verification team is state land. Signed by customary leaders, community leaders, religious leaders, youth leaders and village official.

Based on public consultation result with the surrounding villages of plantation, for example with Telayap village, Kemang village and Sungai Buluh village known that currently there are no conflicts between the villagers with the company. Company had done compensation to the entire area that has been cultivated.

**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.**

The company has document of forecast for 5 years (2015 – 2020) which covers FFB crop from estate and KKPA, OER, KER, CPO, PK, production cost, CPO and PK prices, mature area and profitability. Based on document, the realization of production period 2014/2015 are 92% from the programme.

Replanting program has been planned up to five (5) years in accordance with procedure. The replanting program has been done in Nilo Barat Estate 2 for an area of 124 Ha on period 2014/2015. For period 2015/2016, the progress of replanting is in Nilo Barat Estate 1 and Nilo Barat Estate 2. For next five years the replanting will be planned in Nilo Barat Estate 1 for an area of 687.7 Ha and Nilo Barat Estate 2 for an area of 1,414.8 Ha.

**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.

The Company has SOP for estate from land clearing to harvesting and SOP for Palm Oil Mill starts from FFB's loading ramp to CPO & KO dispatch. That's SOP is available on audit site and written in a language that is easily understandable for workers Based on field observations in Nilo Barat 1 Estate, Nilo Barat 2 Estate and Nilo POM 1 its known that's procedur well implemented by the company.

To ensure this SOP has been conducted by the company, there is a regular checking and monitoring activity such as Internal audit, its coverage operation activity of estate is conducted two times a year and audit internal RSPO is conducted every year.

Record of operational activity result of the estate is available in the Progress Report of Estate and POM were reported periodically (every month), Based on field observation in estate and POM shows that units also has been documented in the daily activities in a daily report.

Procedures of FFB Purchasing be explained in SOP Out FFB Purchasing. That's procedures eplained mechanism of FFB Purchasing from supplier and the requirements. Document verification Nilo POM 1 accepting/purchasing FFB from 9 suppliers. Nilo POM 1 can show the documentations off FFB received from each suppliers in FFB received documents.

**Status: Comply**

### 4.2

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

Based on document verification the company has had a SOP to manage and maintain soil fertility. The field visit that's SOP has been well implemented such as conducted fertilization activity in accordance with the recommended doze, application of effluent and utilization of crop residues after replanting and planting of cover crops (LCC) on replanting area.

Based on field observation is known that company has been conducted fertilization activity in accordance with the recommended doze, such as in Block 29 Division 2 Nilo Barat 1 the doze of recommendationog NK are 2Kg/tree. In addition the company also documented the use of fertilizers for every tonnes FFB.

The management unit routinely been conducting of soil and leaf analysis periodically conducted by Applied Agriculture Research every year as reference for fertilizer recomendations. The Parameters of Soils analysis are of the water content, pH, C-organic, total N, C / N and the parameters of leaf analysis are N, P, K, Mg, Ca, B and Cl.

The Company has a strategy of recycling nutrients, such as the use of the midrib (pruning), application of effluent and utilization of crop residues after replanting. Results of field visit in Replanting area on Block 35 Divisin 2 Nilo Barat 1 Estate and Block 08 Division 04 Nilo Barat 2 Estate show that crops residues after replanting are compiled in stacking area.

**Status: Comply**

### 4.3

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

The company has had a plantation Soil Map Nilo PT Adei Plantation & Industry scale of 1: 100,000 year 2014. Based on these maps, obtained information that sloping land of the company such as a flat (0-4%), bumpy (2-6%) and rolling (12 - 24%). Based on observation at Blok 20, Division 1, KNB 1, obtained information that the strategy area of sloping land management applied by the company such as cover crop cultivation, terracing.

The company has had a road maintenance program according to the specified budget. The entire road maintenance program has been realized and the results are recorded in the statement of road maintenance in 2016. For example:

- KNB 1 Division 4. Road maintenance which realized 17,000 meters in Block 24, 33 and 41.
- KNB 2 Division 2. Road maintenance realized 27,000 meters in MD / CR 98 B1 & B2; 99 B2 and B4; 99 C1 & C2; OO B1 and B1

The company has been monitoring peat water level and peat subsidence on January to March, for example:

- KNB 1 Division 2. Peat water level range 60-80 cm below the ground surface. Level peat land subsidence on March 10, 2016 = 2.75 mm.
- KNB 2 Division 4. Water level on average 60-80 cm below the ground surface. Level peat land subsidence on February 15, 2016 = 1.75 mm

Based on observation at Blok 35, Division 2, KNB 1, obtained information that peat water level on 70 cm below the ground surface. Subsidence stake in good condition and well maintained. Subsidence stake has been monitored and measured each month by the sustainability officer. Water management systems on peat lands have been made through the drainage system and the dam.

The Company has performed an analysis levels of drainability, recorded in the statement of Drainability Assessment Report of Replanting on Map Area Soils in PT Adei Plantation & Industry, Riau Province. Assessment is done by AAR, in February 2015. Based on the evaluation, obtained information that the level of peat current and forecast the future (after 25 years of subsidence) high average. Recommendations suggested if flooding is keeping the water level at 60 cm below the ground surface, maintaining plantation boundary north and install automatic shut off at all outlets.

**Status: Comply**

#### 4.4

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

The company has programs to protect the riparian area and ground water. Several attempts to protect the surface and ground water are:

- Determining 50 meter from river as riparian area. The management for riparian area such as doing enrichment species and prohibition chemical application (pesticide and fertilizer).
- Utilizing the POME for land application and didn't dispose the POME to water surface.
- Testing the ground water quality at land application area, non land application area and workers housing to check the impact of utilization of POME.
- Testing the surface water quality at Telayap River and Batang Nilo Kecil river routinely.

Based on ground water testing on October 2015 known that quality of nitrat in land application area is not in accordance with environment threshold. Unit management has been evaluate the result of testing and shows the action plan to reconstruction the monitoring wells. The result of ground water testing will be observed at next surveillance. **OFI**



**Waste Water Treatment Plant**

The results of field visits in the Batang Nilo Kecil and Telayap riparian, it is known that there was no indication of the chemistry application along the riparian. Unit management has marked the riparian border with a distance of 50 meters and there is a sign board of HCV areas identity and other restrictions to undermine the HCV area. The management unit also has been planted mahoni tree, pulai tree and

bamboo. Based on interview with workers shows that they are already known about prohibition to use chemical in riparian.

Effluent produced by the mill is managed on Waste Water Treatment Pond (WWTP) before it is applied to the estate (see picture). Examination of documents showed that the effluent quality monitoring conducted regularly every month by the laboratory of Bina Marga Agency of Riau Province. Results of testing in the last five months before the assessment (October 2015 – February 2016) showed that all of the test parameters meet the standard qualities.

Results of Interviews and field visits it was obtained information that the water used for mill processing activities comes from water reservoir. The use of water has been monitored on a daily basis by using flow meter gauges. The results of the document review showed that the use of water in the mill under the budget set (2.0 M<sup>3</sup> water / Ton FFB).

**Status: OFI**

### 4.5

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

The company has SOP and program of IPM conducted by the company. The stages of IPM cover the pest detection, census to identify the type of the species and pest population, pest control by using chemicals to handle the attack exceeding the threshold and biology culture in order to keep the ecosystem balance.

According result of census was conducted by the company, there are pest attacks and disease symptoms above control threshold are termites and ganoderma. Companies can show the level of pests attacks and diseases symptom, for example:

#### a. Termites

In Nilo Barat 1 Estate Division 2 result of census in January 2016 blocks are attacked termites, for example are Field 99B B2 and Field 99 D10 with the number of trees attacked respectively 98 trees and 43 trees. In Nilo Barat 2 Estate Division 4 based results of census in February 2016 blocks are attacked termites, for example are Field 99 B2 and Field 99 D10 with the number of trees attacked respectively 233 trees and 194 trees. Company conduct control measure by using pesticide wit active ingredient fipronil. Result of document review and field visit when audit being performed it is revealed that termites control measure is effectively applied which termites attack on that's block below control threshold.

#### b. Ganoderma

Document verifications and interview with management it is known during period 2015-2016 the company didn't conduct ganoderma census, because the level of Symptons is very high, Low SPH, and FFB productions is low, so the company is plan to conducted replanting gradually from 2016 - 2019. The Company needs to ensure management plan ganoderma attacks in areas that are not included in the plan replanting until 2019. **(OFI 4.5.1)**

As anticipation to prevent Palm Oil Leaf Eating Caterpillar attack, the company cultivates and maintain beneficial plants (*Turnera Subulatan Antigonon leptosus*). Moreover, in order to prevent rat attack, company has monitored owl barn every six month Company has delivered training on holistic pest and disease control such as on 3<sup>th</sup> August 2015

**Status: OFI**

### 4.6

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

Based on documents verifications and observation to chemical storage has shown evidence that the used pesticides have received permission from the government. The company can show the justification of pesticide used base on active ingredients, type of weed or plants pest and disease found in the operational area. There are 10 types of

herbicides, 5 types of insecticides and 1 type of fungicide used by the company.

Pesticides used by the company have been properly recorded at estate on "costing book" that describes the use of pesticides, work items (spraying of circle, harvesting path, and stacking of sheath) the amount of usage, and the number of applications per hectare. Based on the examination of documents and information, warehouses cards, the use of pesticides by the company was conducted in accordance with the recommended dose and in accordance with the objectives. Documents verification and interviews with management it is known that pesticide used based on the result of census plant pest and disease (see criteria 4.5).

The results of document review and field visit in the warehouse of pesticides showed that all units of the estate does not use pesticide in categories WHO 1A and 1B, but there is still the use of paraquat for 2015.

Based on field visit to KNB1 and KNB 2 shows that pesticides are stored in the agrochemical warehouse. Based on a visit to the agrochemical warehouse, it is known that all pesticides used are kept separate from other materials. Agrochemical warehouse has been equipped with PPE, OHS symbols, *emergency shower*, *eye washer* and MSDS. Furthermore, the results of field visits and interviews with workers in Block 20 Division 2 KNB1 and Block 9/10 Division 4 KNB 2 it is known that the employees have been given training in safe work practices. This was evidenced by the employee can demonstrate the correct way to work in accordance with the procedures, for example the sprayer using personal protective equipment in accordance with specified hazard identification. In addition, employees are also informed about the steps of secure work in each roll call in the morning (before work). Results of interviews and field visits it is known that the company did not apply the pesticide spraying by air.

The results of field visits and interviews obtained information that the ex-pesticide containers that are still in good condition are used as a place to distribute the pesticide before it is applied to the field. Ex-pesticide containers that are not used are managed by washing before it is stored in the Hazardous Waste Storage to be submitted to the licensed Hazardous Waste Collector. Interview with workers and manager show that they are understand the step of ex-pesticide containers disposal in accordance with the procedure.

The company has been carry out periodic health of examinations personnel who have direct contact with chemical material every year. Last medical examinations was conducted on August 30<sup>th</sup> 2015 to all employees who work with chemicals. The test results showed that all employees who work with chemicals in a healthy condition. Interview with workers known that they are never get experience of occupational injury which caused by chemical such as irritation.

The Company has a policy regarding to the prohibition to employ the pregnant and nursing women to work on a section that deals with chemicals. Based on field interviews with sprayers, it is known that there are no female employees who are pregnant or breastfeeding. In addition it also obtained information that the employees have to know if pregnant or nursing are not allowed to work which related to the chemicals because it is dangerous to their baby or their fetus.

<b>Status: Comply</b>
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### 4.7

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

There were no changes related to company's OHS policy, Safety and Occupational Health Policy endorsed by the Group Plantations Director on January 10, 2005, include among others:

- Comply with all laws and regulations related to worker safety and health.
- Ensuring stages of occupational health and safety procedures implemented and updated.
- Providing comprehensive training, information and guidance on aspects of the OHS.
- Ensure that all workers understand their responsibility to work safely to avoid accidents themselves and other workers

The Company has established SOPs for the implementation of OHS Policy included in Sustainability Standard Operating Procedures established by the General Manager in 2014.

The Company has established a risk analysis document in the form of OHS hazard identification and risk assessment covering all activities in the factory and estates. The document informs: the job location, type of activity, sources of risk, types of risk, risk level, performed control, action plan, responsible PIC and the level of risk after controlled.

Procedures related with the risk handling had been compiled in the document Safety Operating Procedures (SAOP) of mill issued no 2 on February 1, 2014.

Based on field observations in Block 24, Division 2, KNB1 (harvesting) and Block 29, Division 2, KNB1 (fertilizing) known that the company has been applying all planned acts control that has been mentioned in the risk analysis document, for example the provision of PPE, safe job training, medical surveillances (audiometry, CHE) and first aid training.

Safe work trainings has been performed for all employs involved in the Estates and Mill operations, records of training are stored and maintained properly. Auditors has verified the entire records of training conducted, the company has been maintain it well the entire record.

For example, training of ways of working safely in mill dated March 21, 2016 and training of OHS aspects on the handling and use of chemicals of plantation dated February 4, 2016.

Based on field observation in Block 24, Division 2, KNB1 (harvesting) and Block 29, Division 2, KNB1 (fertilizing) known that the company has been provide work equipment and personal protective equipment that appropriate for employees. Employes has been understand how to work safely on their job.

Committee of Occupational Health and Safety (P2K3) of PT AD&I Complex as the committee that is assigned to be responsible for OHS program has gained ratification through Decree of Manpower Head Agency of Pelalawan district No. KPTS.566 / DTKT-WAS / 2014/39, dated February 19, 2014.

Committee Secretary has been certified as OHS General expert with Reg No. 13676 / PK3 / AJ / 14/2013 / P1 and appointment decree No. KEP.P.6719/M/DJPPK/VI/2014, on June 9, 2014 with a validity period of 3 years. Meeting to discuss issues of OHS has been done routinely every month, both per unit division, estates/mill and general meeting of PT AP & I.

The company has had a workplace accident SOP and emergencies response endorsed on October 29, 2010. In part of workplace accidents handling described its stages, as follow: minor accidents will be handled by first aid officers in the field/work location, afterwards delivered to clinic, reported to company, held a OHS committee meeting to discuss the accident and continued to conduct training or revision of SOP to prevent repetitive accidents. Handling of severe accidents/serious, start of delivered to the company's clinic to performed first aid, reporting to company and insurance agency (BPJS-TK), report to Manpower Agency and Police (if required), held a OHS Committee meeting and take precautions according to the recommendations. First aid training performed by doctor in collaboration with Manpower Inspector of Pelalawan District held on October 29, 2015. First aid officers trained has been provided in work location in field, which is the foreman for each activity in the fields and factories.

Results of the field observation showed that first aid kit already available in the field, the responsible officer can demonstrate techniques and first aid in an accident.

The company has collaborated with PT BPJS-Kes as insurance agency related in employs medical care services, all employs have been included into the insurance participant, provided list of employs who participated in insurance including their dependents and evidence of payment every month, for example, for the period of February 2016 payment for all employs of PT AP & I conducted through an bank account transfer on March 4, 2016.

Accident insurance was held in cooperation with PT BPJS-TK, company show evidence of insurance payments each

month was held through bank account transfer, example a payment period of March conducted on March 11, 2016 as many as 366 employs of KNB1, as many as 324 employs of KNB2 and employs of NPOM1 as many as 118 people. Insurance payment for daily worker conducted simultaneously for all PT AP & I as many as 600 people.

The entire work accident are monitored and recorded by the company, the recording is done every day and recapitulation done every month. Statistical reports inform work accident date, the number lost time, the victim's name, type of work, a chronological description of the accident, due to an accident and insurance claim status.

Based on the review of the document, there were 11 cases of minor accident in KNB2, first aid action has been performed related to it.

The calculation of lost time injuries – PT AP & I Complex accident case report period 2016 wherein KNB2 by 13 days of lost time, KNB1 by 13 days and POM1 zero accidents.

**Status: Comply**

### 4.8

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

Training program for all aspects of RSPO principles and criteria have been developed, among others:

- Estates: Training of water management, Training of spraying, training and drill of emergency response of land and forest fires, fertilizer techniques training, harvesting techniques training, pruning techniques training, training of FFB loader and transporting, training of chemicals mixing, training management and handling of HCV, first aid training and training of warehouse.
- Factory: RSPO, ISPO and ISCC awareness training, training of supply chain, training of grading, training of critical control point, boiler operator training, training of Land Application and Lab, emergency response training and electrical training.

Record of the training realization has been shown to the auditors, the company has been maintaining well entire record of the training that has been performed. Based on interview with employs known that the understanding of aspects related to the implementation of the RSPO has been adequate.

Training for contractor has been carried out by company, training conducted before the project or activities started in the form of safety induction. Training that has been done to the smallholders is in the form of socialization, socialization record kept by smallholders.

Records of training for each employee are kept and recapitulate the attendance list at the time of training. All records are stored properly in the RSPO (Sustainability) Department database.

**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.**

The company has had a document of Environmental Impact Assessment (EIA) for the scope of Palm Oil Mill (POM), Oil Palm Plantation for estate and KKPA which approved by Pelalawan District Regional Environment Impact Control Agency on October 17, 2006. These documents discusses the impact that might have caused by the company's operations such as land acquisition, construction of roads, creation of infrastructure, creation of processing mills, land preparation, crop management, oil palm planting, development of conservation areas, etc. These documents also discuss the management plan and monitoring plan that should be done by the company. Beside that, the management unit shows the document of social and environment impact assessment on the replanting program which has been held

by participatively.

The Company has consistently doing the environmental management and monitoring as outlined in the Report of the Environmental Management and Monitoring. This report is made every six months and reported to the Environment Agency of Pelalawan Regency. The report described realization of environment management and monitoring in accordance with environmental parameters in EIA document and ordered by regulations. The results of a public consultation with the Environment Agency of Pelalawan Regency indicate that the company has made environmental management and there is no issue of pollution caused by the company's operational activities.

**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**

Each unit of estate has performed HCV identifying conducted by RSPO Approve assessor on October 2011 by using HCV identification guides in Indonesia on June 2008. The scope of identification are Nilo Barat Estate 1, Nilo Barat Estate 2, Nilo Timur Estate 1 and Nilo Timur Estate 2. The identification results indicate that there are HCV 1, 4, 5 and 6 with an area of 112.41 hectares and there are rare, threatened or endangered (RTE) species which are *Batagur baska* and *Tomistoma schlegelii*.

To provide protection against such species, management unit has made the hunting ban board and doing rehabilitation of riparian as habitat. The results of the visit at the Batang Nilo Kecil River and Telayap River shows that there have been HCV areas information boards, board ban on hunting and designation of riparian area that will be rehabilitated. Based on interview with community and workers shows that they already known about protected species and prohibition to hunt the species. Field visit at Nilo Barat Estate 1 and Nilo Barat Estate 2 shows that unit management also

conducting plant enrichment in riparian of Batang Nilo Kecil and Telayap River by planting Bamboo, Pulai and Shorea (see picture).



The company has conducted monitoring of the animals within and nearby estate. According to the result of the monitoring during period of January to March 2016, there are still animals found such as *Beruk (Macaca nemestria)*, *lutung (Trachypitcheus cristatus)*, *Hylobates agilis*, *Felis bengalensis*, turtle, owl, Asian Pied Hornbill, etc.

Document review and field visit at Division 1 of Nilo Barat Estate 1 show that there is area which still covered by

natural vegetation such as Sialang tree. Sialang tree is used as a habitat for honeybees. Unit management already protect these area and communicating to communities for together conserve the area.

**Riparian of Telayap River**

**Status: Comply**

## 5.3

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

The company has had an inventory of wastes and waste management. The results of field visits and document review indicates that the waste has been managed in accordance with the procedures, for examples:

- Waste pesticide containers managed by washing and then stored in the hazardous waste storage. Some of pesticide containers is reused for sent mixed pesticide to field.
- The shell and fiber used as fuel for the boiler.
- Used oil, used battery, bulb and rag are stored in the hazardous waste storage.
- Effluent is managed at the WWTP and then used on the plantation.
- Emissions from machines managed by periodic maintenance.
- Infectious waste is sent to a hospital in Pekanbaru.
- The EFB is used as organic fertilizer (see picture).
- Household waste disposed to landfills, located in the estate area.



EFB application

According to interviews with workers and communities showed that the company is never dispose of waste in any place.

**Status: Comply**

### 5.4

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

The efforts made by the company to make efficient use of fossil fuels, among others with shells and fiber utilization as fuel for the boiler. The document verification results showed that the use of shell and fiber as fuel for the boiler can save the used of diesel fuel reached 60-70% in period October 2015 – February 2016.

**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.



The Company has had procedures for replanting which describe land clearing / preparation of replanting process without burning.

The results of the document review, public consultation and field visits at Nilo Barat Estate 1 and Nilo Barat Estate 2 shows that replanting activities have been conducting mechanically since 2015 (see picture).

**Status: Comply**

### 5.6

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

To reduce pollution and emission, the company has identified the pollution sources and emissions and the management

steps. In addition, the company also identifying GHG sources which are accompanied by the overcome plan.

The company has been doing an effort to reduce pollution through engine maintenance activities, management of effluent and waste utilization. The company also conducts periodic environmental monitoring includes surface water quality, generator emissions, boiler emissions, ambient air, noise and combustion flue gases in furnaces. This monitoring was conducted to evaluate the management that has been done. Field observations in Nilo POM 1 WWTP showed that there is no indication of leakage in WWTP and effluent has been utilized to the plantations.

GHG calculation performed every period in once a year by using the method of Palm GHG Calculator Version 2.1.1. The Company has demonstrated the results of GHG calculation in period of 2015 and the delivery evidence of GHG calculation results to the RSPO which are reported on March 31, 2016.

**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.**

The Company has performed an analysis of the social, recorded on:

- EIA Documents of estate and palm oil mill in Pelalawan District, approved by the EIA Commission through letter No. 660 / BAPEDALDA / 2006/1328, 2006.
- Environmental and Social Impact Assessment of replanting PT Ade Plantation and Industry, endorsed by the Chairman of PT Ade Plantation and Industry in May 2015.
- Social Impact Assessment (SIA) Document by Asenta December 2011.

The documents were used as a reference by the companies for the management and monitoring of social impacts.

Replanting impact assessment have been conducted in a participatory, in which the public consultation carried out by the community dated May 5, 2015, followed by 28 people from the Telayap and Sungai Buluh village.

Social impact assessment (SIA) have been conducted in a participatory, in which focus group discussion (FGD) carried out by the community dated November 3, 2011 in the Telayap village and dated November 4, 2011 in Batang Nilo Kecil village, Farmers / cooperative members of KKPA, Sorek villange, Sungai Buluh village, Kemang Village, Palas village and Sering village.

Management Plan and Social Impact monitoring recorded on the Social Impact Assessment (SIA) document, such as mapping stakeholders; community needs identification; infrastructure assistance, education assistance, arts assistance, culture assistance, sport facilities assistance, local labor recruitment and conducted interviews with representatives of community with questionnaires (in Kemang village, Batang Nilo Kecil village, Telayap village, Palas village and Sungai Buluh village).

Based on review CSR document, obtained information the company has been contributed to local community, such as facilities construction, sports, education, arts / culture. The company has also contributed in workers recruitment and empowerment of local contractors.

The company is also interviewing to nearby village community to know perception and gather information, for example Sungai Buluh village dated December 14, 2015, Kemang village dated December 20, 2015, Telayap village dated December 14, 2015, Batang Nilo Kecil village dated 28 November 2015, and Palas village dated December 21, 2015.

Companies can show the Internal Memo of PT Adei Plantation & Industry date 8 April 2016, obtained information that reviewing the social impact will be made in 2017. **OFI No.2016.04**

Social impact assessment (SIA) have been conducted in a participatory (farmers / member of KKPA), in which focus group discussion (FGD) carried out by the community dated November 5, 2011.

**Status: OFI**

### 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.**

Stakeholders companies are government agencies (Environment Bodies, Labor Agency, Plantation and Forestry Agency, National Land Agency), supplier FFB, service provider / supplier local leaders (e.g. Kemang villenge, Batang Nilo Kecil village, Telapap village, Palas village, Sering village, Kuala Tolam village and Terantang Manuk village), contractors, NGOs (e.g. Sawit Watch, Weatlands Internatioanl, WWF Riau Province, WALHI Province Riau) and internal stakeholders.

Based on interviews with community representativesin Sungai Buluh village, Kemang village and Telayap village, obtained information that the communication between company and community running well. In addition company regularly conducted interviews with questionnaires to nearby village community, such as Sungai Buluh dated December 14, 2015, Kemang dated December 20, 2015, Telayap dated December 14, 2015, Batang Nilo Kecil dated November 28, 2015 and Palas dated December 21, 2015.

Based on Letter No. AD-Press / SKPTS / 112 / 2013 dated October 16, 2013 signed by the General Manager, obtained information the officers appointed as staff Public Relations (PR) is a Budi Simajuntak, SH with one office clerk. Tasks and responsibilities of PR staff is coordinated communication and socializing with stakeholders, establish and maintain relationships with stakeholders, collect information and socialization of stakeholders, etc. While task and clerk's responsibility is to assist the performance of PR staff in preparation of information required, making the CSR report, documenting CSR program is realized, make and prepare information books, and so on.

KNB 1 Division 1 & 2 have noted all the communications / complaints coming from stakeholders on "Complaints Book". In the year 2015/2016 there were 14 complaints coming in from stakeholders and has been fully addressed, for example from Irwan Purba dated December 23, 2015, request one bag of cement to repair Tubs. The request has been addressed dated December 23, 2015, with the results of one bag of cement has been given.

KNB 2 Division 4 have recorded all the communications / complaints coming from stakeholders on *Book Complaints*. In the year 2015/2016 there were 5 complaints coming in from stakeholders and has been fully addressed by the company, for example from a mother in the housing, Division 3 dated June 19, 2015, requested that information faster than the previous hours (6pm). The request has been addressed dated June 20, 2015, with the results of the lights are switched according to demand.

Based on interviews in housing no. D4 / KMB 2 Division 4, obtained information that has not been reported a complaint to the company.

**Status: Comply**

### 6.3

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

SOP related to handling of complaints still the same with ASA-1

Based on interviews with workshop worker, mixing chemicals site and clinic worker, obtained information that they have come to understand who to submit complaints / objections, namely the Assistant, PR or Manager. Based on interviews

with community representatives Telayap Village, Sungai Buluh and Kemang village, obtained information that has never been a dispute between workers and company.

In the sustainability policy of KLK Group, point of 3.2 xii mentioned that KLK Group provide a confidential facility for stakeholder and workers to report activities that are unethical and also complains

In interviews with worker unions, obtained information that all complaints from workers have been addressed properly by the company. Up to time of the audit RSPO ASA-2 has been no dispute between labour and company.

**Status: Comply**

### 6.4

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

Consistent with ASA-01, the company has had procedure of raw material identification, calculation, and compensation over the legal and traditional right caused by estate establishment. The standard procedure is written on:

- Document of SOP number 26 in term of Procedure of Land Dispute which describes the task divisioning, detail of process, and flowchart to solve social issue, flowchart to solve land occupation dispute, and flowchart of the border dispute.  
Land identification is conducted participatively by cooperating with the official and neutral surveyor. The compensation agreement is conducted voluntarily and the procedure of compensation is determined based on the negotiation and market price. Each agreement or payment of compensation is also signed by the associated parties and the government officials (authority).
- Document of SOP number 27 in term of Land Acquisition for Planting Palm Oil plant which describes the task divisioning and detail of process (official procedure) and the reference on the process of land acquisition for planting palm oil plant. The process is started by collecting land information, identifying location, proposing official request, conducting meeting with the stakeholders, processing legal procedure for establishing estate.

Process of land compensation had been completed by the company in 2014 in the village of Palas, Kemang Village and Nilo Kecil Village. The Company showed a written statement from the surrounding villages related to the compensation process. A statement letter dated October 14, 2013 related to the land in the Palas Village, a written statement dated October 9, 2013 related to land in Kemang Village and a statement dated October 26, 2013 related to the land in the village of Batang Nilo Kecil. In the statement letter there were an explanation that all had been compensated and there were no customary land / indigenous or similar within the HGU, so that excess area according to the verification team is state land. Signed by customary leaders, community leaders, religious leaders, youth leaders and village official.

Based on public consultation result with the surrounding villages of plantation, for example with telayap village, kemang village and sungai buluh village known that currently there are no conflicts between the villagers with the company. Company had done compensation to the entire area that has been cultivated.

**Status: Comply**

### 6.5

**Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.**

During the audit ASA-2, wage provision by the Government for the period of 2016 have not been established. Determination of wages of employees currently undertaken based on Riau Governor Decree No. Kpts.244 / III / 2015 on the minimum wage subsector of agricultural / plantation and oil palm and rubber crops of Riau province in 2015, dated March 31, 2015.

Evidence of payment of wages Daily Permanent Worker and Monthly Permanent Worker were shown in the form of a payment slip, informed description of income, the amount of working days, the amount of income, the effective working

days, description of deduction, the total gross salary and the total net salary. Payments are made through the account transferred to the account of each employee.

Evidence of wages payment of freelance employees in the form of documents Chcekroll Pocket Book Pay Slip, informed the employee's name, status, the amount of working days, total amount, allowance, extra day, premium, overtime, gross income, deductions and net pay. All the wages have been paid in accordance with applicable regulations.

Based on interview with employees, for example interview with harvesters and maintenance personnel in KNB1 and KNB2 known that company has carried outpayments of wages in accordance with applicable regulation, payment of wages has been in accordance with the mechanism established by the company in employment contracts and collective agreements.

Company already has a labour union agreement which detailing rights and liabilities of employee and employer, mechanism of remuneration, working conditions, working time, weekdays, holiday and leave as well as the provision of layoffs. Agreement is valid period 2015-2017 and has gained ratification of Manpower Agency of Pelalawan District on the October 1, 2015. Document signing performed by SBSI 1992, SPPP-SPSI, SBSI, representatives of employer and Manpower Agency.

Direct agreement between the company and the employee can be shown in the form of Letter of Employment Agreement and Certificate.

All employees has had a direct employment contract with the company. The employment contract in a language which is convince and copies are available for each party, both workers and company. For example, work agreement of Daily Permanent Worker KNB1 No. AD-KN/10/2008, freelance employment agreement KNB2 Div 03 (has explained the conditions of employment, wage mechanisms and conditions of termination, signed by both parties) and contract of Monthly Permanent Worker NPOM1 No. AD-KN / POM / 026 / VIII / 2013. Based on the interview with employees is known that the employee has had a copy of the labour agreement and has understood the agreement.

There was no change since the ASA-01, the company has provided employee welfare facilities and infrastructure, such as housing, schools, child care, sports facilities, religious facilities, domestic waste handling, clinics and clean water facilities. Based on the interview with employees mentioned that the infrastructures provided by company has been adequate and feasible.

Based on the interview with employees in the housing mentioned that currently access to the sources of decent food, adequate and affordable prices has been available. The company provides access in the form of adequate road and maintained so that employees can easily and safely go to nearby markets.

**Status: Comply**

### 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.**

PT Adei P & I has policy in term of freedom to unite. The policy was legalized by regional director on October 1<sup>st</sup> 2011. That's policy ensure the freedom to unit of workers referring the applied statute. The results of interviews with workers known that the worker has known the policy on freedom of association and workers also have known about the functioning of the unions.

As the implementation of that's policy there are three labour unions recognize by company and approved by Labour and Transmigration Agency District of Pelalawan. Those are Plantation Sector Labour Union (SPPP SPSI); Hukatan Labour union (SBSi Hukatan) and Labour union of 1992 (SBS 1992). The company is able to show the data of the name of the labour union board and members. Based on interviews with labour unions obtained information that the company and labour unions conduded several times a regular meetings.

	<b>Status: Comply</b>	
<b>6.7</b>	<b>Children are not employed or exploited.</b>	
	<p>PT Adei P &amp; I has a policy regarding child labour approved by the Regional Director on 1 October 2011, which stated that the company is committed not to employ children under the age of eighteen years old. Based on the list of employees known that is not indicate the existence of workers under 18 years old.</p> <p>Based on field observations at Nilo Barat 1 Estate Division 2, fertilization workers (at Block 29), harvesting workers (at Block 23) and spraying workers (at Block 20) and Nilo Barat 2 Estate Division 4, harvesting workers (at Block 9) and spraying workers (at Block 10), there was no worker under the age of 18 yearsold and workers have been understood the company's policy regarding age restrictions minimum labour.</p>	
	<b>Status: Comply</b>	
<b>6.8</b>	<b>Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</b>	
	<p>PT Adei P &amp; I has policy in term of equal treatment and opportunity. The policy was legalized by Regional Director on October 1st 2011. It was stating that company shall always give equall opportunity and treatment regardless race, tribes, caste, nationality, religion, gener, sexual orientation, and labour union membership. Based on observation of employee list document and interview with employees it is revealed that the hired employees have diverse ethnic and religious backgrounds.</p> <p>Explanations from Managers of Nilo Barat 1, Nilo Barat 2 and Nilo POM 1 informes that employes recruitment is based on company requirement without considering ethnic, religious, racial and class backgrounds. All prospective employees have rights to employment opportunity according with their educational background and company requirement. Moreover result of interview with employees also reveals that there is no indication of discrimination against employees.</p>	
	<b>Status: Comply</b>	
<b>6.9</b>	<b>There is no harassment or abuse in the work place, and reproductive rights are protected.</b>	
	<p>PT Adei P &amp; I has policy in term of sexual harrassment and violation. Interviews with female workers showed that they had learned about the company's policies related to the prevention of sexual harassment and protection of reproductive rights.</p> <p>The company has established a gender committee in each unit as an organization to manage the complaints of women workers in the event of sexual harassment and violations of reproductive rights. Interviews with the management of gender committee shows that they already know the duties and responsibilities as the socialization about the complaints mechanism, the socialization of sexual harassment, etc. The administrator of gender committee also stated that the company guarantees the anonymity of the reporting and the revealer of the case.</p>	
	<b>Status: Comply</b>	
<b>6.10</b>	<b>Growers and mills deal fairly and transparently with smallholders and other local businesses.</b>	
	<p>SOP related to Pricing Mechanism of FFB still the same with ASA-1.</p> <p>FFB for plasma pricing refers to price of government (Plantation Agency, Riau Province) by meeting every month. Participants of the meeting consisted of Plantation Agency Riau Province and other relevant stakeholders, including representatives of farmers / cooperatives, so the price is known directly by farmers / village unit cooperatives</p> <p>The pricing of FFB has been agreed by the supplier through a Letter of Agreement contract that has been signed. While FFB for plasma pricing refers to the price of government (Plantation Agency, Riau Province) by meeting every month.</p>	

Participants of the meeting consisted of Plantation Agency Riau Province and other relevant stakeholders, including representatives of farmers / cooperatives, so the price is known directly by farmers / village unit cooperatives

Nilo POM 1 receive FFB from Non Plasma (CV. CDP Mandiri, CV. Libersa Plasma and CV. Sejahtera Jaya). Each has had SPK that has been signed. For example:

- SPK Purchase FFB CV CDP Mandiri No. NLO-080 / FFB / XII / 2015, dated December 2, 2015 s / d December 2, 2016, has been signed.
- SPK Purchase FFB CV Limbersa Plasma No. Adei-NLO / 078 / FFB / VIII / 2015, dated August 10, 2015 s / d August 10, 2016, has been signed

Based on interviews with the contractor (CV. Sejahtera Jaya), obtained information that the contents of SPK has been understood, signed and saved.

FFB for plasma pricing refers to the price of government (Plantation Agency, Riau Province). Based on evidence of transfer through Bank Mandiri dated March 15, 2016, obtained information the company has paid the purchase price in accordance with the plasma FFB government.

The pricing for non-plasma FFB refers to the pricing mechanism (formula) assigned and agreed by the supplier through SPK. FFA reference price is Medan tender price. Based on evidence of transfer through Bank Mandiri dated April 7, 2016, obtained information the company has paid the FFA purchase in accordance with a set price.

The company always have SPK on any cooperation undertaken by the Supplier FFB, for example: SPK No. NLO-080 / FFB / XII / 2015, CV CDP Mandiri, dated December 2, 2015 s / d December 2, 2016

**Status: Comply**

### 6.11

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

The company's contribution to development local communities around, recorded on the realization of CSR reporting period 2015/2016, which consists on the following areas:

1. Development of Facilities Sector, such as: suuprt of making market site in Palas village, funding support for *Kebun Desa* construction in Palas village, construction support for Church in Kemang Village, funding support for purchase of land soccer in Batang Nolo Kecil village, desk and chair support, toilet repair support in elementary school of Batang Nilo Kecil, support procurement of sports equipment elementary school No. 007 in Telayap village, support of oles and wires electrical throughout  $\pm$  8 KM in the village Telayap, funding support for buy land of Site Junior High School in Sungai Buluh, support 2 pcs tents and 200 seats for Senior High School in Sungai Buluh, repair and stockpiling road support to Transmigration, landfill area church support, heavy equipment and the others support.
2. Sport sector, such as: funding support for football tournament in Kemang village, funding support for volleyball tournament in Batang Nilo Kecil village.
3. Religious sector, such as: funding support for event *Masjid Almakmur* in Sungai Buluh village, funding support for event *Wirid Yassin Akbar* in Sungai Buluh, funding support for event *MTQ* in Bunut Sub district.
4. Art and Culture sector, such as: funding support for community event in Batang Nilo Kecil village, funding support for Batang Nilo Kecil community leaders, funding support for indigenous leader in Sungai Buluh village, funding support to purchase of equipment *Pangean Pencak Silat* in Rangsang village and others.

The company also contributes to local community in the field of recruitment. The amount of local labour in Nilo POM 1 = 39, KNB 1 = 70, KNB 2 = 67. In addition the company contributes to the local community through the empowerment of local contractors to purchase FFB, e.g. CV. CDP Mandiri, CV. Libersa Plasma and CV. Sejahtera Jaya.

Based on interviews with community representatives Telayap, Sungai Buluh and Kemang village, obtained information

that submitted to the Company always responded quickly.

Efforts to increase the productivity of smallholder / plasma include: Training of spraying is given to smallholders (KKPA Batang Nilo Kecil) on March 8, 2016, Training of fertilizer given to farmers (KKPA Batang Nilo Kecil) on March 8, 2016, Socialization RSPO to KKPA Batang Nilo Kecil dated June 11, 2015, the RSPO Socialization KKPA Sungai Buluh dated June 15, 2015 and Socialization RSPO to KKPA Terantang village dated June 16, 2015.

**Status: Comply**

## 6.12

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

Based on the record number of workers, April 2016, obtained information the workers who work in POM 1 = 118 people, KNB 1 Division 1 = 442 people, KNB 2 Division 4 = 132 people. Worker has been completed with SPK, which was signed (e.g. Andi Yudistira SPK No. AD-KNB1//2016). In addition the company has also reported the use of local labour and foreigners to Labour Agency Pelalawan District periodically (e.g. dated December 2, 2015).

Based on interviews with Labour Agency Pelalawan District, obtained information that there were no illegal workers working in the company. The company also reported the development of workers to Labor Agency regularly.

Based on documents review and interviews with workers, obtained information that all workers is the workers by acceptance of the company. Work placement and occupation in compliance between actual work and SPK. In addition, all workers have completed with a SPK in the works (e.g. Andi Yudistira SPK No. AD-KNB1 / I / 2016). SPK has been understood, signed and owned by workers.

Based on the number of workers the company recorded data, April 2016, obtained information that the amount of people working in POM 1 = 118 people, KNB 1 Division 1 = 442 people, KNB 2 Division 4 = 132 people. Labor has been equipped with SPK, signed (e.g. Andi Yudistira with SPK No. AD-KNB1 / I / 2016). In addition the company has also reported the use of local labor and foreigners to Labour Agency Pelalawan District as periodically (e.g. dated December 2, 2015).

**Status: Comply**

## 6.13

### **Growers and millers respect human rights**

The company has committed to guarantee the rights of all employees including employment contracts. The policy is disseminated to the entire workforce, for example POM 2 dated February 10, 2015, KNT 1 Division 5 dated March 12, 2015, and the KNT 2 Devision 7 dated March 10, 2015.

Base on interviews with the Labour Agency Pelalawan District and Worker Union, obtained information that until RSPO audit activities ASA-2 donot ever there are cases of human rights violations, such as abuse and violence

**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.**

PT Adei Plantation & Industrydoes not make any expansion over its operation area after November 2005. Document's review and interview with management revealed that the latest land clearing was conducted in 2003. Moreover, document's review, field visit and interview revealed that planting year in KNB 1 and KNB was conducted in 1992, 1998, 1999, 2000, 2001, 2002, 2003, 2015 and 2016. The planting year of 2015 and 2016 was replanting.

**Status: Comply**

<b>7.2</b>	<b>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.</b>
	PT Adei Plantation & Industry does not make any expansion over its operation area after November 2005. Document's review and interview with management revealed that the latest land clearing was conducted in 2003. Moreover, document's review, field visit and interview revealed that planting year in KNB 1 and KNB was conducted in 1992, 1998, 1999, 2000, 2001, 2002, 2003, 2015 and 2016. The planting year of 2015 and 2016 was replanting.
	<b>Status: Comply</b>
<b>7.3</b>	<b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>
	PT Adei Plantation & Industry does not make any expansion over its operation area after November 2005. Document's review and interview with management revealed that the latest land clearing was conducted in 2003. Moreover, document's review, field visit and interview revealed that planting year in KNB 1 and KNB was conducted in 1992, 1998, 1999, 2000, 2001, 2002, 2003, 2015 and 2016. The planting year of 2015 and 2016 was replanting.
	<b>Status: Comply</b>
<b>7.4</b>	<b>Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.</b>
	PT Adei Plantation & Industry does not make any expansion over its operation area after November 2005. Document's review and interview with management revealed that the latest land clearing was conducted in 2003. Moreover, document's review, field visit and interview revealed that planting year in KNB 1 and KNB was conducted in 1992, 1998, 1999, 2000, 2001, 2002, 2003, 2015 and 2016. The planting year of 2015 and 2016 was replanting.
	<b>Status: Comply</b>
<b>7.5</b>	<b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>
	PT Adei Plantation & Industry does not make any expansion over its operation area after November 2005. Document's review and interview with management revealed that the latest land clearing was conducted in 2003. Moreover, document's review, field visit and interview revealed that planting year in KNB 1 and KNB was conducted in 1992, 1998, 1999, 2000, 2001, 2002, 2003, 2015 and 2016. The planting year of 2015 and 2016 was replanting.
	<b>Status: Comply</b>
<b>7.6</b>	<b>Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.</b>
	PT Adei Plantation & Industry does not make any expansion over its operation area after November 2005. Document's review and interview with management revealed that the latest land clearing was conducted in 2003. Moreover, document's review, field visit and interview revealed that planting year in KNB 1 and KNB was conducted in 1992, 1998, 1999, 2000, 2001, 2002, 2003, 2015 and 2016. The planting year of 2015 and 2016 was replanting.
	<b>Status: Comply</b>
<b>7.7</b>	<b>Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.</b>
	PT Adei Plantation & Industry does not make any expansion over its operation area after November 2005. Document's review and interview with management revealed that the latest land clearing was conducted in 2003. Moreover, document's review, field visit and interview revealed that planting year in KNB 1 and KNB was conducted in 1992, 1998,

1999, 2000, 2001, 2002, 2003, 2015 and 2016. The planting year of 2015 and 2016 was replanting.		
	<b>Status: Comply</b>	
<b>7.8</b>		
<b>New plantation developments are designed to minimise net greenhouse gas emissions.</b>		
PT Adei Plantation & Industry does not make any expansion over its operation area after November 2005. Document's review and interview with management revealed that the latest land clearing was conducted in 2003. Moreover, document's review, field visit and interview revealed that planting year in KNB 1 and KNB was conducted in 1992, 1998, 1999, 2000, 2001, 2002, 2003, 2015 and 2016. The planting year of 2015 and 2016 was replanting.		
	<b>Status: Comply</b>	
<b>PRINCIPLE #8 Commitment to continuous improvement in key areas of activity</b>		
<b>8.1</b>		
<b>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</b>		
The Company is committed to managing the social impact by way of implementation of CSR programs, worker recruitment and empowerment of local contractors to purchase FFA. Continuous improvement in the social aspects by the company is to continued the commitment to develop and maintain smallholdings The action plan for continuous improvements to environmental aspect is rehabilitation of river banks as far as 50 meters either side of the river. The main component of the plan was to make the vegetation in the buffer zone of water flow The results of the field visit showed that the riparian areas of Nilo Kecil River and streams have been overgrown by Telayap wood, shrubs and trees. The whole recording and implementation of improvement plans of buffer zone has been documented by mananajemen unit.		
	<b>Status: Comply</b>	

**3.2 Summary of Assessment Report of Supply Chain Requirements**

Clause	(Module E) CPO Mills - Mass Balance Requirements																					
E.1	Definition																					
E.1.1																						
Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.																						
NPOM1 receive the supply and processing FFB from a certified source (own estates) and from non-certified sources (outgrower), verification of FFB receipt has been conducted since the reception at security post and weigh station. In this case NPOM1 applying SCCS requirements Module E (Mass Balance).																						
	Status: Comply																					
E.2	Explanation																					
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. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.																						
Estimates of CPO and PK products that can be produced by NPOM1 has been defined and recorded in the ASA-01 certificate annex, which amounted to 99,830 tonnes of FFB, CPO amounted to 22,461 tonnes and PK amounted to 5,191 tonnes.																						
NPOM1 has been recorded certified products produced during the period of the certificate of May 14, 2015 - Mar 31 2016, with the details: FFB certified amounted to 98,486.91 tons, CPO Certified amounted to 21,134.59 tons and PK certified amounted to 5,086.55 tons.																						
	Status: Comply																					
E.2.2																						
The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).																						
<ul style="list-style-type: none"><li>RSPO IT Platform member registration number: RSPO_PO1000001417</li><li>Certified CPO sold to each buyer period of certificate 14 May 2015 to 31 Maret 2016 :</li></ul>																						
<table><tr><th>Date</th><th>Buyer</th><th>Volume</th></tr><tr><td>Oct 2015</td><td>PT Kreasijaya Adhikarya</td><td>1,696.59</td></tr><tr><td>Nov 2015</td><td>PT Kreasijaya Adhikarya</td><td>4,475.94</td></tr><tr><td>Dec 2015</td><td>PT Kreasijaya Adhikarya</td><td>1,857.70</td></tr><tr><td>Jan 2016</td><td>PT Kreasijaya Adhikarya</td><td>1,208.49</td></tr><tr><td>March 2016</td><td>PT Kreasijaya Adhikarya</td><td>1,316.19</td></tr><tr><td>Total</td><td></td><td>10,554.91</td></tr></table>		Date	Buyer	Volume	Oct 2015	PT Kreasijaya Adhikarya	1,696.59	Nov 2015	PT Kreasijaya Adhikarya	4,475.94	Dec 2015	PT Kreasijaya Adhikarya	1,857.70	Jan 2016	PT Kreasijaya Adhikarya	1,208.49	March 2016	PT Kreasijaya Adhikarya	1,316.19	Total		10,554.91
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March 2016	PT Kreasijaya Adhikarya	1,316.19																				
Total		10,554.91																				
Weighing ticket of CPO for example on March 31, 2016, the buyer of PT Kreasi Jaya Adhikarya Bulking located in Dumai, No. Contract ADEC / 00259-S / CPO-MB, No ticket M148959, has been stamp with the RSPO-CPO (MB).																						
<ul style="list-style-type: none"><li>Certified Palm Kernel sold to each buyer period of 14 May 2015 to 31 Maret 2016</li></ul>																						
<table><tr><th>Date</th><th>Buyer</th><th>Volume</th></tr><tr><td>14 – 31 May 2015</td><td>Mandau KCP</td><td>191.92</td></tr><tr><td>June 2015</td><td>Mandau KCP</td><td>402.90</td></tr><tr><td>July 2015</td><td>Mandau KCP</td><td>355.75</td></tr></table>		Date	Buyer	Volume	14 – 31 May 2015	Mandau KCP	191.92	June 2015	Mandau KCP	402.90	July 2015	Mandau KCP	355.75									
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June 2015	Mandau KCP	402.90																				
July 2015	Mandau KCP	355.75																				

August 2015	Mandau KCP	682.47
September 2015	Mandau KCP	399.69
October 2015	Mandau KCP	625.43
November 2015	Mandau KCP	630.54
December 2015	Mandau KCP	323.86
January 2016	Mandau KCP	221.88
February 2016	Mandau KCP	189.33
March 2106	Mandau KCP	316.75
<b>Total</b>		<b>4,286.68</b>

PK weighing ticket dated March 31, 2016 by the buyer of KCP, address in Pekan Baru, no ticket M148958, no. contract NL1 / PK-MB / 0316-12 has been stamped with the code **RSPO-PK (MB)**

**Status: Comply**

### E.3 Documented procedures

#### 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:**

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

NPOM1 has written procedures for the implementation of all elements in the SCCS requirements. Procedure No. 2 issued date January 1, 2016 has been explained the stages starting from reception of FFB by security until the despatch/delivery of products to customers.

Mentioned that the NPOM1 receive FFB from internal (certified) and external suppliers (non-certified). Personnel in responsible for the implementation of SOP is a manager in their respective territories.

Based on the interview known that such personnel are able to explain the process flow starting from reception of FFB and implementation of supply chain requirements MB module.

**Status: Comply**

#### E.3.2

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

Explained in the SOP requirements of RSPO supply chain, the reception of FFB starting at security post and weigh station. The document describes the guidelines generally of FFB reception in weighbridge station which has been separate the FFB certified and non-certified FFB.

Has been explained related to FFB processing, NPOM1 implementing SCCS Module E (MB) requirements, all FFB derived from certified suppliers and non-certified suppliers. Mentioned that in the case when mill receive non-certified FFB, mill can only claim palm oil products produced from the processing of FFB certified.

**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.**

FFB certified and non-certified separation document has performed since the beginning of the reception at the weighbridge station. Documentation of receipt shown in the form of FFB Delivery Blank Form and weighing ticket. Weighbridge clerk has recognized and has a list of certified suppliers and non-certified suppliers.

FFB Delivery advice internal/external document, for example, date on 6 April 2016 from Div 4 KNB2, total 424 Bunches, marked with the stamp of GHG as a certified supplier. Weighing tickets dated 6 April 2016 from Div 4 KNB 2, total 3,630

tons.

The following table shows the data reception and separation of FFB certified and non-certified:

- **Certified and non-certified FFB received period of 14 May 2015 to 31 Maret 2016**

Month	FFB		
	RSPO Certified	Non Certified	Total
14 – 31 May 2015	4904.65	4935.490	9840.140
June 2015	10559.54	9827.410	20426.950
July 2015	10308.97	8793.450	19102.420
August 2015	11704.77	9937.670	21642.440
September 2015	12479.49	8361.380	20840.870
October 2015	11523.46	8361.380	19884.840
November 2015	9727.83	9387	19114.830
December 2015	8141.25	7534.840	15676.090
January 2016	7794.73	6845.990	14640.720
February 2016	5995.65	5836.920	11832.570
March 2106	5306.57	5374.350	10680.920

**Status: Comply**

#### E.4.2

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

NPOM1 has been recorded certified products produced during the period of the certificate of May 14, 2015 - Mar 31 2016, with the details: FFB certified amounted to 98,486.91 tons, CPO Certified amounted to 21,134.59 tons and PK certified amounted to 5,086.55 tons. Based on document verification known that there is no overproduction of certified tonnage.

**Status: Comply**

#### E.5

##### Record keeping

##### E.5.1

- The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.
- All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.
- The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short (ie product can be sold before it is in stock.)

Recordkeeping and balancing allof FFB received, the production of CPO and PK as well as the delivery done by the company in three monthly basis. Mass Balance certified products sales performed from the stock positive.

May be seenfrom the table below:

Month	FFB cert	FFB non cert	CSPO MB prod	Total CPO	CSPO Sales	CSPK MB Prod	Total CSPK Prod	CSPK Sales
(14-31) Mei 2015 s.d Jul 2015	25813.160	23556.350	1018.079	2231.625	- (stok 1018.079)	235.437	516.689	191.920
Agust – Okt 2015	35707.720	26439.840	7572.697	13680.462	1696.590 (stok	1843.939	3405.703	1707.590

						8590.776)				
	Nov 2015 – Jan 2016	25663.810	23767.830	5637.325	10824.817	9648.760 (Stok 4579.341)	1440.249	2766.534	906.280	
	Feb – Mar 2016	11302.220	11211.270	2486.660	4957.526	1941.600 (Stok 5124.401)	579.274	1154.268	506.080	
Status: Comply										
<b>E.5.2</b> <b>In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.</b>										
NPOM1 did not hire outside crusher, company only sells palm kernel product.										
Status: Comply										

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

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

**3.4 Summary of RSPO Partial Certification**

<b>Total companies observed:</b> Total management unit observed ( $0.8\sqrt{Y}$ ), where Y is the total units in the management of listed companies that have not been RSPO Certified.		
1. PT. Karya Makmur Abadi, Sub District of Mentaya Hulu, District of East Kotawaringin, Province of Central Kalimantan, Indonesia. 2. PT. Satu Sembilan Delapan, Sub District of Gunung Tabur, District of Berau, Province of East Kalimantan, Indonesia.		
<b>2.1</b>	<b>There is compliance with all applicable local, national and ratified international laws and regulations.</b>	<b>X or√</b>
	<b>PT. Karya Makmur Abadi</b> East Kotawaringin Regent Decree No. 188.45/265/Huk-Ek.SDA/2014 dated July 21 <sup>st</sup> , 2014 on amendment to East Kotawaringin Regent Decree No. 525.26/604/VIII/EK.BANG/2006 on Business Plantation Permit on behalf of PT. Karya Makmur Abadi.  <b>PT. Satu Sembilan Delapan</b> Berau Regent Decree No. 23 of 2006 dated January 24 <sup>th</sup> , 2006 about Business Plantation Permit (For Estate) on behalf of PT. Satu Sembilan Delapan. Berau Regent Decree No. 550 of 2007 dated December 6 <sup>th</sup> , 2007 about Business Plantation Permit (For Estate) on behalf of PT. Satu Sembilan Delapan. Berau Regent Decree No. 663 of 2008 dated December 30 <sup>th</sup> , 2008 about Business Plantation Permit (For Mill) on behalf of PT. Satu Sembilan Delapan.	√
	<b>Status: Comply</b>	
<b>2.2</b>	<b>The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.</b>	<b>X or√</b>
	<b>PT. Karya Makmur Abadi</b> Cadastral measurements carried out by the National Land Agency of Republic Indonesia – Sub Directorate ( <i>Batas Bidang Tanah Direktorat Penetapan Batas Bidang Tanah dan Ruang Deputi Bidang Hak Tanah dan Pendaftaran Tanah</i> ) of 2006 dated November 2 <sup>nd</sup> , 2006. The results of Cadastral measurements that's: <ul style="list-style-type: none"> <li>- Results of circumference measurement are 14,778.076 ha.</li> <li>- Results of circumference measurement (netto) worth roads and overlap locations with PT. Minera Bumi Reksa Perdana are 13,236.500 ha.</li> </ul> <b>PT. Satu Sembilan Delapan</b> Head of National Land Agency RI Decree No. 16-HGU-BPN RI-2009 dated January 22 <sup>nd</sup> , 2009. That is based on the results of the measurement by ( <i>Panitia B East Kamimantan Province</i> ) and the status of land requested by PT. SSD is State Land, and wholly within the Non Forest Cultivation Areas according to RTRWP East Kalimantan (Synchronization of 1999) and land with area 27 hectares of which is through payment of compensation. Land Use Title area 5,676.61 hectares is located in the Village of Tasuk, Village of Gunung Tabur, and Village of Gunung Sari, Sub District of Segah, Berau District, East Kalimantan Province. The Concession is valid for 35 years.	√
	<b>Status: Comply</b>	
<b>6.3</b>	<b>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.</b>	<b>X or√</b>

	<b>PT. Karya Makmur Abadi</b> SOP No. 1 about information request and response on December 1 <sup>st</sup> , 2013. It's described regarding request for information/complaints about environment, social and legal issues.	√
	<b>PT. Satu Sembilan Delapan</b> SOP No. 1 about information request and response on December 1 <sup>st</sup> , 2013. It's described regarding request for information/complaints about environment, social and legal issues.	
	<b>Status: Comply</b>	
6.4	<b>Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	X or√
	<b>PT. Karya Makmur Abadi</b> SOP No. 26 for resolution and land disputes, dated December 1 <sup>st</sup> , 2013 is described Land Disputes/Bordering; Land Occupation, and Social Issues.	√
	<b>PT. Satu Sembilan Delapan</b> SOP No. 26 for resolution and land disputes, dated December 1 <sup>st</sup> , 2013 is described Land Disputes/Bordering; Land Occupation, and Social Issues.	
	<b>Status: Comply</b>	
7.3	<b>New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.</b>	X or√
	<b>PT. Karya Makmur Abadi</b> Based on document Identification and Analysis of High Conservation Value (HCV) conducted by PT. Jump Consulting in 2010. There are identified HCV1.2, HCV1.3, and HCV4.1. area 136.86 hectares located in Riparian of Kawan Batu River, Riparian of Hai River and Riparian of Sapiri River. Than identified HCV3 and HCV4.2 area 15 hectares is located in Riparian of Kawan Batu River. There's no new planting after November 2005 in Primary forests and HCV.	√
	<b>PT. Satu Sembilan Delapan</b> Base on document Identification and Analysis of HCV by PT. Jump Consulting in 2011. There's un identified HCV on PT. Satu Sembilan Delapan.	
	<b>Status: Comply</b>	
7.5	<b>No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</b>	X or√
	<b>PT. Karya Makmur Abadi</b> The Company has conducted land compensation to the land owners previous from 2005 to 2014. Company also can indicated recording land compensations: <ul style="list-style-type: none"> <li>- Land has compensations in 2012 areas 1,049 ha</li> <li>- Land has compensations in 2013 areas 4,363.13 ha</li> <li>- Land has compensations in 2014 areas 2,563.30 ha</li> </ul>	√
	<b>PT. Satu Sembilan Delapan</b> The Company has conducted land compensation to the land owners previous for 14 plots land by	

	Notary Susilawati, SH which has lowered the status of land certificate.																																																
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7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.			X or√																																													
	<p><b>PT. Karya Makmur Abadi</b></p> <p>The Company has conducted land compensation to the land owners previous from 2005 to 2014. Company also can indicated recording land compensations:</p> <ul style="list-style-type: none"><li>- Land has compensations in 2012 areas 1,049 ha</li><li>- Land has compensations in 2013 areas 4,363.13 ha</li><li>- Land has compensations in 2014 areas 2,563.30 ha</li></ul> <p><b>PT. Satu Sembilan Delapan</b></p> <p>The Company has conducted land compensation to the land owners previous for 14 plots land by Notary Susilawati, SH which has lowered the status of land certificate.</p> <table><tr><th>No</th><th>No. Certificate</th><th>Area (M2)</th></tr><tr><td>1.</td><td>14</td><td>19.999</td></tr><tr><td>2.</td><td>22</td><td>6.583</td></tr><tr><td>3.</td><td>25</td><td>20.000</td></tr><tr><td>4.</td><td>18</td><td>14.898</td></tr><tr><td>5.</td><td>19</td><td>20.000</td></tr><tr><td>6.</td><td>20</td><td>15.113</td></tr><tr><td>7.</td><td>23</td><td>11.597</td></tr><tr><td>8.</td><td>21</td><td>12.384</td></tr><tr><td>9.</td><td>33</td><td>20.000</td></tr><tr><td>10.</td><td>41</td><td>20.000</td></tr><tr><td>11.</td><td>43</td><td>20.000</td></tr><tr><td>12.</td><td>46</td><td>20.000</td></tr><tr><td>13.</td><td>17</td><td>20.000</td></tr><tr><td>14.</td><td>26</td><td>13.351</td></tr></table>			No	No. Certificate	Area (M2)	1.	14	19.999	2.	22	6.583	3.	25	20.000	4.	18	14.898	5.	19	20.000	6.	20	15.113	7.	23	11.597	8.	21	12.384	9.	33	20.000	10.	41	20.000	11.	43	20.000	12.	46	20.000	13.	17	20.000	14.	26	13.351	√
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### 3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components

#### 3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-01 Assessment

No.	Ref Std	Nonconformity	Grade	Area	Time Limits	Corrective Action	Observation and Date	Status	Closed Date
2015.01	Major 5.1.1	<b>Documentation of Impact Assessment</b> There is no document of social and environment impact assessment of the conducted and planned replanting program.	Major	Estate	April 29 <sup>th</sup> 2015	The company has to show the document of social and environment impact assessment caused by replanting program.	<b>Root Cause:</b> The company ignorance to conduct replanting impact analysis.  <b>Corrective Action:</b> The social and environment impact assessment caused by replanting program has been conducted.  <b>Preventive Action:</b> Incorporating the result of replanting impact assessment on the checklist of the periodic report.  <b>Observation on May 13<sup>th</sup> 2015</b> The management unit shows the document of social and environment impact assessment on the replanting program. It was composed on May 2015. There are several impact. For example: <ul style="list-style-type: none"> <li>- Reduction of air quality</li> <li>- Increase of land fire and smoke potential</li> <li>- Increase of sedimentation and soil erosion</li> </ul>	Closed	May 13 <sup>th</sup> 2015

No.	Ref Std	Nonconformity	Grade	Area	Time Limits	Corrective Action	Observation and Date	Status	Closed Date
							<ul style="list-style-type: none"> <li>- Reduction of surface water quality</li> <li>- The disturbance of water biodiversity and wildlife</li> <li>- More job opportunity and the locals perception.</li> </ul> <p>All the impacts are managed and monitored during the replanting program.</p> <p>The impact assessment has been held participatively. There was a public consultation on May 5<sup>th</sup> 2015. It was attended by 28 participants from the Telayap and Sei Buluh Village (attendance list, photographs and minutes of meeting are attached).</p> <p><b>Auditor Conclusion:</b> According to the corrective action conducted by the company, the nonconformity is now closed.</p>		
2015.02	Major 6.1.1.	Documentation of social and environment impact assessment which covers the positive and negative impacts caused by estate and mill operationals and the documentation of the impacted-party and the locals participation There is no analysis of social and environment impacts which covers	Major	Estate	April 29 <sup>th</sup> 2015	The company has to show the document of social and environment impact assessment caused by replanting program.	<p><b>Root Cause:</b> The company ignorance to analyze the replanting impacts.</p> <p><b>Corrective Action:</b> The social and environment impact analysis caused by replanting program has been conducted.</p>	Closed	May 13 <sup>th</sup> 2015

No.	Ref Std	Nonconformity	Grade	Area	Time Limits	Corrective Action	Observation and Date	Status	Closed Date
		the positive and negative impacts caused by replanting program participatively yet.					<p><b>Preventive Action:</b> Incorporating the result of replanting impact assessment on the checklist of the periodic report.</p> <p><b>Observation on May 13<sup>th</sup> 2015</b> The management unit shows the document of social and environment impact assessment on the replanting program. It was composed on May 2015. There are several impact. For example:</p> <ul style="list-style-type: none"> <li>- Reduction of air quality</li> <li>- Increase of land fire and smoke potential</li> <li>- Increase of sedimentation and soil erosion</li> <li>- Reduction of surface water quality</li> <li>- The disturbance of water biodiversity and wildlife</li> <li>- More job opportunity and the locals perception.</li> </ul> <p>All the impacts are managed and monitored during the replanting program.</p> <p>The impact assessment has been held participatively. There was a public consultation on May 5<sup>th</sup> 2015. It was attended by 28 participants from the Telayap and Sei Buluh Village</p>		

No.	Ref Std	Nonconformity	Grade	Area	Time Limits	Corrective Action	Observation and Date	Status	Closed Date
							<p>(attendance list, photographs and minutes of meeting are attached).</p> <p>There are several perceptions of the locals. For example:  Replanting program did not put an impact on the Telayap River.  Replanting program gives job opportunity for example, the contractual work to fill the polybag and palm oil plant planting.  The replanting program has potential to cause land fire.</p> <p><b>Auditor Conclusion:</b>  According to the corrective action conducted by the company, the nonconformity is now closed.</p>		

### 3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-02 Assessment

CAR No	Ref Std	Finding	Area	Grade	Time Limits	Corrective Action	Observation	Status	Closing Date
-		There is no non-conformity during assessment RSPO ASA-2 conducted	-	-	-	-	-	-	

**3.5.3 Opportunity for Improvement at ASA-02 Assessment**

No	Ref Std	Descriptions
1	4.4.1	Companies need to ensure an evaluation of the test results of monitoring wells in the area of the application of wastewater implemented
2	4.5.1	Companies need to enterprises need to ensure remedial action ganoderma attacks in areas that are not included in the plan of replanting to 2019.
3	4.6.12	Companies need to ensure the implementation of the mechanism of early detection of pregnant and lactating women who work in areas related to chemicals.
4	6.1.4	Companies need to ensure the implementation of the review of the management plan and social impact monitoring conducted in the year 2017 (observation)
5	6.5.3	Companies need to ensure that all facilities and infrastructure have feasible and appropriate housing especially septic tank

**3.5.4**

No	Descriptions
1	The company's commitment to implement the principles of sustainable management of oil palm and showed seriousness to maintain RSPO certificate
2	The competence of personnel in each field and understanding related to the sustainability standards are good enough
3	Awarded the implementation of CSR programs in 2014/2015 from District Head Pelalawan

### 3.6 Summary of Arising Issues from Public, Management and Auditor Response at ASA-02 Assessment

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<b>Date of interview: 04 April 2016</b>		
<b>Labour Agency Pelalawan District</b> <ul style="list-style-type: none"> <li>PT Adei is being proposed to get the award zero accident.</li> <li>Currently, wages still refer to Province Minimum Wage, 2015 amounted to IDR 2,125,000, for the latest Province Minimum Wage not been issued by the government.</li> <li>The Company has reported <i>WLTK</i> and <i>P2K3</i> activities regularly according with current regulations.</li> <li>The company has an Occupational Health &amp; Safety expert on the structure.</li> <li>Contractors for replanting have been reported to the agency.</li> <li>No cases of labour disputes, but nowadays there is a mediation-related layoffs of workers who perform activities of drunkenness.</li> <li>Inspection tools work has been done by the relevant agencies regularly.</li> </ul>	<ul style="list-style-type: none"> <li>Will be priority by the company</li> <li>If the latest Province Minimum Wage issued by the government, the company will realize it appropriate government regulations</li> <li>Will be performed continuously appropriate to government regulations</li> <li>Will be continued and improved</li> <li>Will be performed continuously appropriate to government regulations</li> <li>On proses and action will be taken</li> <li>Will be prepar PPF appropriate company standart</li> </ul>	<p>It has been comply with criteria 2.1; 4.7 and 6.5</p>
<b>Plantation and Forestry Agency Pelalawan District</b> <ul style="list-style-type: none"> <li>Plantation Business Development Report 2015 second semester has been reported.</li> <li>There are problems in <i>KKPA Telayap</i>, namely the farmers want their farm taken over and no longer maintained by the company. Additionally it has a lot of sales of plots in the area of the creditor and FFB produced nor sold to the company. The regional government mediation but have not gotten a solution.</li> <li>The company carries out monitoring in areas beyond their permit and the area is currently used as a plantation of <i>KKPA</i> community property.</li> <li>The CSR activities conducted is the devolopment of farm for the community around the company.</li> <li>There were no cases of fire in the year</li> </ul>	<ul style="list-style-type: none"> <li>Will be continued and reported each on period</li> <li>It is currenty in socialization and mediation with the relevant stakeholders</li> <li>Will be monitoring continuously</li> <li>The company has a commitment to make a positive contribution, especially improving the local economy.</li> <li>The company has implemented a zero burning policy, such as fire patrols carried out every day</li> <li>Will be improved</li> <li>True, has been conducted signatures agreement with community leaders, related to society and</li> </ul>	<p>It has been comply with criteria 2.1; 5.1; 5.2 and 5.5</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> <li>Plantation Business Rate latest done in 2013 and is scheduled next assessment will be conducted in 2016.</li> <li>There were no cases of land disputes.</li> <li>River banks have good conditions that have been covered by natural vegetation.</li> <li>There is the issue of environmental pollution.</li> </ul>	<p>companies boundaries.</p> <ul style="list-style-type: none"> <li>Will be continued and improved monitoring of river bank area.</li> <li>Will be continued monitoring related to environment pollution</li> <li>It has been carried out and maintained.</li> </ul>	
<b>Environment Bodies Pelalawan District</b> <ul style="list-style-type: none"> <li>There is issue closure of Sungai Buluh flow in the operating company area.</li> <li>Companies are advised to calculate the level of success of planting on a river banks.</li> <li>RKL/RPL report, liquid waste management and waste management hazardous material was submitted regularly.</li> <li>For the year 2015 up to now there are no cases of fires in the company's core plantation area, but there is a fire in plantation of KKPA.</li> <li>The company is expected to increase CSR program make it more equitable.</li> <li>Communication between companies and government agencies are good.</li> </ul>	<ul style="list-style-type: none"> <li>The issue is not true. Company has been cooperating with Sungai Buluh community for planting forest trees in river bank.</li> <li>Would be a concern. The Company has conducted forest tree nursery to be planted in the river bank</li> <li>Will be continued and reported each period</li> <li>The company has conducted monitoring and fire patrols carried out every day and making of canals.</li> <li>Will be considered and adapted to the Budget</li> <li>Will be maintained and enhanced.</li> </ul>	<p>It has been comply with criteria 2.1; 4.4; 5.1; 5.2 and 6.2.</p> <p>Based on field visit and interview shows that the river flows is through the Sungai Buluh Village in advance before entering the operational of PT Adei.</p>
<b>National Land Agency Pelalawan District</b> <ul style="list-style-type: none"> <li>Up to now there have been no cases of land conflicts were reported to the National Land Agency</li> <li>The company has had Land Use Title</li> </ul>	<ul style="list-style-type: none"> <li>Will be considered and improved.</li> <li>The company has had Land Use Title</li> </ul>	<p>It has been comply with criteria 2.1 and 2.2</p>
<b>Head of Telayap Village</b> <ul style="list-style-type: none"> <li>There is now no Village Corporate Unit, some members were out of the Management of KKPA since 2013 (land / production has taken over completely by the community). But still sell FFB to the company.</li> <li>Respondents do not know the land conflicts / social happening now between community and company</li> </ul>	<ul style="list-style-type: none"> <li>KKPA Telayap partly managed by the community and FFB in the area of Block D was sold to companies.</li> <li>Respondent did not know because the new head of Telayap Village</li> </ul>	<p>The company has completed land compensation to community. Company too made environmental management and conservation well and does not come with air</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<ul style="list-style-type: none"> <li>No reports received from the public related to air pollution caused by the activities of plantation and mill company</li> <li>No reports received from the public related to the river pollution caused by the activities of plantation and mill company</li> <li>No reports received from the public related to soil pollution caused by the activities of plantation and mill companies</li> <li>30% of employees are from the local community</li> <li>The company has contributed to development of Kemang village, such as recruitment, empowering local contractors, repair of roads, repair of bridges, and religious assistance.</li> </ul>	<ul style="list-style-type: none"> <li>Will be carried out monitoring continuously and supervision related to air pollution.</li> <li>Will be carried out monitoring continuously and supervision related to river pollution.</li> <li>Will be carried out monitoring continuously and supervision related to land pollution.</li> <li>Will be considered and improved to the Budget</li> </ul>	<p>pollution, water pollution, and soil pollution caused by Mill and Plantation activitiesl.</p> <p>The Company has contributed to the community, such as uch as recruitment, empowering local contractors, repair of roads, repair of bridges, education, religion, sport and religious assistance.</p>
<b>Head of Kemang Village</b> <ul style="list-style-type: none"> <li>Currently there are no problems of land conflict between villagers Kemang area with concession companies</li> <li>FFB from Kemang village community sold to the company</li> <li>No reports received from the public related to air pollution caused by the activities of plantation and mill company</li> <li>No reports received from the public related to soil pollution caused by the activities of plantation and mill companies</li> <li>The company has contributed to development of Kemang village, such as recruitment, empowering local contractors, repair of roads, and mosque contruction</li> </ul>	<ul style="list-style-type: none"> <li>Land issues has been completed and compensated</li> <li>Truem the compaby purchased the FFB community</li> <li>Will be carried out monitoring continuously and supervision related to air pollution.</li> <li>Will be carried out monitoring continuously and supervision related to land pollution</li> <li>Will be considered and improved to the Budget</li> </ul>	<p>The company has completed land compensation to community. Company too made environmental management and conservation well and does not come with air pollution, water pollution, and soil pollution caused by Mill and Plantation activitiesl.</p> <p>The Company has contributed to the community, such as uch as recruitment, empowering local contractors, repair of roads, repair of bridges, education, religion, sport and religious assistance.</p>
<b>Head Sungai Buluh Village</b> <ul style="list-style-type: none"> <li>Currently there are no problems of land conflict between villagers Kemang area with concession companies</li> <li>There is a plasma / KKPA with members of 660 people</li> <li>Demonstrations ever happened related to Sungai Buluh dry in the</li> </ul>	<ul style="list-style-type: none"> <li>Land issues has been completed and compensated</li> <li>True, will be continued supervision</li> <li>Will be considered and realization of CSR will be</li> </ul>	<p>The company has completed land compensation to community. Company too made environmental management and conservation well</p>

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<p>downstream. But it does not conform to the actual facts on the ground. According to respondents, this is due to jealousy individual people because CSR is not appropriate.</p> <ul style="list-style-type: none"> <li>The company has been carrying out reforestation in Sungai Buluh river banks.</li> <li>No reports received from the public related to air pollution caused by the activities of plantation and mill company</li> <li>No reports received from the public related to soil pollution caused by the activities of plantation and mill companies</li> <li>The company has contributed to development of Kemang village, such as recruitment, empowering local contractors, repair of roads, and mosque construction</li> <li>Respondents know who to contact person when they want to ask for information / complaints.</li> </ul>	<p>conducted according to the program and budget of companies</p> <ul style="list-style-type: none"> <li>Will be enhanced reforestation in the Sungai Buluh river bank</li> <li>Will be carried out monitoring continuously and supervision related to air pollution.</li> <li>Will be carried out monitoring continuously and supervision related to soil pollution</li> <li>Will be considered and improved to the Budget</li> <li>Will be considered and improved to the Budget</li> </ul>	<p>and does not come with air pollution, water pollution, and soil pollution caused by Mill and Plantation activities.</p> <p>The Company has contributed to the community, such as uch as recruitment, empowering local contractors, repair of roads, repair of bridges, education, religion, sport and religious assistance.</p>
<p><b>Contractor of replanting</b></p> <ul style="list-style-type: none"> <li>SPK of replanting already approved and there is a copy of the CV Sejahtera Jaya</li> <li>Replanting activities that have been carried out in KNB Devision 2 and 4.</li> <li>Operators understanding how emergency response if at any time there are fires.</li> <li>Operator wearing PPE while working provided by CV Sejahtera Jaya</li> </ul>	<ul style="list-style-type: none"> <li>SPK extension will be made when the validity period expires</li> <li>Replanting activities done according to standards and program.</li> <li>Instructed to be implemented according to the RSPO Standard</li> <li>Company socializing ban burning of the field.</li> <li>Company instructed and reminded of the importance of PPE and prioritize safety in all activities.</li> </ul>	<p>Contractors have been equipped with SPK who have understood and signed. Contractors also have been equipped with PPE provided by the contractor. Contractors knowned that replanting activities should not be done by burning.</p>
<p><b>Sawit Watch Indonesia</b> Questionnaire via email</p>	No response coming from NGOs until the time	-
<p><b>Wahana Lingkungan Hidup Indonesia</b> Questionnaire via email</p>	No response coming from NGOs until the time	-

Public Issues (Institution/ NGO/Community)	Management Responses	Auditor Responses
<b>World Wild Found Indonesia</b> Questionnaire via email	No response coming from NGOs until the time	-
<b>Jaringan Penyelamat Kerja Hutan Riau (Jikalahari)</b> Questionnaire via email	No response coming from NGOs until the time	-

**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 and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.

Signed on behalf of:

PT Adei Plantation and Industry  
Management Representative

A handwritten signature in black ink, appearing to be "Nama".

**Nama**

Monday, April 18<sup>th</sup>, 2016

Mutuagung Lestari  
Lead Auditor

A handwritten signature in black ink, appearing to be "Sandra Purba".

**Sandra Purba**

Monday, April 18<sup>th</sup>, 2016

**APPENDICES**
**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
01	Labour Agency, Pelalawan District	Pelalawan District	-	Direct interview	April 4 <sup>th</sup> , 2016	√	
02	Plantation and Forestry Agency, Pelalawan District	Pelalawan District	-	Direct interview	April 4 <sup>th</sup> , 2016	√	
03	Environment Bodies	Pelalawan District	-	Direct interview	April 4 <sup>th</sup> , 2016	√	
04	National Land Agency	Pelalawan District	-	Direct interview	April 4 <sup>th</sup> , 2016	√	
05	Telayap Head of village	Telayap village, Pelalawan District	-	Direct interview	April 5 <sup>th</sup> , 2016	√	
06	Kemang Head of village	Kemang village, Pelalawan District	-	Direct interview	April 5 <sup>th</sup> , 2016	√	
07	Sungai Buluh Head of village	Sungai Buluh, Pelalawan District	-	Direct interview	April 5 <sup>th</sup> , 2016	√	
08	Contractor of replanting (CV Sejahtera Jaya)	-	-	Direct interview	April 5 <sup>th</sup> , 2016	√	
09	Sawit Watch Indonesia	Jakarta	info@sawitwatch.or.id	Questionnaire via email	April 1 <sup>th</sup> , 2016		√
10	Wahana Lingkungan Hidup Indonesia	Pekanbaru	informasi@walhi.or.id	Questionnaire via email	April 1 <sup>th</sup> , 2016		√
11	World Wild Found Indonesia	Pekanbaru	wwf-indonesia@wwf.or.id	Questionnaire via email	April 1 <sup>th</sup> , 2016		√
12	Jaringan Penyelamat Kerja Hutan Riau (Jikalahari)	Pekanbaru	jikalahari@indo.net.id	Questionnaire via email	April 1 <sup>th</sup> , 2016		√

**Appendix 2. Assessment Program**

DATE / TANGGAL		04 - 09 April 2016	
PLANNED TIME RENCANA WAKTU	ACTUAL DURATION DURASI AKTUAL	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
<b>Monday, 4 April 2016</b>			
06.00 – 08.00	06.00 – 08.00	<b>Jakarta → Pekanbaru</b>	SDP, ARD, MAY SHL, BMG
08.00 – 11.00	08.00 – 11.00	<b>Pekanbaru → Site</b>	SDP, MAY SHL, BMG
08.00 – 17.00	08.00 – 17.00	<b>Pekanbaru → Consultation of Pelalawan District Government</b>	ARD
11.00 -12.00	11.00 -12.00	<b>Opening Meeting</b>	SDP, MAY SHL, BMG
12.00 – 14.00	12.00 – 14.00	<b>Break</b>	SDP, MAY SHL, BMG
14.00 – 17.00	14.00 – 17.00	<b>Document Review and Review of Previous Visit Non - conformance (ASA-1)</b>	SDP, MAY SHL, BMG
<b>Tuesday, 5 April 2016</b>			
08.00 – 12.00	08.00 – 12.00	<b>Field Observation KEBUN NILO BARAT 1</b> <ul style="list-style-type: none"> <li>- Manuring, Spraying, Harvesting, Best Agricultural Practices and Worker Welfare (payments, complaint mechanism), ect.</li> <li>- Legal operational, Conservation Area, EFB application, Land application, ect.</li> <li>- Worker Facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (B3) management, Land Fire facilities, Storage, ect.</li> </ul>	MAY, BMG
12.00 – 14.00	12.00 – 14.00	Stakeholders consultation to Nearest village and community leader; interview with contractor <b>Break</b>	ARD
14.00 – 17.00	14.00 – 17.00	<b>Clarification of Stakeholders Consultation and Field Observation Kebun Nilo Barat 1</b>	SDP
		<b>Document Review and Review of Previous Visit Non - conformance (ASA-1)</b>	SHL
			SDP, ARD, MAY SHL, BMG
			SDP, ARD, MAY SHL, BMG
<b>Wednesday, 6 April 2016</b>			
08.00 –12.00	08.00 –12.00	<b>Field Observation KEBUN NILO BARAT 2</b> <ul style="list-style-type: none"> <li>• Manuring, Spraying, Harvesting, Best Agricultural Practices and Worker Welfare (payments, complaint mechanism), ect.</li> <li>• Legal operational, Conservation Area, EFB application, Land application, ect.</li> <li>• Worker Facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (B3) management, Land Fire facilities, Storage, ect.</li> </ul>	MAY
12.00 – 14.00	12.00 – 14.00	<b>Field Observation NILO POM 1 :</b> WWTP (IPAL), Operational, K3 (OHS), Supply Chain, Hazardous Waste Material (B3) management <b>Break</b>	ARD / BMG
14.00 – 17.00	14.00 – 17.00	<b>Document Review and Review of Previous Visit Non - conformance (ASA-1)</b>	SHL
		Interview with Contractor; Interview with Union Labour, and	SDP
			SDP, ARD, MAY SHL, BMG
			SDP, ARD, MAY SHL, BMG
			SHL

DATE / TANGGAL		04 - 09 April 2016	
PLANNED TIME RENCANA WAKTU	ACTUAL DURATION DURASI AKTUAL	PROCESSES / CLAUSES TO BE AUDITED PROSES / HAL YANG DIAUDIT	AUDITOR
		Interview with Gender Commite  <b>Clarification of Stakeholders Consultation and Field Observation Kebun Nilo Barat 2 dan Nilo POM</b>	SDP, ARD, MAY SHL, BMG
<b>Saturday, 9 April 2016</b>			
08.00 –10.00	08.00 –10.00	Closing Meeting	SDP, ARD, MAY SHL, BMG
10.00 –13.00	10.00 –13.00	Site → Pekanbaru	SDP, ARD, MAY SHL, BMG
16.00 –18.00	16.00 –18.00	Pekanbaru → Jakarta	SDP, ARD, MAY SHL, BMG