

Roundtable on Sustainable Palm Oil Certification R S P O

[✓] Surveillance

Name of Management : Mandau Palm Oil Mill, PT Adei Plantation & Industry subsidiary of Kuala Lumpur Kepong, Berhad
 Organisation :
 Plantation Name : PT Adei Plantation & Industry: Mandau 1, Mandau 2, Mandau 3, Mandau 4, Mandau 5 and Mandau 6
 Location : Village of Muara Basung, Sub District of Pinggir, District of Bengkalis, Province of Riau, Indonesia
 Certificate Code : **MUTU-RSPO/021**
 Date of Certificate Issue : 19 October 2017 Date of License Issue : 19 October 2018
 Date of Certificate Expiry : 18 October 2022 Date of License Expiry : 18 October 2019

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1.1	27 to 31 August 2018	Sandra Purba (Lead Auditor), Arif Faisal Simatupang, Brigitta Prita & Yudhi Yuniarto Tallutondok	Ardiansyah	Octo HPN Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1.1	28 September 2018

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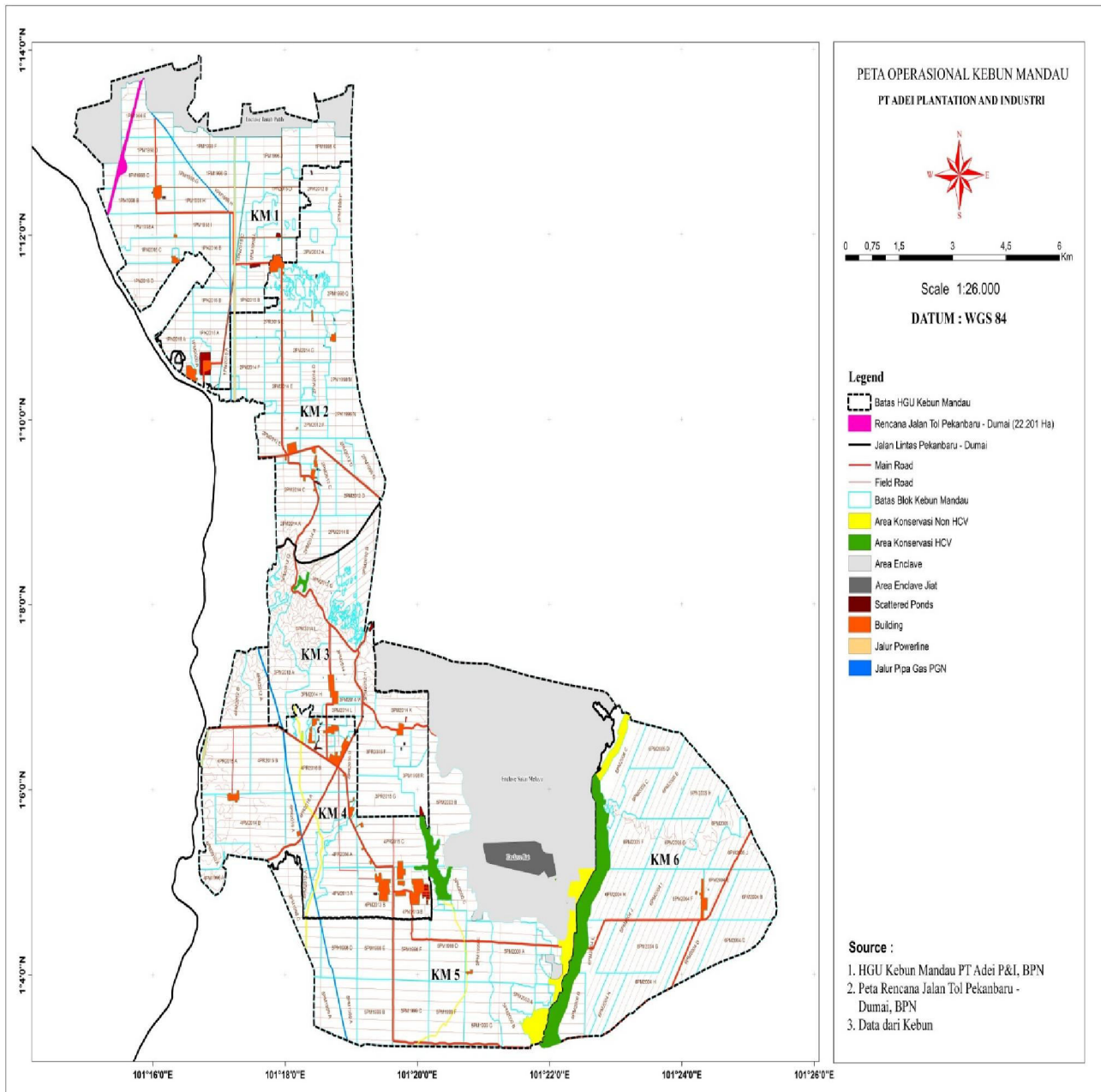
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Figure 1. Location Map of PT Adei Plantation & Industry.



Figure 2. Operational Map of PT Adei Plantation & Industry



Abbreviations Used

AAR	:	Applied Agricultural Resources
ASA	:	Annual Surveillance Assessment
AMDAL	:	Environmental Impact Assessment
BOD	:	Biological Oxygen Demand
BRP	:	Bayovar rock phospat
CITES	:	Convention on International Trade in Endangered Species of Wild Fauna and Flora
COD	:	Chemical Oxygen Demand
CPO	:	Crude palm oil
CR	:	Critically Endangered
CSR	:	Company Social Responsibility
EN	:	Endangered
EIA	:	Enviromental impact assessment
FFB	:	Fresh Fruit Bunch
FPIC	:	Free, Prior, Informed, and Consent
GHG	:	Greenhouse Gases
HCV	:	High Concervation Value
HGU	:	Hak Guna Usaha (<i>Land Use Title</i>)
IPM	:	Integrated Pest Management
ISCC	:	International Sustainability and Carbon Certification
ISPO	:	Indonesia Sustainable Palm Oil
IUCN	:	International Union for Concervation of Nature
KM	:	Kebun Mandau
KMS	:	Kebun Mandau Selatan (<i>Mandau Estate Southern</i>)
KMU	:	Kebun Mandau Utara (<i>Mandau Estate Northern</i>)
LC	:	Land Clearing
LCC	:	Legume Cover Crops
LUCA	:	Land Use Change Analysis
MOP	:	Muriate off Potash
MPOM	:	Mandau Palm Oli Mill
OHS	:	Occupational Health and Safety
OER	:	Oil extraction rate
Permenaker	:	Peraturan Menteri Tenaga Kerja (<i>Minister of labor regulation</i>)
PK	:	Palm Kernel
PPE	:	Personal Protective Equipment
POME	:	Palm oil mill effuent
POM	:	Palm oil mill
RSPO	:	Rountable on Sustainable Palm Oil
RTE	:	Rare trade endangered
SBRI	:	Serikat Buruh Riau Independen (<i>Riau Independent Labor Unions</i>)
SBSI	:	Serikat Buruh Sejahtera Indonesia (<i>Indonesia Prosperous Labor Unions</i>)
SOP	:	Standart Operating Procedure
SPSI	:	Serikat Pekerja Seluruh Indonesia (<i>Indonesia Labor Unions</i>)
SCCS	:	Supply chain certification system
UKL	:	Upaya Pengelolaan Lingkungan (<i>Environmental Management Report</i>)
UPL	:	Upaya Pemantauan Lingkungan (<i>Environment Monitoring Report</i>)
WTP	:	Water Treatment Plan
WWTP	:	Wastewater Treatment Plant

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none">Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF (Indonesian National Interpretation Task Force) July 2016, endorsed by the RSPO Board of Governor 30th September 2016.RSPO Certification Systems for Principles & Criteria June 2017. Endorsed by the RSPO Board of Governors on 14th of June 2017.The RSPO Supply Chain Certification Standard for Organization seeking or holding certification adopted by the RSPO Board of Governors on 21 November 2014 (Revised on 14 June 2017).	
1.2	Organisation Information		
1.2.1	Organization name listed in the certificate	PT Adei Plantation & Industry, Subsidiary of Kuala Lumpur Kepong Bhd.	
1.2.2	Contact person	Stephen Tiong Mee Ing	
1.2.3	Organisation address and site address	<ul style="list-style-type: none">RSPO registered company: Wisma Taiko, 1, Jalan S.P. Seenivasagam, 3000 Ipoh, Perak, Malaysia.Liaison Office: Kompleks Pertokoan Taman Anggrek Blok B2 - B5, Jl. Tuanku Tambusai, Pekanbaru – Riau.	
1.2.4	Telephone	+62-761-571885	
1.2.5	Fax	+62-761-571862	
1.2.6	E-mail	mi.tiong@klk.com.my	
1.2.7	Web page address	www.klk.com.my	
1.2.8	Management Representative who completed the application for certification	Stephen Tiong Mee Ing	
1.2.9	Registered as RSPO member	1-0014-04-000-00, 18 th October 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Palm Oil Mill and supply bases: Mandau Palm Oil Mill and 6 estates (Mandau 1, Mandau 2, Mandau 3, Mandau 4, Mandau 5, Mandau 6).	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			LatitudeLongitude
	Mandau	Jl. Raya Pekanbaru - Duri km 101, Tengganau Village, Pinggir Sub-district, Bengkalis District, Province of Riau, Indonesia	N 01° 04' 55"E 101° 20' 01"
1.4.2	Location of Certification Scope of Supply Base		

	Name of Supply Base	Location	Coordinate	
			Latitude	Longitude
	Mandau 1	Jl. Raya Pekanbaru - Duri km 110, Semunai Village, Pinggir Sub-district, Bengkalis District, Province of Riau, Indonesia	N 01° 12' 30.7610"	E 101° 16' 3.3687"
	Mandau 2	Jl. Raya Pekanbaru - Duri km 110, Semunai Village, Pinggir Sub-district, Bengkalis District, Province of Riau, Indonesia	N 01° 11' 90.7291"	E 101 ° 17' 47.7227"
	Mandau 3	Jl. Raya Pekanbaru - Duri km 110, Semunai Village, Pinggir Sub-district, Bengkalis District, Province of Riau, Indonesia	N 01° 07' 11.7842"	E 101 ° 18' 40.9299"
	Mandau 4	Jl. Raya Pekanbaru - Duri km 101 Simpang Intan, Muara Basung Village, Pinggir Sub-district, Bengkalis District, Province of Riau, Indonesia	N 01° 06' 37.1461"	E 101 ° 18' 36.4449"
	Mandau 5	Jl. Raya Pekanbaru - Duri km 101 Simpang Intan, Muara Basung Village, Pinggir Sub-district, Bengkalis District, Province of Riau, Indonesia	N 1° 04' 52.8890"	E 101 ° 19' 25.9473"
	Mandau 6	Jl. Raya Pekanbaru - Duri km 101 Simpang Intan, Muara Basung Village, Pinggir Sub-district, Bengkalis District, Province of Riau, Indonesia	N 1° 04' 59.5364"	E 101 ° 24' 19.3583"
1.5	Description of Area Statement			
1.5.1	Tenure			
	• State		14,837.64	Ha
	• Community		-	Ha
1.5.2	Area Statement			
	• Total area		14,837.64	Ha
	• Mature area		9,252.00	Ha
	• Immature area		2,037.00	Ha
	• Emplishment/ Infrastructure/ Mill / pond		205.00	Ha
	• HCV area (HCV 1; HCV 3; HCV 4; HCV 5 & HCV 6)		236.52	Ha
	• Enclave Sakai Melayu, Jiat and tanah putih (Conservation area outside HCV area)		3,002.19	Ha
	• Enclave of Local community (Conservation area outside HCV area)		34.00	Ha
	• Power lines/ Chevron roads		70.93	Ha
	Ha			
1.6	Planting Year and Cycles			
1.6.1	Age profile of planting year			
	Planting Year	Hectarage (Ha)		

		Mandau 1	Mandau 2	Mandau 3	Mandau 4	Mandau 5	Mandau 6	Total
	1998	1,194.00	455.00	65.00	107.00	486.00	-	2,307
	1999	-	-	-	-	858.00	-	858
	2000	14.00	17.00	-	-	325.00	-	356
	2001	-	-	31.00	-	-	-	31
	2002	-	37.00	-	-	-	-	37
	2003	-	17.00	-	-	204.00	-	221
	2004	-	-	30.00	-	24.00	1,134.00	1,188
	2005	-	16.00	16.00	33.00	53.00	846.00	964
	2006	-	-	-	-	12.00	164.00	176
	2007	-	-	-	-	-	27.00	27
	2010	-	122.00	100.00	86.00	-	-	308
	2011	-	-	86.00	16.00	-	-	102
	2012	-	493.00	248.00	172.00	-	-	913
	2013	-	-	129.00	270.00	-	-	399
	2014	-	657.00	488.00	220.00	-	-	1,365
	Total Mature	1,208	1,814	1,193	904	1,962	2,171	9,252
	2015	409	135.00	220	476	-	-	1,240
	2016	354.00	-	-	443.00	-	-	797
	Total Immature	763	135	220	919	0	0	2,037
	TOTAL	1,971	1,949	1,413	1,823	1,962	2,171	11,289
1.6.2	New Planting area after January 2010			- Ha				
1.6.3	Planting Cycle			1 st Cycle				
1.7	Description of Mill and Supply Base							
1.7.1	Description of Mill							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Mandau	60	206,535.19	46,814.22	22.87	10,095.29	4.91	
	<i>*Production data source from September 2017 until August 2018</i>							
1.7.2	Description of Certification Scope of Supply Base							
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/h a/year)	Supplied to Mill		
						FFB (tonnes/year)	%	
	Mandau 1	2,942.85	1,971	26,814.67	22.20	26,814.67	100	
	Mandau 2	2,137.11	1,949	37,951.28	19.47	37,951.28	100	
	Mandau 3	1,446.06	1,413	22,111.26	18.53	22,111.26	100	
	Mandau 4	1,943.27	1,823	15,411.72	17.05	15,411.72	100	
	Mandau 5	3,924.66	1,962	48,479.68	24.71	48,479.68	100	
	Mandau 6	2,443.69	2,171	55,766.58	25.69	55,766.58	100	
	TOTAL	14,837.64	11,289	206,535.19	21.28	206,535.19	100	
	<i>*Production data source from September 2017 until August 2018</i>							
1.7.3	FFB description from other source							
	Name of sources/Organisation (RSPO certified / non- certified)	Type of Organisation	number of smallholders	Production Area (Ha)	Supplied to Mill			
					FFB (tonnes/year)			
	-	-	-	-	-			

		TOTAL				-		
* POM didn't receive FFB from outside.								
1.7.4	Product categories			FFB, CPO, PK				
1.8	Tonnage of Product							
1.8.1	Past Annual Claim Certified Product			Last Year Projected Certified Volume (MT)		Actual certified for period September 2017 until August 2018 (MT)		
	• FFB Process			244,722		206,535		
	• CPO Production			54,196		43,257		
	• Palm Kernel (PK) Production			11,682		9,319		
On 7 September 2018, management unit of PT Adei Plantation & Industry request to CB for Extension Volume CSPO and CSPK, because there is over production.								
1.8.2	Product selling							
	Tonnage of selling product			Period of actual selling product September 2017 until August 2018				
	• CSPO sold as RSPO certified product			1,239.97 MT				
	• CSPK sold as RSPO certified product			8,431.56 MT				
	• CSPO sold under other scheme			31,632.74 MT				
	• CSPK sold under other scheme			-				
	• CSPO sold as conventional			7,476.78 MT				
	• CSPK sold as conventional			-				
1.8.3	Estimate of Certified FFB Claim							
	Name of Estate(s)		Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)		Yield (tonnes/ha/year)	
					IP	MB		
	Mandau 1		2,942.85	1,971	23,932	4,223	23.31	
	Mandau 2		2,137.11	1,949	34,722	6,127	20.96	
	Mandau 3		1,446.06	1,413	20,584	3,633	20.30	
	Mandau 4		1,943.27	1,823	15,561	2,746	20.25	
	Mandau 5		3,924.66	1,962	43,268	7,636	25.94	
	Mandau 6		2,443.69	2,171	49,772	8,783	26.97	
	TOTAL		14,837.64	11,289	187,839	33,148	22.96	
*Projected FFB production for 19 Oct 2018 to 18 Oct 2019								
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel		Supply Chain Module
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)	
	Mandau	60	187,839	43,203	23	9,392	5	IP
			33,148	7,624		1,657		MB
*Projected CSPO and CSPK production for 19 Oct 2018 to 18 Oct 2019								
1.9	Other Certifications							
	ISCC			Certificate No.: EU-ISCC-Cert-DE105-83153904 (valid from 4 May 2017 – 3 May 2018)				
	ISPO			ISPO: MUTU-ISPO/030 (9 September 2014 – 8 September 2019).				

1.10	Time Bound Plan					
1.10.1	Time Bound Plan for Other Management Units					
No	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
	MILL	Time Bound Plan				
	INDONESIA					
1	Berau POM PT Hutan Hujan Mas	2018	Sungai Melemah (PT MP)	2018	Berau, Kalimantan Timur	-
			Sungai Atap (PT MP)	2018		-
			Sungai Segah (PT HHM)	2018		-
			Sungai Pura (PT HHM)	2018		-
			Sumbarata (PT SSD)	2018		-
2	Jabontara POM PT Jabontara Eka Karsa	2017	Sungai Raya	2017	Berau, Kalimantan Timur	Certified
			Sungai Jantui	2017		Certified
3	MAP POM PT Mulia Agro Permai	2018	Menteng Jaya Sawit Perdana	2018	Mentaya Hilir Utara, Kalimantan Tengah	-
			MAP Barat (PT MAP)	2018	Baamang, Kalimantan Tengah	-
			MAP Timur (PT MAP)	2018		-
4	KMA POM PT Karya Makmur Abadi	2017	KMA Utara	2018	Mentaya Hulu, Kalimantan Tengah	-
			KMA Tengah	2018		-
			KMA Selatan	2018		-
5	SWP POM PT Steelindo Wahana Perkasa	2012	Barat	2012	Belitung, Bangka Belitung	Certified 2014
			Utara	2012		Certified 2014
			Timur	2012		Certified 2014
			Selatan	2012		Certified 2014
6	Parit Sembada POM PT Parit Sembada	2013	Parit Sembada	2013	Belitung, Bangka Belitung	Certified 2016
			Alam Karya Sejahtera	2013		Certified 2016
7	Mandau POM PT ADEI	2012	Kebun Mandau Selatan 1	2012	Bengkalis, Riau	Certified 2012
			Kebun Mandau Selatan 2	2012		Certified 2012
			Kebun Mandau Selatan 3	2012		Certified 2012
			Kebun Mandau Selatan 4	2012		Certified 2012
			Kebun Mandau Utara 5	2012		Certified 2012

			Kebun Mandau Utara 6	2012		Certified 2012
			Kebun Mandau Utara 7	2012		Certified 2012
8	Nilo POM 1 PT ADEI	2012	Nilo Barat 1	2012	Pelalawan, Riau	Certified 2014
			Nilo Barat 2	2012		Certified 2014
			Kop Petani Sejahtera (KKPA)	2018		-
			Kop Karya Mitra (KKPA)	2018		-
			Kop Tani Harapan Maju (KKPA)	2018		-
			PT Safari Riau	2018		Stage 2
			KKPA PT Safari Riau	2018		-
			KTA Safari	2018		-
9	Nilo POM 2 PT ADEI	2012	Nilo Timur 1	2012	Pelalawan, Riau	Certified 2014
			Nilo Timur 2	2012		Certified 2014
			Kebun Mitra Kuala Tolam SP 1 (PT SWP)	2018		Stage 2
			Kebun Mitra Kuala Tolam SP 2 (PT SWP)	2018		Stage 2
			KKPA Sungai Buluh (PT SWP)	2018		Stage 2
			Ladang Mutiara (PT SWP)	2018		Stage 2
10	Tapung Kanan POM PT Sekarbumi Alamlestari	2012	Tapung Kanan 1	2012	Kampar, Riau	Certified 2013
			Tapung Kanan 2	2012		Certified 2013
			Tapung Kanan 3	2012		Certified 2013
			KKPA (Kopni Sahabat Lestari)	2016		Refuse to take a part RSPO process.
11	Stabat POM PT Langkat Nusantara Kepong	2014	Basilam	2017	Langkat, Sumatera Utara	Certified
			Gohor Lama	2017		Certified
			Tanjung Keliling	2017		Certified
			Maryke	2017		Certified
			Bekiun	2017		Certified
			Padang Brahrang	2017		Certified
			Bukit Lawang	2017		Certified
			Tanjung Beringin	2019		-

12	Padang Brahrang POM PT Langkat Nusantara Kepong	2014	No longer in operation due to technical reason			
	PENINSULAR MALAYSIA					
13	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
14	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
15	Paloh POM	-	Outside Crop	-	Paloh, Johor	-
16	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
17	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
18	Tuan Mee POM	2013	Tuan Mee	2013	Sungai Buloh, Selangor	Certified
19	Kuala Pertang POM	2013	Kerila	2013	Tanah merah, Kelantan	Certified
			Pasir Gajah	2013	Kuala Krai, Kelantan	Certified
			Sungai Sokor	2013	Tanah Merah, Kelantan	Certified
20	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						
21	Mill 1	2009	Jatika	2009	Tawau, Sabah	Certified
			Sigalong	2009		Certified
			Pangeran	2009		Certified
			Sri Kunak	2009		Certified
			Pang Burong	2009		Certified
22	Mill 1	-	Outside crop	-	-	-
23	Pinang	2009	Pinang	2009	Tawau, Sabah	Certified
			Tundong	2009		Certified
			Ringlet	2009		Certified
24	Lungmanis	2010	Lungmanis	2010	Lahad Datu, Sabah	Certified
			Sungai Silabukan	2010		Certified
25	Rimmer	2010	Rimmer	2010	Lahad Datu, Sabah	Certified
			Tungku	2010		Certified
			Bukit Tabin	2010		Certified
26	Bornion	2010	Bornion	2010	Kinabatangan, Sabah	Certified
			Segar Usaha	2010		Certified
1.10.2	Progress of Associated Smallholders and Out growers for Certifiable Standard					
	PT Adei Plantation & Industry – Mandau POM does not have associated smallholders and out growers, FFB received and processed is only from own Estates.					

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-1.1	<ol style="list-style-type: none"> Sandra Purba (Lead Auditor). Indonesia Citizen, Graduated from Forestry Faculty Bachelor Degree, majored in Forest Product Technology. Have experience working in industrial forest company, mining and oil palm plantations company for 6 (six) years as EHS and Sustainability Assistant. Has been certified as General OHS Expert, attend and passed the several trainings of management system (OHS, environment and quality management), has been attend the training of waste management, GHG verification and validator training, and conflict resolution and mapping training. Have been successfully passed the Indonesian Sustainable Palm Oil (ISPO) Lead Auditor training course, RSPO lead auditor training course, SA 8000 training, SCCS Training and auditor of RSPO Next. Involve in many audit activities of similar scheme (ISPO) since April 2013 covering the Legal Aspect, Environmental aspect, Social Aspect, Health and Safety Aspect, conservation and Worker Welfare. During this audit, she verify legality, land dispute and supply chain Certification Standard and social. Arif Faisal Simatupang (Auditor). Bachelor of Agriculture, from Department of Agriculture Agronomy, Faculty of Agriculture, University of Gadjah Mada. He has attended the RSPO Lead Auditor Training, Indonesian Sustainable Palm Oil (ISPO) Auditor Training, Training of Management System Certification ISO 9001-2008, Training of Environmental Management System, Awareness of ISO 17021 and ISO 17065, training of Management High Conservation Value (HCV), SA 8000 training, SCCS Training and RSPO lead auditor training course. He has been 4 years of working experience as a Field Assistant on oil palm plantation companies in Indonesia. During the assessment he assigned to verify best management practice and transparency information. Brigitta Prita (Auditor). Citizen of Indonesia. Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism. She had attended Training ISPO by Commission ISPO on June 2013, Training ISO 9001:2008 Quality Management System on January 2014, In House Training 17021 and 17065 management system and Product Quality, Training High Conservation Value by IPB on September 2015, In House Training HCV on August 2016, In House Training Roundtable Sustainable Palm Oil on January 2014; In House Training ISO 14000:2004 Environmental Management System; Training Lead Auditor RSPO by Daemeter & Proforest; SA 8000 training, and SCCS Training. She has been audit experience ISPO & RSPO since April 2013 in the environmental, conservation, waste management and worker welfare aspects. During this audit, she verify environment and HCV. Yudhi Yuniarto Tallutondok (Auditor Trainee). Indonesian citizen, Bachelor of Fisheries, Padjadjaran University. Experience of working over three years since 2013 as plantation operations staff in private palm oil plantation companies in Indonesia. Training have been followed including Auditor of Indonesian Sustainable Palm Oil (ISPO), Lead Auditor of Roundtable on Sustainable Palm Oil (RSPO) P&C, Lead Auditor of ISO 9001:2015, ISO 14001:2015, ISO 22000:2009, ISO 19011:2011, SA 8000 training, Basic Management Development Program Agronomy, Fire Anticipation on Land and Forest, Potential Mapping and Conflict Resolution in Production Forests, Awareness ISO 17021 and ISO 17065. Has participated in audit activities for ISPO and RSPO scheme since 2017 for agronomy, OHS, labor and social aspects. In this audit activity he support to assess OHS and worker welfare.
2.2	Assessment Methodology, Assessment Process and Locations of Assessment
2.2.1	Figure of person days to implement assessment
ASA-1.1	<p>Number of auditors : 3 auditor and 1 auditor trainee</p> <p>Number of days for ASA-1.1 at site : 5 days</p> <p>Number of working days for ASA-1.1 at site : 15 Working days.</p>
2.2.2	Assessment Process
ASA-1.1	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Adei Plantation & Industry – Mandau Mill to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module for CPO Mill).</p>

The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.

Some opportunities for improvement of the results surveillance 1.1 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase.

Improvement of findings from surveillance assesment findings were observed by auditors at this surveillance 1.1. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of surveillance 1.1.

The assessment program please find Appendix 2.

2.2.3 Locations of Assessment

ASA-1.1	<p>MPOM.</p> <ul style="list-style-type: none"> • Security station. Observation on SCCS implementation and interview regarding to the product reception and delivery. • Weigh-bridge. Observation on SCCS implementation and interview regarding to the product reception and delivery. • Workshop. Observation related to OSH and interview to personnel related to worker welfare. • Chemical store. Observation related to the OSH and waste management. • Scheduled waste storage. Observation related to the OSH and waste management. • Hydrant No.2 Simulation. Observation related fungsional of hydrant. • Grading Stasion. Interview with officer grading related to job description, OHS implementation and worker welfare. • Fuel tank. Observation related to OHS implementation . • Sterilizer station. Observation related to OHS implementation. • Engine room. Interview with officer engine room related to OHS implementation. • Boiler station. Interview with officer related to OHS Implementation. • Hexant station. Observation related to OHS implementation. • POME. Observation related management of liquid waste. • Empty Fruit Bunch area. Observation related management of Solid waste. • Water Treatment Plant. Observation and interview related management of water for process in the Mill. <p>Mandau 3 Estate</p> <ul style="list-style-type: none"> • Employee Housing. Observation related to waste management. Interview related to OHS implementation in housing • HCV. Observation of Management HCV in Mandau 3 Estate is HCV 4 that is Springs • Fire Tower, Division 8 Mandau 2 Estate. Observation related to hotspot monitoring facilities located between Mandau 2 Estate and Mandau 3 Estate • Chemical Storage. Observation and interview with officer related to OHS implementation and management of hazardous and toxic material <p>Mandau 4 Estate.</p> <ul style="list-style-type: none"> • Chemical storage. Observation and interview on environmental aspect, OHS implementation, management of chemical and understanding of working procedure. • Fertilizer storage. Observation and interview on environmental aspect, OHS implementation, management of fertilizer and understanding of working procedure. • Workshop. Observation related acities in workshop, OHS, and others. • Fuel tank. Observation related management of fuel. • Fuel storage. Observation related management of fuel.
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- **Fire fighters.** Observation related management of fire fighters.

Mandau 5 Estate.

- **HCV area, block of 06A Division 19, Riparian of Penaso River.** Observation related to HCV management.
- **Block of 05, division 19, enclave area.** Observation related to land dispute settlement.
- **Block of 00B Division 19, BPN poles no. 213.** Observation of BPN poles accessibility and maintenance.
- **Block of 99E Div 19, HGU poles BPN 215.** Observation of BPN poles accessibility and maintenance.
- **Block of 99C Div 17, HGU poles BPN 216.** Observation of BPN poles accessibility and maintenance.
- **HCV area block of 2016D Div 12, riparian of Punggur river.** Observation related to HCV management.
- **Harvesting, Block 00A.** Observation and interview on procedure implementation, safety dan worker welfare aspect
- **Manuring, Block 00B.** Observation and interview on procedure implementation, safety dan worker welfare aspect
- **Barn Owl Box, Block 03A.** Observation of integrated pest management with barn owl boxes utilization, monitoring, and occupation rates.
- **Fire Monitoring Tower, Block 04A.** Observation of fire emergency response by building fire monitoring tower.
- **Circle Racking, Block 99D.** Observation and interview on procedure implementation, safety dan worker welfare aspect.
- **Water Intake.** Observation related management of water for process and domestic.
- **Land application Block F98 Division 17.** Observation and interview with operator related management of liquid waste.
- **Well monitoring Number 3.** Observation related management of ground water.
- **Mixing store of chemical pesticide.** Observation and interview related management of pesticide.
- **Chemical store temporary.** Observation related management of chemical.
- **Housing.** Observation and interview related facilities in housing area, sanitation, emergency area and others.
- **Daycare.** Observation related of facilities in daycare.
- **Kindergarten.** Observation related facilities in kindergarten.
- **Landfill Block 98 Division 16.** Observation related management of domestic waste.

Mandau 6 Estate.

- **Block of 26/27, HGU poles BPN 78 and BPN BPN 68.** Observation of BPN poles accessibility and maintenance.
- **Chemical storage.** Observation and interview on environmental aspect, OHS implementation, management of chemical and understanding of working procedure.
- **Fertilizer storage.** Observation and interview on environmental aspect, OHS implementation, management of fertilizer and understanding of working procedure.
- **Housing complex.** Observation and interview with family of worker regarding to housing facility, electricity and water access, complaint mechanism, worship place etc.
- **Daycare.** Observation and interview related facilities daycare, first aid kit, labour and others.
- **Workshop.** Observations and interviews with workers related to work procedure, OHS aspect, and complaint mechanism.
- **Wash and storage of spray equipment.** Observation and interview related management of hazardous waste (pesticide), mixing area, and OHS implementation.
- **Kindergarten.** Observations and interviews related to facilitation of companies in the field of education.
- **Fertilization activities.** Interview with officer related job description, OHS implementation dan worker welfare.
- **Chemist activities.** Interview with officer related job description, OHS implementation dan worker welfare.
- **Harvesting activities.** Interview with officer related job description, OHS implementation dan worker welfare.

Interview with stakeholders on 29 August 2018 such as:

1. Bengkalis Regency (Plantation Agency, Labor Agency, and Environmental Agency).
2. Local communities and local contractors (Sialang and Harapan Jaya Village).
3. Internal stakeholders with Labor Union, Workers cooperative and gender committee).

2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
ASA-1.1	<p>Consultation of stakeholders for PT Adei Plantation & industry – Mandau Mill held by:</p> <ol style="list-style-type: none"> 1. Public announcement in RSPO website on 10 August 2018. 2. Public consultation with government agencies of Bengkalis Regency (Plantation Agency, Labor Agency, Environmental Agency) on 29 August 2018. 3. Public consultation by interview with locals of the nearby village (Sialang and Harapan Jaya Village) and local contractor on 29 August 2018. 4. Consultation meeting and interview with Internal Stakeholder (labour union, workers cooperative and gender committee) on 29 August 2018. 5. Consultation with NGO (Sawit Watch, WALHI and WWF) via email on 23 August 2018. <p>Numbers of input from stakeholders were clarified by PT Adei Plantation & Industry – Mandau Mill.</p>
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit ASA-1.2 will be determined eight – twelve months after this ASA-1.1 (August -2018) .

3.0. ASSESSMENT FINDINGS

3.1. Summary of Assessment Report of the RSPO Certification.

MUTUAGUNG LESTARI has conducted an assessment of Mandau POM – PT Adei Plantation & Industry Group operation consisting of one (1) mill and six (6) oil palm estates.

During the assessment, there were zero (0) Nonconformity were assigned against Major Compliance Indicator; zero (0) nonconformity were assigned against Minor Compliance Indicators and zero (0) nonconformance against supply chain requirement for CPO mill and seven (7) opportunities for improvement were identified.

MUTUAGUNG LESTARI found that **Mandau POM – PT PT Adei Plantation & Industry subsidiary of Kuala Lumpur Kepong Bhd** complied with the requirements of **Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30th September 2016 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D and E 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.	
1.1.1 and 1.1.2.	<p>The company shows a list of stakeholders - PT Adei Plantation & Industry (Mandau Mill) which informs the contact person & address and telephone / email has been updated on August 21, 2018 consisting of legal entities, workers' organizations, suppliers, villages / local communities, contractors, NGOs, and internal stakeholders. List of stakeholders is renewed every 1 year. The company show list of document that publicly and accessible, such as:</p> <ol style="list-style-type: none"> 1. Documents related to RSPO Principles and Criteria. 2. Logbook requests for information / socialization, consultation and communication. 3. Logbook complaints / objections and request help. 4. Individual training files. 5. List of trainees and assessments. 6. Internal audit. 7. External Audit. 8. HCV report. 9. Report on the results of water analysis. <p>The company shows SOP (1) Request and provision of information, Communication and Submission of Complaints no. rev 02 dated revision August 10, 2017. Responsible are Manager / Assistant / Public Relations / Sustainability team. Requests for information can be made in writing (letter & e-mail) and verbal (telephone and person visiting). Make sure all information requests regarding environmental, social and legal issues are related to sustainability. Managers must constructively and precisely respond to every information request. Letters containing responses must be signed by the Manager or authorized personnel and given a date of response. The response period is 14 days. If there is a reason, so that the response time of more than 14 days is then informed by the relevant stakeholders, the reason must be given. Based on logbook of communication there is invitation letter such as:</p> <ul style="list-style-type: none"> • Invitation from the Head of the Tenganau Village letter number 005 / UM-Tgn / I / 2017/874 dated September 5, 2017 	

regarding the farewell invitation and remarks from the person in charge of the Tenggana Village Chief located on the Village Office which will be held on September 7, 2018. The company on September 6, 2017 with company representatives to attend the above event.

	Status: Comply	
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1.2

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

1.2.1.

The company has master list of document revised on May 16, 2017 approved by senior general manager. In the master list of document clasifies the documents in to two part: 1. confidential and 2. public. The example of confidention document is Yield Statistic document and the public document is RSPO principel documents. The document arraged by code.

Documents that are open for example:

1. Documents related to RSPO Principles and Criteria.
2. Logbook requests for information / socialization, consultation and communication.
3. Logbook complaints / objections and request help.
4. Individual training files.
5. List of trainees and assessments.
6. Internal audit.
7. External Audit.
8. HCV report.
9. Report on the results of water analysis.

The OHS documents are open to the public, for example:

1. Training Program.
2. Health check report.
3. PPE expenditure.
4. Costing book chemicals.
5. Minutes of the Gender Committee.
6. Accident Report.
7. Minutes of "P2K3".

While confidential documents, for example:

1. Letter of entry to the General Manager.
2. Internal Audit Accounts.
3. Progress Report.
4. Yield Statistics.
5. Meeting Management.

	Status: Comply	
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1.3

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

1.3.1.

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

Code of integrity point 4.11

Employees should treat fellow employees with fair and courteous regardless of race, religion, gender, nationality, age,

disability and discrimination.

The socialization of the code of ethics policy is carried out to workers at the morning assembly for example:

- Socialization of the code of ethics policy dated January 9, 2018 to workers of KM 5 (Documentation and photos).
- Socialization of the code of ethics policy dated February 12, 2018 to workers of KM 3 (Documentation and photos).
- The socialization of the code of ethics policy for contractors is included in the work contract where the contractor concerned in Article 7 complies with KLK's sustainability policy.

Results of interviews with local contractors, harvesters, fertilizers, and pesticide applicators in KM 3, KM 5 & KM 6. Stakeholders have known related the code of ethics policy contained in the KLK Sustainability Policy.

Status: Comply	
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PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

2.1.1 and 2.1.2

Observed the evidendence of compliance to national regulation, such as:

- Compliance to regulation of workers welfare aspect, namely the payment of PT Adei Plantation & Industry employees in 2018 refers to the Decree of the Governor of Riau with the number Kpts. 373/V/2018 concerning the Minimum Wage in the Agriculture/Plantation Sector (rubber, coconut and oil palm) and Mill (rubber, coconut and oil palm) Riau Province in 2018 dated 15 May 2018. In this decision it was explained that the Minimum Wage in the sector was IDR 2,617,500, - (Two Million Six Hundred Seventeen Thousand Five Hundred Rupiah) per month. And applies only to workers who have a work period of less than 1 (one) year. This Governor's Decree comes into effect on January 1, 2018. The results of the document review of employee harvest and security pay slips for the period July 2018 note that the company has paid employee wages in accordance with applicable regulations.
- The company has implemented compliance with Law No 7 of 1981 concerning Mandatory Labor Report period of 2017 for Mandau POM, *Mandau Utara Estate* and *Mandau Selatan Estate* which are sent to Labour Agency of Bengkalis District on March 19, 2018
- Moreover, company has a commitment to comply the applicable occupational health and safety procedure, such as:
 - Ministry of Manpower, Transmigration and Cooperative Decree No. 01 in 1976 regarding the responsibility to take Hyperkes training for company's Doctors
 - Ministry of Manpower and Transmigration Decree No. 01 in 1979 regarding the responsibility to take Hyperkes training for company's paramedics.
 - Ministry of Manpower Decree No. 01 in 1988 regarding the qualification and requirement for steam engine operators.
 - Ministry of Manpower and Transmigration Decree No. 09 in 2010 regarding to lift and transport vehicle's operators.
 - Ministry of Manpower and Transmigration Decree No. 04 in 1985 regarding to energy and production vehicle.
 - Ministry of Manpower and Transmigration Decree no. 02 in 1982 regarding to welder's qualification in work place
- The company has an evidence of compliance to environmental such as has had environmental document, has submitted the RKL and RPL report documents for the period January - June 2018 to:
 1. Riau Provincial Environmental Agency through JNE freight forwarding services on August 28, 2018 with barcode number 3267992930006
 2. KLHK Jakarta through JNE freight forwarding services on August 27, 2018 with barcode number 3267992880004
 3. Environmental Agency of Bengkalis Regency on August 10, 2018 with document number AD-KM / VIII / 2018-85

The company has the opportunity to have an OHS Experts in the electricity sector (OFI).

2.1.3 and 2.1.4

Provided in the SOP No 2 (compliance with applicable laws and regulations), issued on 1 August 2015, describe:

- Document and record that must be stored is a list of regulations, checklist of certificates and licenses, checklist of periodic report, list of information on legal and regulatory requirements.
- Internal and external audit are conducted to ensure that things have not been met and will be corrected as soon as possible.
- Evaluation of legal compliance is conducted every 6 months.
- Updating regulations is done through communication with KMSI, GAPKI, mass media. Each regulatory update is delivered to operating centre, PD/GM/RD/MA and PR are responsible for this.
- Evaluation is conducted every 6 months and during internal and external audit activities, GM / MA / PR is responsible for this.

An example of an internal audit semester 1 of 2018, corrective action has been taken by the company to the nonconformities identified, and during the recertification it is no longer found.

Status: Opportunity of Improvement (2.1.1).	
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2.2

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

2.2.1

No changes to the land title, namely BPN Head Decree No.: 12/HGU/1990 dated 10 July 1990 covering 14,900 Ha, valid since 10 July 1990 s/d 31 December 2020, consist of 3 certificate:

1. Certificate No. 1, the total of hectarage is 14,111.53222 Ha.
2. Certificate no. 11 issued on 2 Feb 2005 valid until 31 Dec 2020, registration based on request for separation from certificate no. 1 on its own behalf, date on 25 Jan 2005, covering 626.63678Ha.
3. Certificate No. 12 issued on 25 Jan 2005 No AD-00/X/32/I/2005 covering 99.472 Ha valid until 31 Dec 2020.

The total of HGU at the time of recertification is **14,837.641 Ha**. Based on the hectare statement showed that the area managed is in accordance with the land tenure. The company has made an extension to the land titles owned until to the next 30 years.

2.2.2

HGU boundary map can be shown, issued by PT AAR Indonesia on May 27, 2013, based on the map the number of marker is 68 poles in total. Sighted the procedure of legal boundary monitoring and maintenance in the document no.: SOP 4 issued on 10 Aug 2017, which stated that the monitoring are done once a year, monitoring report observed in the sampled unit (KM3, KM5 and KM6).

Field observations were carried out to random boundary poles, for e.g: BPN 213, BPN 215, BPN 216, BPN 68, BPN 78 and BPN 55, it was seen that the company did not planting beyond the established limits. There are HGU poles that cannot be accessed such as BPN 68, in this case the company needs to improve maintenance of access to the boundary poles and adjust all maps used against the latest HGU maps that are owned as well as the accessibility of the HGU map for each audit. **#OFI**

2.2.3, 2.2.4, 2.2.5 and 2.2.6

There are no open land dispute / being processed at this time. Observed the SOP for land dispute settlement namely SOP No 6, issued on 10 August 2017, describes the mechanism of settlement of border land disputes, land occupation disputes, social issues. In the procedures has explained the methods of FPIC. Provided the enclave map scale Of 1:80000, issued by PT AAR Indonesia on Feb 2017.

In the statement area there is an area of 18 Ha which is enclave, where the land is owned by community that is not willing to be compensated, observations to the field showed that the area is managed by the community and has been isolated by making trenches. Interviews with landowners (Mr. Simanjuntak) were carried out during public consultation and stated that the company had offered to compensate the land.

Status: Opportunity of Improvement (OFI) 2.2.2.	
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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.

Observed the SOP for land dispute settlement namely SOP No 6, issued on 10 August 2017, describes the mechanism of settlement of border land disputes, land occupation disputes, social issues. In such mechanisms it has explained the procedures and methods of FPIC. Based on document of EIA and HCV report and interview with relevant agencies known that there is no traditional/customary rights as well as other rights in the company's operational area.

The entire land compensation process was completed by PT Adei in 2004, evidence of compensation and agreement kept in Head Office (Pekan Baru).

Interviews with landowners were carried out at the time of the public consultation, for example, to Mr. Suwandi from the village of Koto Pait (Beringin), the compensation process at the time of land acquisition was carried out in accordance with the principles of FPIC.

Status: Comply	
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PRINCIPLE #3 Commitment to long-term economic and financial viability
3.1

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

3.1.1

- The Company already has five year plan (period 2017-2022) which includes five year forecast of production, OER, Kernel forecasts and financial forecast company.
- The Company has presented the financial statements audited by a public accountant, done in accordance with Financial Accounting Standards in Indonesia, the financial statements present fairly

Based on interviews with management representative and document verification known that the company routinely conducts Management Review every month. In this case the company shows the latest Management Review document that was conducted on August 25, 2018. The meeting discussed production achievement, review of the costs/financial, and internal audit result. The company also has a SOP 50 for monitoring to increase best practices.

3.1.2

Based on planting year data and interview with management representative known that the company does not have a plan for replanting. The oldest plant to date is 20 years old (Planting Year 1998). The results of the interview with the management revealed that the new company would do replanting at the age of 25-30 years.

Status: Comply	
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PRINCIPLE #4 Use of appropriate best practices by growers and millers
4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1

The Certificate Holder already set the SOP for all operating activities in both of Estate and Mill, as follows :

SOP for Estate

- No. Policy: GP/AGRIC/OP1 set about harvesting standards, FFB calculation records, FFB production collection and Ablation.
- No. Policy: GP/AGRIC/OP2 regulates the prune of oil palms, circle weeding maintenance, land maintenance, epiphytes and harvesting path.
- No. Policy: GP/AGRIC/OP3 regulates handling of urea fertilizer, fertilization prior to replanting and special compound fertilization.
- No. Policy: GP/AGRIC/OP4 set about the control of rat pest attack, ganoderma control, control of horn beetle and handling of pests and diseases in nursery.
- No. Policy: GP/AGRIC/OP5 set about trench water (Silt Pit), soil conservation and nutrient leaching on mature area, making of individual terrace.
- No. Policy: GP/AGRIC/OP6 set on mulch for oil palm crops.
- No. Policy: GP/AGRIC/OP7 regulating the fence for new re-planting areas, pre-harvesting of old palm oil plants,

slash and destruction of old palm oil biomass, oil palm planting on individual terraces.

- No. Policy: GP/AGRIC/OP8 on oil palm seeding techniques, bad seed selection on seeds and (tissue seedlings).
- No. Policy GP/AGRIC/OP9 set about block-specification numbering.
- No. Policy GP/AGRIC/OP10 Policy on road maintenance, road construction, concrete and concrete pipe and bridge.

SOP for Mill

- SOP for Mill Operation covered Weigh Bridge Station, Loading Ramp Station, Sterilizer Station, Tippler and Thresher Station, Digester Station, Press Station, Oil Room Station, Depericarper Station, Kernel Stations, Silo Kernel, CPO Storage Tank and Despatch CPO, Despatch of Kernel, Boiler House, Power Plant, Mulching EFB Station, Workshop, Warehouse SOP of Liquid Wastewater Pool Management.
- Safe working practices in the mill contained in the document procedure specified to each station, for e.g. SOP for Chemical handling for Water Treatment Plant which explains among others use PPE such as rubber gloves, masks and shoes and make sure the chemicals do not spill or leak .
- The Certificate Holder has SOP of safe working practices and pesticide applications listed in SOP 5 on safety of use chemicals including hydrocarbons, explained the mandatory use of PPE during work, cleaning after work using chemicals and conduct periodic health checks.

Based on interviews with workers in estates and mill such as operators, store keeper, spraying team and harvester known that the workers has been understood the SOP including the safe working aspect and has used appropriate PPE in accordance with the relevant procedures.

4.1.2, and 4.1.3

The Certificate Holder has internal monitoring system (internal audit) to monitor the implementation of procedures, for instance, for example an operational audit of the estates and mill of the first round (four-monthly) has been carried out in May 2018, while the second round is being assessed. All findings of internal audit results have been followed up and fulfilled by the unit management.

Based on interviews with management, its known that internal audit activities are conducted at intervals such as :

- Harvesting audit (every 4 month).
- Fertilizer audit (every 4 month).
- Periodic audit from Internal Estate every month and submitted to the Group Manager.
- Periodic audit from management review every year of Palm Oil Mill.
- Montly inspection from internal Palm Oil Mill every month and submitted to manager by email.

The Certificate Holder has internally measured monitoring and records contained in the Progress Report for all Estates and Mill. In the report contains evaluation results and suggestions for improvement.

4.1.4

The Certificate Holder does not receive FFB supplies from third parties, all FFB processed in the mill comes from its own Estate (KM1 to KM6). Based on field observations on grading, security and weighbridge as well as interviews with personnel in the FFB reception it is explained that since February 2017 Mandau POM did not receive and processed FFB from third parties.

Status: Comply	
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4.2

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

4.2.1, 4.2.2, and 4.2.3

The Certificate Holder has SOP of soil fertility management with No. Policy: GP/AGRIC/OP3 dated May 16, 2017. SOP has been implemented and monitored, based on document review known that the recording of fertilization carried out according to fertilizer recommendations, in terms of dose, location, and time. The record includes fertilizer used per ton FFB. This has also been verified based on the results of field observations at KM 3, KM 5 and KM 6. The workers also have understood the proper dosage and target application methods.

Fertilizer recommendations listed in the Annual Oil Palm Fertilizer Program 2017/2018, the recording contains information such as determination of fertilizer block, application area, type of fertilizer to be applied, dose, total tonnage and cost/ha. Fertilization recommendations have been prepared based on the results of soil and leaf analysis. The leaf sampling is conducted yearly, while the soil analysis conducted once in 3 or 5 years. The results of the analysis are contained in manuring recommendations. The parameters tested are nitrogen, phosphate, potassium, calcium, magnesium and boron.

4.2.4

Nutrient recycling strategy as a part for increasing soil fertility has been conducted, such as EFB mulching application and POME land application. It has been verified by field observation in KM 6 Block 05F, it is known that EFB mulching application has been implemented with dosage 60 tonnes/ha/year. Whereas in KM 5 Block 98F, POME land application with dose 750 tonnes/ha/year in three rotation (250 tonnes/ha/rotation) has been implemented. The record of EFB and POME application has been well documented.

Status: Comply	
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4.3

Practices minimize and control erosion and degradation of soils.

4.3.1, 4.3.4, and 4.3.5

Based on the Certificate Holder's Soil Type Distribution Map (scale of 1 : 120.000), and the result of soil sample analysis conducted by PT. Applied Agricultural Resources (AAR) Indonesia, there is no marginal land nor critical land within the Certificate Holder's area. The soil type is generally sandy clay, there is no peat soil within. It has been verified based on field observations on KM 3, KM 5, and KM 6.

4.3.2, and 4.3.6

In the SOP No.13 on Erosion Control describes the management of slopes and steep terrain such as the making of individual and/or contour terraces, planting of ferns in inter row, midterm composting techniques, silt-pit, empty bunch applications in landslide prone areas and selective weeding/spraying. The implementation has been verified based on field observation, among others terraces, the technique of preparing the prunes along the contour terrace, planting of the legume cover crops (*Mucuna bracteata*) and the conservation of fern plants (*Nephrolepis biserrata*), as well as selective weeding.

4.3.3

Certificate holder has had document of road maintenance program and realization. Based on document review and field observation, road maintenance has been conducting well, allowing to be used well for operational activities. Road maintenance conducted manually and by heavy equipment such as road grader and vibro compactor.

Status: Comply	
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4.4

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

4.4.1 and 4.4.2

The company has identified the water sources/bodies within the company's HGU, namely: Pendi River, Pungur River and Penaso River. The company also has identified the sources used by the employees, such as reservoirs and wells.

The results of the field visit at the Sungai Pungur border were known that the company had carried out water flow protection activities by planting mahogany and trembesi trees. the company has also given yellow paint to palm oil with a distance of 50 meters as a sign of the chemical application limit.

The company also conducts tests on the quality of surface and ground water, related to the results of the test, the company evaluates parameters that are not in accordance with the quality standards set and reports the results of testing to the Regional Environmental Agency.

4.4.3

The company has an extension of waste water utilization permits on PT Adei Plantation's plantation land number 061/Lingkungan/DPMPSP.Pzn/2017/59 by the Bengkalis Regency Government Investment Services and One Door Services dated and valid 5 years after the decision was made September 27, 2017.

The management unit has tested mill's effluent on inlet and outlet pond regularly. At the time of the ongoing audit activities the company shows the mill waste water testing documents for the period July 2017 - June 2018. According to the test result, there is no parameter that exceeds of quality threshold (Environment Ministry Decree No. 28 Year 2003). Based on the result of interview with Bengkalis District Environment Agency stated that there is no indication of pollution regarding to the MPOM effluent.

4.4.4

During the audit activity, the company shows the mill water usage document for the period of 2017 - 2018. Based on the document verification it is known that the use of water for processing FFB in 2017 with a value of 2.84 M3 / mt FFB and 2018 with a value of 2.96 M3 / mt FFB. Based on this, it is known that the use of water for processing FFB for the period 2017 - 2018 is above the company's water consumption target of 2.20 M3 / mt FFB. Based on the results of interviews with Mill employees it is known that the use of plant water exceeds the target due to high chloride levels in raw water. In this case the company has conducted an evaluation regarding this matter.

Status: Comply

4.5

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

4.5.1, and 4.5.2

The Certificate Holder has an Integrated Pest Management Program, including among others regular rat and leaf eater caterpillar census every 6 months, ganoderma yearly census, barn owl boxes monitoring, planting and upkeep beneficial plant.

The planting of beneficial plants (*Turnera subulata*, *Cassia cobanensis*, and *Antigonon leptosus*) and selective weeding to establish soft weeds to suppress leaf eater pests. In addition, the installation and monitoring of the barn owl boxes to suppress infestation of rats.

Appointed census workers have been trained on 22 January and 20 August 2018, based on field observation the census worker has been understood the mechanism of census. Based on data and summary of census on KM 3, KM 5 and KM 6, it is known that there is no pest and disease infestation that exceed the economic threshold. So there is no usage of pesticides for pest and disease control. This is verified by field observations, known that visually there is no symptoms of leaf eater caterpillar infestation on the canopy, or the rats infestation on the FFB collected in the FFB platform. The pesticide monitoring for the period of January to July 2018 also shows no usage for pest and disease control, but only for routine weed control in the circle and harvesting path.

Field observation results are also known that beneficial plants such as *Turnera subulata* and *Antigonon leptosus* have been planted in main and collection road. The barn owl boxes in KM 5 Block 03A and KM 6 Block 04F indicates the occupation of barn owl.

Status: Comply

4.6

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

4.6.1, and 4.6.4

Certificate holder has had document of recommended pesticide, include 9 trade mark of pesticide which registered in Agriculture Ministry, identified active ingredient, and the specific objectives of control. The Certificate Holder has SOP No.5 concerning the Safety of Use and Storage of Chemicals, the SOP describes the use of chemical that are appropriate to the target species, such as *Triklopir* for woody weed, *Methyl metsulfuron* for wide-leaved weeds and *Carbofuran* for *Oryctes rhinoceros*. There is no uses of *Paraquat dichloride*. Based on the results of interviews and document review known that the Certificate Holder are using different types of herbicides to prevent the resistance of weed/pest.

4.6.2

Certificate holder has documentation of pesticide utilization that record product name, active ingredients, LD50, percentage of active ingredients, total application, total active ingredients, hectare application and active ingredients per

ton FFB production. For instance usage of *Glyphosate* in KM 6, in period of January to July 2018, the utilization of pesticides are 0,305 kg active ingredients per hectare.

4.6.3

Related to reduce the usage of pesticides, monitoring conducted daily, monthly, and annually. Furthermore conducted regularly pest and disease census as an early warning system, aims to prevent outbreak of pest and disease, so it is expected to minimize the use of pesticides. Pesticides are only used if the infestation has exceeded the economic threshold. Based on pest and disease census data in the period of January to July 2018, it is observed that there is no infestation exceeded the economic threshold, so there is no usage of pesticides for pest and disease control.

Pesticides are used regularly for weed control in the circle and harvesting path with interval every four months. The usage of pesticides has been monitored in monthly of each type of pesticide in per division and block. The certificate holder does not use pesticides prophylactically. If the conditions of circle and harvesting path are still quite standard, the weed control will be postponed.

4.6.5, 4.6.6, 4.6.7 and 4.6.9

Based on interview with spraying worker in KM 3 Block 13A, KM 6 Block 04F, they have received internal training about handling pesticide and spraying technic in March 2018. The workers has implemented safe working practices accordance with the existing procedures. Knapsack sprayers are in good condition, personal protective equipment has been used according to HIRAC such as boots, apron, rubber gloves, mask, safety goggles. They can demonstrated the safe working practices, including prohibition of spraying on river or water bodies, and understanding emergency response in the event of an accident. Pesticide solutions are stored and mixed in pesticide warehouses and transported by special vehicles. All precautions have been implemented to reduce the possibility of pollution and risks to workers, such as provide the chemical trap and bund-wall. After work, knapsack sprayer and PPE are stored in a special storehouse at the Estate. During the audit, the use of PPE for spraying activities in the field is adequate and in accordance with HIRAC. However, this needs to be confirmed again the suitability of the use of PPE (mask) to various types of agrochemicals used by the Certificate Holder (OFI).

4.6.8

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

4.6.10

The company has been set the SOP for hazardous waste management, including pesticide ex-container, describes in the follows document:

1. SOP 23 concerning Management of hazardous waste on August 10, 2017, regulates the management of hazardous waste in general, including waste from used packaging of chemicals and pesticides.
2. SOP 17 on Estate Waste Management, regulating waste management from the estate, including the former chemical packaging as follows: after rinsing is rinsed 3 times (500 ml, 1 liter & 4 liters) store in temporary storage, and disposal by licensed third party.

The field verification showed that the company has been managing agrochemical waste including used pesticide container properly in accordance with applicable regulations. All chemical waste are stored in a licensed temporary storage before transported and disposed by licensed third party. All hazardous waste management records are maintained and reported to local environmental offices of Bengkalis District.

4.6.11

There is a list of pesticide operator which updated every month. The results of the inspection of company documents can show records of 2017 medical check results carried out on November 8, 2017 for Kebun Mandau 3, December 4 for Kebun Mandau 5 and Kebun Mandau 6 with Dr. Jumiye. The results of the medical check show that all workers are in good health and there are no indications of occupational diseases.. Mentioned that the result of medical test has been informed to workers. Based on the field visit known that there are no female employees involved in work related to chemicals and there is no found any indication of chemical exposure such as skins irritation. Based on interview with sprayer on field

known that the result of MCU has been informed in personally, also confirmed that there is no indication of skin disease and itches.

4.6.12

The Certificate Holder has a policy that prohibits pregnant and breastfeeding personnel to work with chemical material. Based on interview with spraying personnel in KM 3 and KM 6 Estate it is known that there were neither pregnant nor breastfeeding female personnel who work with pesticide. Moreover, company conducts pregnancy test and examination every month. In addition, audit team also got information that personnel have understood that female personnel cannot work with chemical material if they are pregnant or breastfeeding.

Status: Opportunity of Improvement (OFI) 4.6.5.
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4.7

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

4.7.1.

There is no revision over occupational health and safety policy in PT Adei Plantation and Industry. The policy has been implemented based on the applicable regulation. Field visit and interview in mill and estate revealed that the occupational health and safety has been socialized and implemented by company through Socialization with personnel during muster morning before work and installation symbol about OHS. The Certificate Holder can show the realization of the work program on OSH, for example, there are updates Guiding Committee of Occupational Safety & Health Board structure, OHS meeting every month, Granting and utilization of PPE in estate and mill based on risk analysis and Periodic medical check up, particularly for high risk personnel.

The results of verification of employee health procedure documents with a high risk of accidents, known that the company has made revisions related to the period of health checks for pesticide applicators which were initially revised once a year to twice a year.

4.7.2.

Certificate holder has risk conducted risk identification which recorded in Risk Assessment 2017. The document is composed to conduct identification and analysis of hazard/risk potential that is probably happened at workplace and the recommendation to reduce the potential of work accident. According to the result of document review and field visit to mill and estate, the management unit has socialized the risk analysis document to all workers Based on interview with Harvester in Kebun Mandau 6, it is known that he knows the potential occupational risk and how to minimize the risk. There are also MSDS for agrochemical and PPE signboard in each estate and POM.

The company has identified the risk of incidents that might occur in the WWTP area such as breathing problems, and slipping. Companies in this case conduct evaluations, for example by adjusting employee PPE and installing hazard warnings around the pool area. The results of interviews with operators revealed that the company had replaced the mask with the type of respirator.

4.7.3.

Result of field observation in Mill and Estate and interviews with personnel's, it is known that the management unit has provided PPE and have been given training in safe work practices. The Certificate Holder presented documentation over training on occupational health and safety and occupational health and safety implementation in estate and mill. Interview with mill and estate's personnel revealed that company has delivered training to improve personnel capacity and knowledge. This was evidence that the personnel's have understood their duties and responsibilities and also can demonstrate how to work correctly and appropriately in accordance with the procedures. Sighted the evidence of HIRARC training specified to workers who exposure to noise for example on 13 June 2017 with the number of participants are 14 persons.

Furthermore based on field visit in estate and mill and interview with personnel, it is known that the management unit has provided PPE for personnel. For instance, for example the sprayer using personal protective equipment in accordance with specified hazard identification and risk analysis. In addition, employees are also informed about the steps of secure work in each morning briefing before start working. In addition, interview with spraying personnel in Kebun Mandau 6 revealed that company would substitute or replace the PPE if there is a damage or broken on the old one. Moreover,

company has a commitment to comply the applicable occupational health and safety procedure, such as:
Ministry of Manpower, Transmigration and Cooperative Decree No. 01 in 1976 regarding the responsibility to take Hyperkes training for company's Doctors

Ministry of Manpower and Transmigration Decree No. 01 in 1979 regarding the responsibility to take Hyperkes training for company's paramedics.

- Ministry of Manpower Decree No. 01 in 1988 regarding the qualification and requirement for steam engine operators.
- Ministry of Manpower and Transmigration Decree No. 09 in 2010 regarding to lift and transport vehicle's operators.
- Ministry of Manpower and Transmigration Decree No. 04 in 1985 regarding to energy and production vehicle.
- Ministry of Manpower and Transmigration Decree no. 02 in 1982 regarding to welder's qualification in work place

Based on the results of the document review, it was known that the recording of PPE giving had been recorded / documented well by the company in the recording of PPE evaluation.

4.7.4.

The Certificate Holder has established a SMK3 organization supported by its facilities and infrastructure. For example: The company has the P2K3 Kebun Mandau Organization in accordance with the Decree of the Head of the Manpower and Transmigration Service of Bengkalis Regency No. Kep. 114 / Disnakertrans-PK / SK-P2K3 / VII / 2017 dated 28 July 2017 and the General Manager as the chairman of the administrator. The head of each estate is Manager and secretary Budi Saputra as OHS general expert (SKP: Number: KEP.21191 / PK3 / AJ / 14/2018 / PI dated 13 Jul 2018).

In order to ensure that the OHS program has been implemented effectively, the board of Guiding Committee of Occupational Safety & Health performs a monthly meeting with workers. The meeting is documented in minutes of meeting and list of attendees.

4.7.5.

The Certificate Holder has made efforts to deal with emergencies and accidents with SOP Emergency and Accidents (SOP No. 51). SOP includes the main potential causes of emergencies, among others: fires, chemical spills, and the main potential natural disasters; Health and Safety Procedures in Estate, signed by the Senior GM on November 1, 2011 and Safety standard operating procedures (SAOP) for Mill, signed by the Controller on 01 December 2011.

The Certificate Holder has the facilities and infrastructure emergencies such as fire extinguisher, First Aid Kit Boxes, Hydrant, water engine and fire truck. Based on field visit, company has pointed the evacuation path and concentration point in order to smooth the evacuation process in emergency situation. The evacuation path is available in office and mill and has been completed with map and other signboards. As for the operational activities in the field, supervisors was carrying first aid kits during his work in the field, and mill was also equipped with first aid kits. Based on interview with supervisor, it is known that he understood the first aid mechanism in case of emergency.

The Certificate Holder consistently monitors work accidents that inform them in full about: the month of the incident, the number of cases, the location of the accident, the type of accident, consequences, lost work hours, causes, follow-up, and results. Work accident monitoring is carried out every month in the "P2K3" report addressed to the Department of Manpower and Transmigration, Bengkalis Regency

The results of field visits and emergency response simulations in estate and mill known that the fire extinguishers in each unit were in good condition and ready for use. Based on interview with management known that routine checking for every tool is done to ensure the condition of the equipment is ready for use, the appliance repair is done immediately if there is damage during routine checks.

4.7.6.

The management unit provided accident insurance for personnel based on the applicable regulation. The insurance such as manpower insurance is paid monthly to national social insurance for manpower/ BPJS. Meanwhile, for medical insurance, The Certificate Holder has registered its entire personnel in manpower medical insurance/ BPJS. Based on interview with some personnel, it is known that the entire personnel have been registered in manpower medical insurance/ BPJS. Moreover, interview with contractor revealed that contractor's personnel have also been registered in manpower insurance/ "BPJS".

Based on document review, interviews with public relations and the results of interviews with workers it is known that the policy on work accident insurance is still valid.

Based on the results of a review of the document of work accident records in 2017, it was found that there were fatal accidents that caused employee deaths. the company in this case shows documents related to the fulfillment of employee rights, for example: work accident reports, employee death certificates, insurance claims up to proof of payment to the employee's heirs.

4.7.7.

Companies record of workplace accidents in Work Accident Monitoring report which reports the complete information about accident, such as the month of the accident, number of case, the accident's location, type of accidents, the impact, working hour losses, the accident cause, follow up action and result. Monitoring of work accidents performed every month and reported to the relevant agencies in conjunction with regular reports of Guiding Committee of Occupational Safety & Health.

Status: Comply

4.8

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

4.8.1 and 4.8.2

- The certificate holder has had a training program for workers included All staff, Workers and contract workers for period of 2018 which consists of boiler operator training, engine room, firefighting, first aid box, integrated pest control, HCV, personal protective equipment and understanding of RSPO / ISPO / ISCC. Recording and realization of training programs at PT Adei Plantation & Industry for 2017 recorded properly. Result of field observation in Mill and Estate and interviews with personels, it is known that the personels has been given training about their job.
- The Certificate Holders has had a worker training records for each unit stored in in assessment records document employee training, Based on interviews with workers, it is known that workers have been trained in accordance with the work being performed. Contractors has been involved in several training such as OHS and emergency responses.

Based on interview with workers such as warehouse officer, harvester and spraying team known that workers has been given training by CH related their job description, this is evidenced by the explanation of harvesting employees who can explain how to harvest safely, how to store harvest equipment while at rest and the importance of using PPE at work.

Status: Comply

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

5.1

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

5.1.1.

The Company has updated Environmental Documents by 2017, its due to the plan to increase the extent of conversion of rubber crops into palm oil and mill capacity (plan). The Company has shown the license document in the form of Decree of Regent no 177 / KPTS / W / 2017 concerning environmental feasibility of plantation and palm oil mill development in Bengkalis by PT Adei P&I. Total area of scope is 14,900 ha and processing capacity of CPO 100 tons FFB / hr.

5.1.2

Environmental management plans have been incorporated in the AMDAL document. The document has included explanation of: the type of environmental impact, impact sources, management parameters, goal of environmental management, location, management effort, time and period, responsible parties, expenses (plan), and the supervisory agencies.

Evidence of implementation of environmental management plan has been included in the periodic reports (RKL-RPL report) as summarized belows:

- Installation of wastewater treatment plant in the mill and the implementation of land application.
- Provision of water reserve in field, in the form of trenches and wells, setting up fire fighting equipment such as fire

- extinguisher and water tank trucks, fire towers, fire simulation and counseling to employees and the public.
- Revegetation data for habitat management of fauna has not yet incorporated
- Recruitment of villagers surround the plantation
- CSR activities, infrastructure development and the involvement of local businesses

Reports on the Implementation of AMDAL / UKL-UPL have been reported periodically to the authorized government agencies, especially BLH of Bengkalis Regency. The Monitoring Plan Matrix has included an explanation: type of impact, source of impact, parameters that are monitored, target of monitoring, location of monitoring, monitoring efforts, time and period, executor of management, costs (plans), and supervisory agencies. The Company has submitted RKL and RPL report documents for the period January - June 2018 to

4. Riau Provincial Environmental Agency through JNE freight forwarding services on August 28, 2018 with barcode number 3267992930006
5. KLHK Jakarta through JNE freight forwarding services on August 27, 2018 with barcode number 3267992880004
6. Environmental Agency of Bengkalis Regency on August 10, 2018 with document number AD-KM / VIII / 2018-85

5.1.3

Protocol of environmental monitoring plan has also been incorporated within EIA and UKL-UPL documents. A matrix of environmental monitoring plan available at EIA and UKL-UPL, which describes: the type of impact, impact sources, the parameters of monitoring, target monitoring, site monitoring, monitoring, and time periods, executive manager, expense (plan), and the supervisory agencies.

Reports on the Implementation of AMDAL / UKL-UPL have been reported periodically to the authorized government agencies, especially BLH of Bengkalis Regency. The Monitoring Plan Matrix has included an explanation: type of impact, source of impact, parameters that are monitored, target of monitoring, location of monitoring, monitoring efforts, time and period, executor of management, costs (plans), and supervisory agencies. The Company has submitted RKL and RPL report documents for the period January - June 2018 to

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2. KLHK Jakarta through JNE freight forwarding services on August 27, 2018 with barcode number 3267992880004
3. Environmental Agency of Bengkalis Regency on August 10, 2018 with document number AD-KM / VIII / 2018-85.

Based on document verification Report of UKL-UPL implementation semester 1 year 2018, known that environmental management and monitoring plan conducted by mill and its supply base have complied with UKL-UPL matrix and have been reported every semester to related agency.

The results of interviews with representative of Environmental Agency of Bengkalis District, known that the mill and its supply base have regularly reported the implementation of UKL-UPL every semester. In addition, there are no issues related to environmental pollution.

Status: Comply	
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5.2

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

5.2.1.

The Company has conducted HCV assesment on August 2011, assessment are conducted using HCV toolkit in Indonesia (June 2008), assessed by the RSPO licensed assessor. Assessment is done using document review method, field observation and interview with the surrounding community (FGD and direct interview). Evidence of stakeholder involvement is shown in the form of FGD attendance lists and interviews and photo documentation during the interview. . As its has been confirmed during the public consultation to communities in Penaso Village and Koto Pait Village. Based on report the company' HGU are bordering with protected area namely wildlife reserve of Giam Siak Kecil and wildlife reserve of Balai Raja. Re-delineation of HCV area held by the company on 14 July 2017, the report of re-delineation showed in Decree No 1/KM/VII/2017 on the determination of the HCV area as much as 236 Ha, can be shown the latest HCV map scale of 1:55000.

5.2.2.

The Company has a HCV management plan consist of sign board installment of endangered species and water sources, riparian borders signs board and prohibition spraying on riparian and socialization of the HCV management plan. HCV area consist of 11 species of mammals, and 9 species Aves that categorized as RTE.

To increase the diversity of companies have done Installation of signs. Delineate and map the boundaries of the HCV area and marking the boundaries by giving red paint on the palm stand. It aims to avoid disruption to HCV areas, so that biodiversity can increase naturally. There is no found any disturbance against the wildlife and RTE species which requires the involvement of BKSDA (Natural Resources Conservation Centre) as required in the PP 7/1999.

The Company' SOP no 15 on identification and management of HCV, flora and fauna. Revised 1 March 2016 has been referring to Law No. 5/1990 on the conservation of biological natural resources and ecosystem.

The company cooperates with Aksenta with Sujadnika Assessors (Approved RSPO), Pupung F. Nurwantha (Approved RSPO), Robert H. Sinaga, Gena Lysistrata and Yunus Bahar.

Based on interviews with pesticide operator and foremen in Mandau Estate 5 known that they has been familiar regarding to prohibition of spraying at the border of riparian. During the field visit sighted the sign board of ban of hunting of animals that are installed in the access road. There is monitoring of important species that exist within the company' concession conducted periodically.

5.2.3.

The company policy on RTE species protection stated in the SOP No 15, revision on 1 March 2016, done through HCV signage, prohibited from hunting and trapping. Installed the signboard that informing the image of threatened, endangered and vulnerable species.

The Company has shown evidence of training programs in which there are HCV and important species socialization. For example: socialization on 26 May 2017 followed 35 employees. Based on interview known that the workers are aware regarding to the company policy on RTE protection.

5.2.4.

The company has an SOP for elephant handling which describes the mechanism for handling human-elephant conflict mitigation as an animal protected under Indonesian government regulations and handling actions when an attack occurs through obstruction towards the forest outside the HGU by making coordination on elephant activities and managing elephants, making Isolation ditch (boundary barrier), making signs (elephant trajectory areas) and animals protected. The company has procedures in case of contact with elephants such as ringing sounds (gongs), using the lights of the ship to dispel, use heavy equipment carefully without injuring, and if it cannot be resolved, the company will coordinate and immediately contact the BKSDA.

The Company has observed protected species. For example, observation in KM6 for period of January 2017, the record showed such as checklist of protected species, there are 17 species found in the company namely The cattle egret (*Bulbucibis ibis*), Blue eared kingfisher (*Alcedomeninting*), Little Egret (*Egretta garzetta*), The white-throated kingfisher (*Halcyon smyrnensis*), The black-winged kite (*Elanus caeruleus*), The leopard cat (*Prionailurus bengalensis*), The brown-throated sunbird (*Anthreptes malacensis*), The olive-backed sunbird (*Cinnyris jugularis*).

The results of monitoring HCV area in 2017 showed that there were no disturbances in the HCV area on the Penaso River, Pinggir River, Mill Reservoir, Papadah River and no spraying or other disturbances were found. An interview with the management representative revealed that the management plan had been effectively implemented.

5.2.5.

The company has evidence that a negotiated agreement has been reached to protect HCVs and the rights of local communities optimally. There is a HCV scale map with a scale of 1: 55,000 which is loaded in the report on the identification of protected areas, in the report it is known that the total indicative HCV area is 112.41 Ha, the total study area of PT Adei is 14,900 Ha, and the percentage is 0.75% . The total HCV area: 112.41 Ha, of which 110.15 Ha (98% of HCV area) is a water body in the form of rivers and reservoirs. While the remaining 2.3 Ha (2% of HCV area) is HCV 6.

The Company has a Statement from Regional Director of PT ADEI P & I Kebun Mandau No: TKY / 2013/047, dated December 4, 2013 concerning the Determination of Mandau Garden Land Status. In the letter stated that the conservation area of indigenous people (Malay Sakai tribe) in the area of PT ADEI P & I HGU covering \pm 2,540 Ha. This is in accordance

with the results of the "Results Summary of the Area Discussion Meeting Defined as Native Conservation in the PT ADEI P & I HGU Area and PT ARARAABADI HTI District Duri area as Plantation Substitute Area PT ADEI P & I dated April 13, 2000 Ministry of Forestry and Plantations Riau Province Regional Office.

Status: Comply

5.3

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

5.3.1.

The company has document identifying sources of waste and pollution generated from plantations and palm oil mills operation, under the following document:

1. EIA and UKL-UPL document which lists the major sources of waste from palm oil mill and plantation operations, especially solid waste, POME and emissions.
2. Waste identification document, updated on June 2015. There are 21 sources of waste that were identified: used lubricant from vehicle and engine; Workshop produces contaminated fabrics and used lubricant; emission from boiler; empty bunch from FFB processing; Clinic operation generates infectious waste; POME (liquid waste) from mill processing; POME produces methane gas, etc.

Identification documents for renewed waste dated 30-7-2016 There are 14 identified sources of waste such as: for example

- Used oil
- Used filter oil
- Baterai
- Used light bulbs
- Rag
- Clinical waste
- Containers of used pesticides and chemicals
- Domestic wastewater
- Washing water for chemicals
- Scrap metal
- Used tires
- Used fertilizer bag
- Plastics, paper and newspapers

5.3.2.

The company has provided special place for storage of chemicals materials in mill and estates. There are two chemical storages for estate operations, located in KMS 4 estate for South Area and in KMU 2 Estate for north area. There is one unit of chemical material storage for the chemical plant.

Observed from field visit that those chemicals storages has met standard requirement according to regulation: separated from other materials including fertilizer, provided first aid kit and emergency equipment, MSDS, PPE, structuring materials on palette and include spill trap, permanently ventilated, complete recording, and all staffs have been trained in chemical material handling.

As regulated by SOP, the company has provided licensed storage for hazardous waste (including ex chemical container), as follows:

- Hazardous waste storage in Mandau Mill.
- Hazardous waste storage in South Mandau Complex (KMS 1 estate),
- Hazardous waste storage in North Mandau Complex (KMU 6 estate).

For storage of schedule waste, the company has licensed Schedule Waste store as follows:

1. Schedule Waste store in Mandau POM in accordance with the Decree of the Regent of Bengkalis No. 061 / Environment / DPMPSP-Pzn / 2017/47, dated July 11, 2017 valid for 5 years.
2. Schedule Waste store in KMS and KMU according to Bengkalis Regent Decree No. 061 / Environment / DPMPSP-Pzn / 2017/57, September 4, 2017 validity period is 5 years.
3. Schedule Waste store in KCP Biomass Power Plant according to Regent of Bengkalis No 061 / Kpts / BPMP2T-PZN / VII / 2016/2927, on July 18, 2016 validity period of 5 years

Based on the observation, it is known that the Temporary Storage Site (Schedule waste Store) in Mandau Mill, South area estate and North area estate are in flood-free areas, not in ditches / water sources, far from residential areas and employee housing, equipped with symbols schedule waste, fire extinguisher, shower eye wash, oil trap and reservoir. Schedule waste stored has been arranged according to the type and characteristics of each waste, and there are no spills or spills on the floor and / or the surrounding environment.

Reporting of the 2nd Quarter of Schedule Waste Year 2018 KMU to be reported in a disciplined to the relevant agencies (OFI).

5.3.3

Observed that in order to avoid environmental pollution, company has established a plan of waste disposal, under:

1. EIA and UKL-UPL document which contain management plan of several major pollution sources from estate and mill operation such as liquid waste and emission. All produced POME used for land application.
2. SOP regarding management of hazardous waste under SOP number 16, latest revision was on Agustus, 02 2013.
3. SOP of Mills waste handling under document number 18, latest revision available on Agustus, 01 2013. The SOP explains emission management, solid waste, liquid waste (POME) from mill and its utilization.
4. SOP of domestic waste number 41, latest revision on Agustus 01, 2013. SOP also describes the management of domestic waste from housing complex.
5. SOP of Office Domestic Waste Management, under document number No. 42, latest update Agustus 01, 2013.

According to field visit and document review, all of the plan have been implemented, as seen in the following records:

1. All POME produced from mill have been managed in a Waste Water Treatment Plant (WWTP) prior discharged to estate blocks as land application. There are 7 ponds where all ponds are in good shape.
2. Related to domestic waste management, the auditor has verified that the company has been provide the garbage-bin in each line-site as well as has been provide the landfill to dispose the waste (located more than 500 m from line-site), the schedule of dispose is twice a week.
3. Land application permit from local authority (Bupati) under SOP number 70/KPTS/II/2012 has renewal permit process at government agency.
4. The company has an extension of Land application permit on the PT Adei Plantation plantation number 061 / Environment / DPMPSP.Pzn / 2017/59 by the Bengkalis Regency Government Investment Services and One Door Services dated and valid 5 years after the decree was decided 27 September 2017
5. Based on interview, some of EFB are used as organic fertilizer in estate, while some others are used as boiler fuels in KCP.
6. All shell and fiber have been used as renewable boiler fuels
7. Based on the results of the document review, it is known that the company has a cooperation agreement with a third party to handle scheduled waste, namely:
 - Cooperation agreement with licensed collectors, namely PT Primaru Jaya concerning the delivery of hazardous waste type of used cloth, used oil filters, TL light bulbs, used batteries, contaminated packaging and used jerry cans and other types of hazardous waste. No SPK No. 03 / PMJP-MOU / V / 2018 on 2 May 2018 with a period of one year.
 - Cooperation agreement with licensed collectors, namely PT Pratama Saoloan Green concerning the delivery of infectious waste handling No. SPK 228/101-SPKLB3 / VII / 2018 on 12 July 2018 with a period of 6 months or valid until 04 January 2019.
 - The company has also sent hazardous waste to PT Primanru Jaya from Mandau POM on July 4, 2018, from Mandau Utara estate on July 3, 2018, and from Mandau Selatan estate on July 4, 2018.

Status: Opportunity of Improvement (OFI) 5.3.2.

5.4

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

5.4.1

The company uses renewable energy to reduce the use of fossil fuels, as programmed within the standards of waste management (SOP 18):

- All fiber and shell used as boiler fuel to supply electricity to the mills and housing around the plant.
- All POME is used as raw material for biogas (methane capture) in the Biogas Plant. Electricity from Biogas Plant is

used for the processing of the kernel at KCP.

The use of renewable energy (fiber and shell) has been regularly monitored by the mill. In addition to monitoring of fiber and shell use, the company has also conducted evaluation on the efficiency of renewable energy through identification of energy produced (Kwh) per MT of CPO. The company also shows evidence of the calculation of renewable energy from fiber and shells.

Status: Comply

5.5

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

5.5.1

The company has SOP of land clearing No. 31. The SOP describes the stage of land clearing as follows:

- Zero Burning land clearing implementation.
- Prohibition to clear the land with slope > 40%.
- Prohibition to clear peatland with depth more than 3 m.
- Making system of drainage, terrace, planting LCC plants to prevent erosion and soil degradation.
- All conservation area should not be cleared and must be preserved.

5.5.2

According to the result of field visit to the replanting area such as on Block 90A Division 5 of Mandau Utara Estate 6, the implementation for planting preparation has been done appropriately based on SOP like: making terrace, planting LCC and stacking the dead palm oil plants as well as rubber plants (land conversion is conducted mechanically).

During a field visit at KM2 there was a fire monitoring tower.

Status: Comply

5.6

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

5.6.1 and 5.6.2.

The company shows the identification of pollution sources and its subscription plans, including:

1. The process of burning peatlands for CO₂.
2. GHG emissions in the combustion process are CO₂, methane (CH₄) and N_xO.
3. GHG emissions in the process of using diesel fuel are CO₂, CH₄ & N₂O.
4. GHG emissions in the production process and fertilizer use are CO₂ & N₂O.
5. GHG emissions in the process of using EFB for fertilizer are CO₂.
6. GHG emissions in the process of liquid waste are CH₄.

Emission mitigation plans for example avoid planting on peatlands, opening and cultivating without burning, water management, fertilization based on the results of soil and leaf analysis, monitoring of GHG emissions, use of EFB for fertilization, and so on.

5.6.3.

The Company has showed calculation of GHG Emission for 2017 period such as:

Summary of Net GHG Emissions

Emissions per Product	tCO ₂ e/tProduct
CPO	3.45
PK	3.45

Production	t/yr
FFB processed	205,944.1

CPO Produced	46,917.09
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Extraction	%
OER	22.4
KER	4.79

Land use	ha
OP Planted area	11,289
OP planted on peat	0
Conservation (forested)	0
Conservation (Non-forested)	621
Total	11,910

Summary of field emissions and sinks.

	Own Crop			Group		3 rd Party	
Emissions	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha
Land conversion	221754.79	19.83	1.08	0	0	0	0
*CO ₂ Emissions fertiliser	47660.5	4.26	0.23	0	0	0	0
**N ₂ O Emissions	10960.3	0.98	0.05	0	0	0	0
Fuel Consumption	2656.06	0.24	0.01	0	0	0	0
Peat Oxidation	0	0	0	0	0	0	0
Sinks				0	0	0	0
Crop sequestration	-104664.36	-9.36	-0.51	0	0	0	0
Conservation Sequestration	0	0	0	0	0	0	0
Total	178367.29	15.95	0.87	0	0	0	0

Summary of Mill Emissions and Credits.

	tCO ₂ e	tCO ₂ e/tFFB
Emissions		
POME	17867.94	0.09
Fuel consumption	224.41	0
Grid electricity	0	0
Utilization	0	0
Credits		
Export of grid electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	18092.35	0.09

Palm oil Mill Effluent (POME) Treatment

Divert to compost	%
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Divert to anaerobic digestion	69,607.33
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POME Diverted to Anaerobic Digestion

Divert to anaerobic pond	%
Divert to methane capture (flaring)	35.66
Divert to methane capture (electricity generation)	64.34

The company shows testing of immovable source interference for the semester 1 of 2018 period conducted by Padang Industrial Research & Standardization Center which has been accredited by KAN (LP-607-IDN) with the following details:

Noise and Odor (testing date on 6 June 2018).

Parameter	unit	Thresholds	Hasil Analisa		
			In front of the office	In the mill	Housing of workers
Amoniak (NH ₃)	ppm	2*	0.45	0.65	0.03
Hidrogen Sulfida (H ₂ S)	mg/nm ³	27,8*	0.05	0.06	0.04
Noise	db (A)	Max 70** Max 85***	67.3	49.7	43.1

Note:

*Kep-50/MENLH/11/1996 (Odor level standard).

**Kep-48/MENLH/11/1996 (Noise level standard).

***Kepmenkes No.1405/menkes/SK/XI/2002 (health requirements of industrial work environment).

Emissions and ambient air analysis report has been sent on August 9, 2018 to the Riau Provincial Forestry and Forestry Service.

Status: Comply

PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills
6.1

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

6.1.1.

Social Impact Assessment conducted in collaboration with Aksenta on 24-31 October 2011, method of assessment such as focus group discussion, interview on field (direct) and observation. The villages visited include Muara Basung Village, Tenggana Village, Balai Pungut Village, Beringin Village, Kuala Penaso Village, Pinggir Sub-district Office, Semunai Village, Titian Antui Village, and Balai Raja Village. Based on interview with Koto Pait Village, there are social impact for stakeholders such as:

- Job opportunities for the surrounding village community.
- Notification of company job vacancy.
- Most village employees work in the Company.
- Determination of CSR assistance has also involved village communities to determine community needs. For example the help of Sacrificial Animals.

6.1.2.

In the appendix of the report, there is an opening meeting minutes on October 24, 2011, FGD minutes on October 25, 2011, employees' internal FGD minutes on October 25, 2011, and minutes of the closing meeting on October 31, which are well documented.

6.1.3.

The company shows a monitoring plan and social impact management for the period 2018/2019 that informs the issues of stakeholders, social impacts (positive and negative), affected stakeholders, actions, person in charge (Public Relation and Manager), completion targets and status. For example: consultation with surrounding community, CSR, legal limits, employment, business opportunities, economic development of surrounding communities, public health. Infrastructure, environment sustainability and pollution. The company has implemented the social impact management for period 2017 such as CSR, business opportunities, public health, infrastructure, clean water supply, and others.

6.1.4

The company has social impact assessment monitoring and plan for period 2017/2018 dated August 25th 2018 which covers CSR implementation, to conduct a proper occupational safety and health on work environment, sanitation and clean water supply and differentiation between company's and contractor employees. Furthermore, the company was able to shows questionnaire for surrounding communities results, for example with Village of Antui on August 15th 2018, with Village of Muara Besung on August 16th 2018, with Village of Beringin on June 6th 2018, Village of Balai Pungut on August 18th-20th 2018 and with Village of Kulo Penaso on August 15th 2018. The company shows Village Location Map scale 1:80,000 which prepared by PT AAR in 2015. Amongst Villages listed on the map are Village of Semunai, Muara Basung, Tenggau, Titian Antui, Kulo Penaso, Koto Pait and Beringin.

6.1.5.

There is no scheme for smallholders in PT Adei - Mandau Complex.

Status: Comply

6.2

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

6.2.1.

SOP (1) Request and Giving information, communication and submission of complaints No revision 2 date of revision August 10, 2018 approved by the General Manager. The mechanism is explain regarding list of stakeholders & logbook, communication, consultation or sozialitation, problem soling/issues, and Officers who conducedt communication, consultatoin and sozialitation regarding RSPO aspects.

Based on interviews with the Koto Pait Village and Sub Village of Jiat Kulo Penaso Village, the communication and consultation mechanism was notified to the community. Officers who visit the village are PR staff. During this time, communication with the company is going well.

6.2.2.

The person responsible for communication with external stakeholders, namely manager / assistant / public relations. Based on interviews with the people of Koto Pait Beringin Village and Jiat Sub-Village, Kulo Penaso Village, it was known that stakeholders knew the person in charge of communication and consultation, namely the Manager and Public Relations Staff.

6.2.3.

The company shows a list of stakeholders - PT Adei Plantation & Industry (Mandau Mill) which informs the contact person & address and telephone / email has been updated on August 21, 2018 consisting of legal entities, workers' organizations, suppliers, villages / local communities, contractors, NGOs, and internal stakeholders. List of stakeholders is renewed every 1 year. Based on review documents, the records of communications it's related with invitation, assistance and others. Based on interview with Koto Pait Village and Jiat Sub Village, they have been know related the mechanism of communication and there is no complaints from stakeholders.

Status: Comply	
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6.3

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

6.3.1.

SOP (1) Request and Giving information, communication and submission of complaints No revision 2 date of revision August 10, 2018 approved by the General Manager. The mechanism is explain regarding list of stakeholders & logbook, communication, consultation or sozialitation, problem soling/issues, and Officers who conducetd communication, consultatioan and sozialitation regarding RSPO aspects.

Based on the complaint document, the problem such as:

KM 3 Estate

- Request that equipment be replaced immediately in the Child Care Center on 28 February 2018 and be responded to immediately. Substitution of equipment in landfill such as mattresses, brooms, mats, carpets and dippers.

KM 6 Estate

- Demand for repairs to damaged houses on February 15, 2018 and responded by the company will immediately be carried out to repair the workers Housing.

6.3.2.

Based on interviews with representatives of labor unions and management, it was found that there were several disputes related to employment relationships. This is related to the problems related to the wages of the community members who were previously assigned as informants and given honorariums or incentives.

Based on a letter from the Riau Provincial Manpower & Transmigration Agency dated November 9, 2017 letter number 560 / Disnakertrans.KP / 2115 "in accordance with the meeting on October 24, 2017 at the Riau Provincial Manpower Office, based on the first Call letter number 560 / Disnakertrans.PK / 3248 dated October 17, 2017 regarding first call where during the meeting the Company will give an answer no later than 2 weeks. November 13, 2017 is located at the Manpower Office.

The company also shows a draft of evidence of 3 (three) workers collective with number PHK-KMS / X / 2016.53 between Mandau Public Relations Manager and a former workers with a total is IDR 28,943,338. The company has attended the event and brought data of evidence relating to the case. Until now, the decision is still in the Department of Manpower and Transmigration.

Follow-up to the settlement of disputes regarding the employment relationship between the people who previously worked in the Company to the Riau Province Manpower and Transmigration Agency **OFl**.

Status: Opportunity For Improvement (6.3.2).	
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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.

Observed the SOP for land dispute settlement namely SOP No 6, issued on 10 August 2017, describes the mechanism of settlement of border land disputes, land occupation disputes, social issues. In such mechanisms it has explained the procedures and methods of FPIC. Based on document of EIA and HCV report and interview with relevant agencies known that there is no traditional/customary rights as well as other rights in the company's operational area.

The entire land compensation process was completed by PT Adei in 2004, evidence of compensation and agreement kept in Head Office (Pekan Baru).

Interviews with landowners were carried out at the time of the public consultation, for example, to Mr. Suwandi from the village of Koto Pait (Beringin), the compensation process at the time of land acquisition was carried out in accordance with the principles of FPIC.

Status: Comply

6.5

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

6.5.1

In Labor collective agreements that ratified on November 18th 2015, article 9 regarding employment type, namely: monthly worker, daily fix worker, daily unfixed, piece worker rate.

The payment of PT Adei Plantation & Industry employees in 2018 refers to the Decree of the Governor of Riau with the number Kpts. 373/V/2018 concerning the Minimum Wage in the Agriculture/Plantation Sector (rubber, coconut and oil palm) and Mill (rubber, coconut and oil palm) Riau Province in 2018 dated 15 May 2018. In this decision it was explained that the Minimum Wage in the sector was IDR 2,617,500, - (Two Million Six Hundred Seventeen Thousand Five Hundred Rupiah) per month. And applies only to workers who have a work period of less than 1 (one) year. This Governor's Decree comes into effect on January 1, 2018.

Based on interview with employees in POM, KM3, KM5, KM6 and Worker Union known that company has paid the employees wage in accordance with applicable regulation, payment of wages has been held in accordance with the mechanism mentioned in employment contracts and labor collective agreements. Moreover, interview with contractor also revealed that they received salary no less than government regulation's amount. The results of the document review of employee harvest and security pay slips for the period July 2018 note that the company has paid employee wages in accordance with applicable regulations.

6.5.2

The certificate holder can present work agreement (PKB) agreed between PT. ADEI Plantation & Industri and 3 labor union (PUK SB Sejahtera Indonesia, PUK SPPP Serikat Pekerja Seluruh Indonesia and PTP Serikat Buruh Riau Independen). The mutual agreement valid period 2015 – 2017 and has been legalized by head of Manpower Agency of Bengkalis District on November 18th 2015 and is valid for 2 years from the date of stipulation. When the Audit Surveillance 4 activity takes place there has been no update to the Work Agreement so that it has expired. The company in this case shows a number of supporting documents related to negotiations between the union and the company. From the document it is known that negotiations have been conducted 7 times since 11 December 2017 - 12 July 2018.

The employment agreement has conformed to the applicable manpower regulation in Indonesia and has been written in understandable language for employees, All employees has had a direct employment contract with the company. The same thing is also demonstrated in contract employee. The employment contract is in Bahasa and the copies are available for both parties, the workers and company. Based on the interview with employees is known that the employee has had a copy of the labor agreement and has understood the agreement.

In connection with observations on previous assessments of termination of employment, the company shows the Joint Approval document number 04/PHK-MPOM/VII/2018 dated July 23, 2018 regarding the agreement between the company and employees for termination of employment. The company in this case pays the rights of workers in accordance with the applicable laws and regulations.

The company shows documents for the settlement of disputes with employees with the initials SBG related to termination of employment. Document verification results revealed that workers had agreed to termination of employment and the company had also paid all employees' rights by showing Proof of Cash Payment documents with number 34037 dated July 24, 2018 with a value of IDR. 62,013,914

6.5.3

The Certificate Holder has provide general facility to ensure worker welfare. Some facility that has been provide as example, housing facility, water reservoir, electricity, sanitation facilities, worship place, sport, educational facility and transport, daycare, landfill, firefighter facilities etc. Any complain regarding to the facility can be delivered to field supervisor or field staff.

Health care services available in Mandau Selatan Estate and Mandau Utara Estate. It clinic has had a mutual agreement with workers social security agent (BPJS). If any serious case, those clinic can referring patients to a Permata Hati Hospital

(the nearest hospital in Duri 28.62 km).

Electricity has supplied from own generator or national electricity company (PLN). For supply from PLN, the worker will get subsidy IDR 100,000/month. Field visit at Emplacement in Mandau 3 Estate, Mandau 5 Estate and Mandau 6 Estate shows that the facilities and infrastructures are in good condition. Based on the interview with employees mentioned that the infrastructures provided by company has been adequate and feasible.

The results of interviews with employees and field visits at employee housing revealed that the company provided adequate homes for each family, there was no merger of two or more families in one house, while for single employees there was a house with a capacity of 3 people.

6.5.4

The company provide area for incidentally traditional market during the payment day and allow the worker to selling basic need in their home. Based on location map, PT. ADEI Plantation & Industry located in Sub district Pinggir. The nearest city that supplied decent food were \pm 13.73 km from the plantation. Moreover, there are some markets in surrounding villages. Personnel have an issue to access good food with reasonable price. Based on field visit and interview with personnel, company does not prohibited personnel to be a vendor, like selling staple food. Subsequently, there is no difficulty to access food.

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.

6.6.1

The Company provides Freedom to organize for the employees. It is facilitated in:

1. Regional Director circular letter of PT ADEI Plantation & Industry dated on October 1, 2011. In the policy states: *"The company provides freedom for the employees to organize which authorized by applicable regulation"*
2. Collective agreement at article 4 concerning recognition of companies and labor union. It states that *"the company recognizes that the employees has the right to become a member of labor union or not"*

The existence of labor unions is one of the drivers to establish Collective Agreement. The Company already has a document of Collective Agreement between PT Adei Plantation & Industries with 3 unions, namely:

- a. Serikat Pekerja Seluruh Indonesia of Kebun Mandau Utara (SK no. Kep.18-A/PC/FSP.PP/SPSI/BKS/02/2017) dated on February 14, 2017 for the period of 2017-2022.
- b. Serikat Pekerja Seluruh Indonesia of Kebun Mandau Selatan (SK no. Kep.17-A/PC/FSP.PP/SPSI/02/2017) dated on February 14, 2017 for the time period of 2013-2018.
- c. Company-level union (no.: 153/DTKT-PHIJ/2017) dated on February 28, 2017
- d. Company-level management – Labor union of Riau Independen

Based on the interview with employees in the field and public consultation with union management representative, known that the company provides freedom for all the employees to become member of labor union or not. Besides that, based on article 5 of collective agreement on facilitate for labor union. The company also grants maximum of 2 days leave permission in writing from estate manager and room facilities as union office. So far, the relationship between t company and the union has been going well and there is no intimidation to employees as an excess of their activities as union administration. It was further explained by representatives of the union that in the selection of trade union officials, the company never intervened either directly or indirectly, the pure company gave freedom of association to every worker

6.6.2

The company has record document of meeting between the company, employees representative, and labor union such as:

- Bipartite II meeting related to termination of employment for Mandau POM employees on May 7, 2018 at the Mandau POM Office. The negotiations were attended by representatives of companies and representatives of all trade unions in the area of PT Adei Plantation.

- Negotiation VII 2018-2020 Collective Labor Agreement between PT Adei Plantation & Industry and PT Adei Plantation Trade Unions / Labor Unions Mandau Estate held on 12 July 2018 at the Mandau Selatan Estate Office.

Based on interview with representative of SPSI, known that the company had applied the whole labor practices in accordance with applicable regulation. There were some problems, but the company actively helped solving them.

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

There is no change about the minimum age to work in PT Adel Plantaion and Industry (18 years old). Result of employee's list document inspection shows that there is no employee under 18 years old. Based on field observations in POM and Estate there is no employee under 18 years old. Interview with workers are held and they are aware regarding to the minimum age for employees to be hired is 18 years old.

Status: Comply

6.8

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

6.8.1

Certificate Holder has possessed policy concerning antidiscrimination who mentioned in the Sustainable Plantation Management Policy (Sustainability) Kuala Lumpur Kepong Berhad signed by the Chief Executive Director on 1 December 2014. Meanwhile In SOP 21 also described the statement "there is no discrimination against workers based race, caste, nationality, religion, disability, gender, labor unions, political parties and age". Based on observation on employee list document and interview with employees, it is revealed that the hired employees have diverse educational, ethnic and religious backgrounds. Interview with village representative revealed that company opens work opportunity for local communities (in mill and estate). This can be considered as positive impact over company's existence for local communities. There is no complaint related to discrimination from local communities. During recruitment process, company conducted medical examination and the results of examination (medical records) are stored in company's clinic office.

6.8.2 and 6.8.3

Document verification and interview with management employee's recruitment is based on company requirement without considering ethnic, religious, and racial and class backgrounds. All prospective employees have rights for 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. Certificate Holder is able to demonstrate evaluation of work performance assessment form of contract employee in which the assessed aspects include Honesty, Loyalty, Discipline, Productivity and Knowledge About Work.

The results of document verification and interviews with management revealed that from 2018 to the ongoing audit activities the company did not accept new employees and there were no promotions for the employee level.

Status: Comply

6.9

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

6.9.1; 6.9.2 and 6.9.3

Until the activities of ASA-1.1 n there are no changes about to prevent all forms of sexual harassment and violence, and protect the reproductive rights of all workers. Additionally related to specific complaints mechanisms that protect the complainant has been provided in the document SOP 25. Sexual harassment Complaints Procedure. To implement the above policy-related, have formed the Gender Committee is an organization that is responsible for ensuring the policy is applied across all operational units.

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

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

The company has 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. The interview result with the Gender Committee of informs that there is a case of sexual harassment reported to Gender Committee In relation thereto the gender committee and the company have followed up by reporting to the authorities. Other than that the gender committee has also provided assistance to the victims.

The routine gender committee activity is socialization on sexual harassment and submission mechanism if there is a sexual harassment. The interview result with women worker in Mandau 3 Estate, Mandau 5 Estate and Mandau 6 Estate shows that the worker has understood the existence of gender committee and the policy regarding women right protection. The administrator of gender committee also stated that the company guarantees the anonymity of the reporting and the revealer of the case.

Status: Comply

6.10

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

6.10.1 and 6.10.2.

Until now (August 2018), the Company has not received FFB from outside (External). FFB is received from the own Estate (Mandau). The company shows SOP 28 Mechanism for determining the price of fresh fruit bunches (FFB) with number revision 1 of the revised date on August 10, 2017 and approved by the General Manager.

6.10.3.

The company does not receive fruit (FFB) from outside but the company cooperates with the contractor to lease vehicle transportation. The company shows a list of contractors in July 2018 with details:

1. PT Indotama Jaya Mas (General contractor & supplier).
2. PT Tanggo Jaya Mandiri Meeting (Trade in goods & services).
3. PT Evan Sarana Engineera (General Engineering contractor-Manufacturer-supplier).
4. PT Hode Mandiri (General Engineering contractor-Manufacturer-supplier).
5. PT Bintang Riau Perkasa (Construction of other civil buildings security services and handicraft and industry education services).

6.10.4.

Vehicle rental agreement with number 003 / AD-MPOM / I / 2017 dated September 15, 2017 until September 14, 2018 between PT Adei Plantation & Industry and PT Tanggo Jaya Mandiri Meeting located in Kualo Penaso Pinggir Village - Bengkalis for bus rental work. Payment with number 175 / RTJM / KLP / 02/07/2018 with a total is IDR 22,000,000 (10% tax has been deducted).

Status: Comply

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1 and 6.11.2

The company shows the CSR program estimation for the period of 2017 - 2018 with the total funds given to the village community is IDR 4,592,300,000, - made by the Public Relations Assistant; Public Relations Manager. The funds given are for community welfare, infrastructure, Education, Sports and recreation, Charity for religion, local wisdom, national holidays or donation, and environmental conservation.

The company shows a monitoring plan and social impact management for the period 2018/2019 that informs the issues of stakeholders, social impacts (positive and negative), affected stakeholders, actions, person in charge (PR and Manager), completion targets and status. The document includes consultation on CSR. Evidence of questionnaire to the surrounding village community. The results of interviews with community leaders in Koto Village, Pait Beringin and Dusun Jiat, revealed that the CSR program had involved the surrounding community.

Based on the results of the Plantation Business Permit document in 2004, the company has no obligation to develop a plasma plantation.

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1, 6.12.2 and 6.12.3

Company's policy regarding to forced labor and human trafficking has been written in KLK Sustainability Policy point 3.2 about Respecting and Acknowledge All Worker Rights. The policy stated that group and the supplier / contractor will not consciously employ or support the use of forced labor or human trafficking and will take appropriate step to prevent the use of forced labor in relation to the group. There are no travel restrictions for workers outside their office hours.

Based on employee data, there is no migrant worker involve in estates and mill. There is no found any force and/or trafficking labor, such as harvester accompanied by the wife or children, as based on cross-check between field visit result and employee's master-list found that all workers are registered in the company.

The entire employees are bound by the agreement which describes the tasks and responsibilities. According to interviews with workers showed that they are working on assigned section in accordance with labor agreements. The workers are freedom to resign any time, there is no statement of financial penalties in the agreement.

Status: Comply

6.13

Growers and millers respect human rights

6.13.1

The Company has a human rights policy contained in the Sustainability Policy of KLK (KLK Sustainable Policy). The contents of the policy include Encouraging and supporting the Universal Declaration of Human Rights, Respecting and Recognizing the Rights of All Employees, Facilitating the Entry of Farmers into the Supply Chain, Respecting Land Rights, Respecting the Customary Rights of Local Communities and Handling Verifiable and Verified Conflicts through an open, Transparent and consultative. There is evidence of such policy socialization to the employees of the estates and mill.

Based on the results of interviews with workers, it is known that the company has implemented policies in respecting human rights. In the CLA has also explained what are the rights and obligations of workers who have been signed by the company and workers' representatives.

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

7.1

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

7.1.1, 7.1.2, and 7.1.3

Based on hectare statement known that there is no new development since 2010.

Can be shown the document of EIA issued on 1999 covering 14900 Ha (Oil Palm 8900 Ha and rubber 6000 Ha and EIA document for rubber convert to oil palm issued on 2011 covering 2594 Ha. In addition, the company has the EIA document that issued on 2017 covering all plantation operation after all rubber is converted to palm oil.

Status: Comply

7.2

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

Result of soil survey (print on April 16th 2011) which was conducted by PT AAR Indonesia (PT Applied Agricultural Resources Indonesia) describes the land suitability class, type of soil, level of soil fertility and topography.

There is a map of soil type distribution in scale of 1: 120,000. There are 6 (six) land units follows:

1. Pfq 3.2 (7.068 ha) – Kandiuults, Dystropepts, Hapludox, dan tropaquepts – sand – slope 3-8% - good to bad drainage – very deep – low soil fertility.
2. Pfq 3.1 (3.841 ha) - Kandiuults, Dystropepts, Hapludox, dan tropaquepts – clay, sand – slope 3-8% - good drainage – deep to very deep – low fertility.
3. Pfq 1.1 (1.910 ha) - Kandiuults, Dystropepts, Hapludox, dan tropaquepts – clay, sand - slope <3% - bad to moderate drainage – deep to relatively deep – low to moderate soil fertility.
4. Pfq 2.2 (1.072 ha) - Kandiuults, Dystropepts, Hapludox, dan tropaquepts – clay, sand – slope 0-8% - good drainage – deep to very deep – low fertility.
5. Au.1.3 (428 ha) - Dystropepts, Fluvaquents, dan tropaquepts – clay, sand – slope < 3% - bad to moderate drainage – deep to very deep – low to moderate soil fertility
6. Pq 4.3 - (42 ha) - Kandiuults, Dystropepts, dan Hapludox – slope 3-16% - good drainage – deep to very deep – very low fertility.

Status: Comply

7.3

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

7.3.1; 7.3.2; 7.3.3; 7.3.4 and 7.3.5.

The company shows the Land Use Change Analysis (LUCA) report that was assessed in July 2011 and reviewed the fifth time completed on August 21, 2018 with the total management area of the unit 14.790.60 ha and the total area of raw liability covering 400.40 ha, using the Supervised classification methodology; object based visul interpretation and Groundtruthing.

Based on an email from RSPO Compensation dated August 23, 2018 related to LUCA remediation area of 17.43 ha and declared pass. The company "will not develop compensation programs but need to come up with remediation activities".

Period liability	Total Land Clearence (Ha)						Grand Total (ha)
	Clearence of Belukar	Clearence of Belukar Rawa	Clearence of Semak Belukar Rawa	Clearence of Semak belukar	Clearence of Semak Rawa	Clearence of Semak	
1 Nov 2005 – 30 Nov 2007	-	10.92	3.08	-	2.41	-	16.41
1 Des 2007 - 31 Des 2009	-	-	-	-	-	1.02	1.02
1 Jan 2010 – Juli 2011	-	-	-	-	-	-	-
Total	-	10.92	3.08	-	2.41	1.02	17.43

Total area cleared in riparian area is 17.43 ha which is within Penaso River.

The company shows HCV management documentation (Remediation activities) in the Penaso River area, including:

- Installation of information boards for HCV areas on the Penaso River (HCV 4.2).
- Installation of warning boards prohibits fertilizing and spraying.

- Installation of a ban board for working on HCV / conservation areas.
- Planting woody plants in river riparian areas such as *cempaka* and *Meranti*.
- Monitoring of HCV areas on the Penaso River which informs spraying, fertilizing, fires, physical conditions of water, water quality testing, cleanliness and erosion.

The company has made efforts to protect the species of endangered / threatened species. For example:

1. Marking areas already identified as High Conservation Value.
2. Installed sign board in a public area or riparian belt about prohibition of hunting, felling trees, poison or electrocute fish.
3. Monitoring of wildlife monthly and conditions sacred cemetery.
4. Monitoring of chemical application near HCV area.

The company also set the HCV monitoring activity that documented on HCV checklist such as:

1. HCV checklist of Penaso River (HCV 4.2 and HCV 5)
2. Riparian belt check list.
3. HCV checklist of sacred cemetery Datuk Berdarah Putih and local tribes Suku Sakai Pebatin (HCV 6 checklist).

Status: Comply	
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7.4

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

7.4.1, and 7.4.2

The Certificate Holder has a Land Type Dissemination Map (Scale 1: 120,000) located in PT. Adei Plantation & Industry and the results of land sample analysis conducted by Applied Agricultural Resources (AAR) Indonesia. The results of the document review show that no land is found to be marginal and critical soil in the location of PT. Adei Plantation & Industry. In general, land owned by the Certificate Holder, the type of land in all Estates is the order Ultisol, Inceptisol and Oxisol which include clay, mineral soil and sandy. Meanwhile, according to land group association of land units, including Kandiodults, Dystropepts, Hapludox, Tropaquepts, and Tropaquods. There is no peatland in PT Adei Plantation & Industry.

Status: Comply	
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7.5

No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

Observed the SOP for land dispute settlement namely SOP No 6, issued on 10 August 2017, describes the mechanism of settlement of border land disputes, land occupation disputes, social issues. In such mechanisms it has explained the procedures and methods of FPIC. Based on document of EIA and HCV report and interview with relevant agencies known that there is no traditional/customary rights as well as other rights in the company's operational area.

The entire land compensation process was completed by PT Adei in 2004, evidence of compensation and agreement kept in Head Office (Pekan Baru).

Interviews with landowners were carried out at the time of the public consultation, for example, to Mr. Suwandi from the village of Koto Pait (Beringin), the compensation process at the time of land acquisition was carried out in accordance with the principles of FPIC.

Status: Comply	
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7.6

Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.

Observed the SOP for land dispute settlement namely SOP No 6, issued on 10 August 2017, describes the mechanism of settlement of border land disputes, land occupation disputes, social issues. In such mechanisms it has explained the procedures and methods of FPIC. Based on document of EIA and HCV report and interview with relevant agencies known that there is no traditional/customary rights as well as other rights in the company's operational area.

The entire land compensation process was completed by PT Adei in 2004, evidence of compensation and agreement kept in Head Office (Pekan Baru).

Interviews with landowners were carried out at the time of the public consultation, for example, to Mr. Suwandi from the village of Koto Pait (Beringin), the compensation process at the time of land acquisition was carried out in accordance with the principles of FPIC.

Status: Comply

7.7

Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.

7.7.1.

According to the result of field visit, there is no fire use to clear the land for replanting and conversion program (from rubber plants to palm oil plants).

The company has formed fire team on estate and mill.

There is a procedure of land fire control such as preventive action, curative action and administration. According to the procedure, the proper land fire control and actions have been described. Examples of preventive actions are by mapping the fire potential area, conducting patrol based on the potential level, creating fire potential area signboard on the potential area, etc.

7.7.2.

According to the result of document review and field visit, the company has had facilities to deal with fire on North and Mandau Selatan Estate and Mandau POM. Mandau Selatan Estate has 5 units of water tank, 1 unit of trailer, 2 units of water pump machine, hose, stick, tee with several size including the PPE for emergency response team like AP boots, glasses, coat and helmet.

The company has fire monitoring tower for preventive fire in KM 2 as verification in field trip audit.

Status: Comply

7.8

New plantation developments are designed to minimise net greenhouse gas emissions.

7.8.1 and 7.8.2.

Based on areal statement, the company did not open land after 2015. The latest open is from 2005 -2007 and 2007 - 2009.

Status: Comply

PRINCIPLE #8 Commitment to continuous improvement in key areas of activity

8.1

Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.

RSPO Internal Audit.

The company showed an RSPO internal audit conducted on 24-28 July 2018 conducted by Sustainability Staff of PT Adei Plantation & Industry – Mandau. Total Non Conformances Major are 6 NC and NC Minor are 3 NC. The company has been evaluation to compliance the Non conformances.

PT Adei P&I – Mandau POM can show several continuous improvement, namely:

- The Company has updated Environmental Documents by 2017, its due to the plan to increase the extent of conversion of rubber crops into palm oil and mill capacity (plan). The Company has shown the license document in the form of Decree of Regent no 177 / KPTS / W / 2017 concerning environmental feasibility of plantation and palm oil mill development in Bengkalis by PT Adei P&I.
- The company has been convert the entire rubber plant to oil palm plantation in 2009-2015 an area of 2.854 hectares at the South Mandau Estate and 2,123 hectares in the North Mandau Estate. The company can show the

documentation of the conversion progress in South and North Mandau Estate, for example documentation on period of April 2016.

- The Certificate Holder has shown a policy related to the use of pesticides, that since 2015 it has been instructed not to purchase herbicide with active ingredients of *Paraquat*.

Status: Comply

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

Clause	Requirement
5.1	Applicability of the general chain of custody requirements for the supply chain
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>There is no physical handling of certified product given to third party, all the process are done and legally owned by the MPOM.</p>
	Status: Comply
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>The mill not buying certified product from traders and/or distributor, all CSPO/CSPK sales is from its own produced.</p>
	Status: Comply
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>Mandau POM are registered as RSPO member under KLK Berhad, number 1-0014-04-000-00, furthermore the mill has been registered and comply to the requirement of supply chain reproting using RSPO IT Platform with member registration number: RSPO_PO1000000411 and sub license id: CB58783.</p>
	Status: Comply
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>The MPOM does not have any of processing and material aid along the processing lane.</p>
	Status: Comply
5.2	Supply chain model
5.2.1	<p>The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.</p> <p>During the license periode (19 Oct 2017 – 28 Aug 2018) the MPOM only received and processed FFB from certified sourcess, certified product sales which claimed as RSPO is as IP model.</p>
	Status: Comply
5.2.2	<p>The site can use one (1) or a combination of supply chain models as audited and certified by the CB.</p> <p>The mill has been set the system and SOP for implementation of IP and MB SCCS model, however since 19 Oct 2017 – 28 Aug 2018, the MPOM only received and processed FFB from certified sourcess, and claim product as RSPO-IP.</p>
	Status: Comply
5.3	Documented procedures

5.3.1

The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.

The procedure of SCCS IP/SG implementation are describes in SOP 31 revision of 3 on 18 April 2018, explained in the section of definition that the use of these document is for IP/SG implementation and SOP 32 explained regarding to the Module E (MB) implementation, these document has contains all the element required in the latest SCC standard and system (document which issued on 2017). During the license, MPOM only received and processed the FFB from certified sources, in the case of MPOM receive and processed the mixed FFB so that the IP will be downgraded to MB.

The SOP has been describes including regarding to the key personel involves and responsible (Mill manager, Dept of sustainability, Marketing division, Assisstant and Weighbridge operator), certified product reception and delivery mechanism, SCC book keeping for IP and MB, sales announcement schedule as well as the required product shipping document.

Status: Comply

5.3.2

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

The procedure of internal audit describes in SOP 31 "*dokumentasi rantai pasok – model IP/SG*", section of 4 which mentioned that audit internal sustainability should be performs in yearly basis. The trained auditor are assigned to carry out the audit.

The latest internal audit for RSPO including implementation of SCCS done on 24-28 July 2018 conducted by Sustainability Staff of PT Adei Plantation & Industry – Mandau. There was no NC raised against SCCS requirement.

Status: Comply

5.4

Purchasing and goods in

5.4.1

The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier

The mill not buying certified product from any of suplier, all CSPO/CSPK sales is from its own produced.

Status: Comply

5.4.2

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

Mechanism for handling non-conforming oil palm products and/or documents are describes in the section of 9 SOP supply chain-model IP/SG (SOP 31 and SOP 32), mentioned that manager of mill are responsible to handle the rejected product/document, perform investigation to define the root cause and to set the corrective action plan. The product should be handling according to the agreement with buyers.

Status: Comply

5.5

Outsourcing activities

5.5.1

In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.

There is no activities given to third parties during the processing of product, however the transporting of CSPK are done by bounded contractor, observed the agreement signed by both namely: PT Saman Indo Jaya agreemet number 02/ADEK-SI JAYA/KCP-Oa/I/2018 dated 2 Jan 2018, PT Dongan Yakin Bersama agreement number 05/ADEK-DYBERSAMA/KCP-Oa/I/2018 dated 2 Jan 2018, PT Dalan Maju Bersama agreement no.: 06/ADEK-DM BERSAMA/KCP-Oa/V/2018 dated 2 May 2018 and PT Indotama Jaya Mas agreement no.: 07/ADEK-INDOTAMA/KCP-Oa/V/2018 dated 2 May 2018.

In the respective agreement mentioned that the contractor only responsible to deliver the product to the destination designated

by the MPOM, only use the unit (tank) that has been check by the MPOM and ready to be checked by the CB during the adit (if needed).

Status: Comply

5.5.2

Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:

- a. The site has legal ownership of all input material to be included in outsourced processes;
- b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.
- c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.
- d. d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance

There is no activities given to third parties during the processing of product, however the transporting of CSPK are done by bounded contractor, observed the agreement signed by both namely: PT Saman Indo Jaya agreemet number 02/ADEK-SI JAYA/KCP-Oa/I/2018 dated 2 Jan 2018, PT Dongan Yakin Bersama agreement number 05/ADEK-DYBERSAMA/KCP-Oa/I/2018 dated 2 Jan 2018, PT Dalan Maju Bersama agreement no.: 06/ADEK-DM BERSAMA/KCP-Oa/V/2018 dated 2 May 2018 and PT Indotama Jaya Mas agreement no.: 07/ADEK-INDOTAMA/KCP-Oa/V/2018 dated 2 May 2018.

In the respective agreement mentioned that the contractor only responsible to deliver the product to the destination designated by the MPOM, only use the unit (tank) that has been check by the MPOM and ready to be checked by the CB during the adit (if needed).

Status: Comply

5.5.3

The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.

The contractors address and contact details are written in the agreement.

Status: Comply

5.5.4

The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products

There is no additional contractor used since last year.

Status: Comply

5.6

Sales and goods out

5.6.1

The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer

The information of buyer are describes in the sales contract document and delivery order, for example observed the sales contract :

- No.: ADEC/00896-S/CPO-IP and DO of CSPO sales to PT Nagamas Palmoil Lestari, address : Jl Iskandar Muda No 107 Medan Baru, Medan,Indonesia, amount of 500 MT;
- sales contract and delivery order no.: 1394/CPO/MDU for sales of CSPO claimed as ISCC amount of 500 MT to PT Intibenua Perkasatama, address in Dumai-Riau.
- Internal despatch advice for CSPK-IP delivery number MDU/PK-IP/0818-1 amount of 600MT, in the delivery manifest has informs related to buyer name namely Mandau Kernel Crushing Plant, address in Jl Raya Pekan Baru KM 101 Tenggana Village Bengkalis Riau.

	Status: Comply
5.7	Registration of transactions
5.7.1	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> are mills, traders, crushers and refineries; and take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable <p>The SCCS audit are conducted to CPO mill, all certified product are legally owned by MPOM, all sales are registered and reported through RSPO IT Platform, based on SOP the announcement and reporting are done by Marketing Dept, for example :</p> <ul style="list-style-type: none"> ✓ Transaction of CSPK IP as much as 11 transaction, all sold to MKCP, for e.g shipping on 20/07/18-03/08/18, amount of 450 MT, announced on 16/08/2018, transaction id : TR-604407b6-67da. ✓ Transaction of CSPO-IP as much as 2 transaction, sold to PT Nagamas Palmoil Lestari amount of 500 MT, transaction id TR-e5fd5508-cd53, announced on 20 Jul 2018 (one transaction not yet announced). ✓ CSPO sold as SCCS to PT Intibenua Perkasatama amount of 500MT announced on 27 July 2018, transaction id ST-TR-0e6ee2e7-f776 (total transaction as much as 61 transaction to buyer PT Intibenua Perkasatama dan PT Kreasi Jaya).
	Status: Comply
5.7.2	<p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none"> Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. <ul style="list-style-type: none"> Confirm and shipping announcement are done by Marketing Dept of Mandau POM, for period of 19 Oct 2017 – 28 Aug 2018 CSPO sold as RSPO-IP amount of 1000 MT, amount of 500 MT has been announced (transaction id : TR-e5fd5508-cd53), amount of 500 MT not yet announced due to the shipping is in progress. CSPK sold as RSPO-IP amount of 6828.40 MT has been announced, for e.g transaction id number TR-604407b6-67da. CSPO sold as ISCC as much as c announced to RSPO with transaction id number ST-TR-0e6ee2e7-f776. Trace: all the certified product sold as RSPO can be traced, all CSPK are sold to MKCP and CSPO are sold to PT Nagamas Palmoil Lestari. Remove: the CSPO which is sold as ISCC as much as 28,208.07 MT and 7000 MT allocated as credit has been removed from volume in palmtrace. <p>Reporting sales of conventional certified products through the RSPO IT Platform (OFI).</p>
	Status: Opportunity of Improvement (OFI).
5.8	Training
5.8.1	<p>The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff</p> <p>The plan of SCCS training are mentioned in SOP 31 "dokumentasi rantai pasok – model IP/SG", section of 5, describes that training of SCCS are done in regularly, minimum once a year. The training should be documented and the record should be kept and maintained by mill. Repeat training will conducted to the personil who didn't pass the test.</p>

	Status: Comply															
5.8.2																
Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed																
During interview to the personel involved in SCCS implementation known that they has been aware regarding to SCCS requirement and critical point, for example security and weigh-bridge able to demonstrate the SOP of SCCS and how to verify the FFB that delivered to MPOM. Sighted the record of training on 15 Jan 2018 attended by adm head, WB operators, despach officers, security and assistant.																
	Status: Comply															
5.9	Record keeping															
5.9.1																
The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements																
All the record are kept in MPOM, accurate, up to date and accessible, the random sampling are done during the audit, it can be traces up to 2 year previous.																
	Status: Comply															
5.9.2																
Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock																
The document retention period and all records described in the SOP 8 document (control document) published on August 10, 2017, explained in the SOP that the retention of record is 7 years.																
	Status: Comply															
5.9.3																
The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.																
The projection of certified products that could potentially be produced by the MPOM presented as below (for IP and MB):																
<table><tr><th rowspan="2">Product</th><th colspan="2">Projection during 19 October 2018 to 18 Oct 2019</th></tr><tr><th>IP (MT)</th><th>MB (MT)</th></tr><tr><td>FFB</td><td colspan="2">220,993</td></tr><tr><td>CSPO</td><td>43,204</td><td>7,624</td></tr><tr><td>CSPK</td><td>9,393</td><td>1,658</td></tr></table>			Product	Projection during 19 October 2018 to 18 Oct 2019		IP (MT)	MB (MT)	FFB	220,993		CSPO	43,204	7,624	CSPK	9,393	1,658
Product	Projection during 19 October 2018 to 18 Oct 2019															
	IP (MT)	MB (MT)														
FFB	220,993															
CSPO	43,204	7,624														
CSPK	9,393	1,658														
	Status: Comply															
5.10	Conversion factors															
5.10.1																
Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries																
The mill do not use conversion factors																
	Status: Comply															
5.10.2																

Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	
The mill do not use conversion factors	
	Status: Comply
5.11	Claims
5.11.1 The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	
The mill has been make according to RSPO Rules on Market Communications and Claims, there is no found any use of trademark and logo in MPOM activity.	
	Status: Comply
5.12	Complaints
5.12.1 The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
The handling of stakeholder complaints including those relating to complaints from product sales is explained in the communication procedure and the submission of complaints on the SOP 1 revised August 10, 2017. In section B.3 it is explained that all complaints are submitted via hotline or email to PIC, which is related to the application of SCCS will be submitted to the marketing division and the mill manager. Responses to complaints will be submitted to stakeholders no later than 14 days.	
	Status: Comply
5.13	Management review
5.13.1 The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken	
In the SOP, the company has explained that management reviews will be conducted once a year. The last management review conducted on 18 Aug 2018 was led by Sr. Mill Manager and was attended by Mill Manager, Asistant and staff.	
There are no issues related to the SCCS that need to be determined by the action plan based on the results of the management review.	
	Status: Comply
5.13.2 The input to management review shall include information on: <ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. 	
The last management review conducted on 18 Aug 2018 was led by Sr. Mill Manager and was attended by Mill Manager, Asistant and staff, the issue discussed including internal audit result, customer feedback (no complaint submitted to MPOM) and recommendations for improvement.	
There are no issues related to the SCCS that need to be determined by the action plan based on the results of the management review.	
	Status: Comply
5.13.3 The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. 	

The last management review conducted on 18 Aug 2018 was led by Sr. Mill Manager and was attended by Mill Manager, Asistant and staff, the action plan to be taken has been defined, for example regarding to the internal audit schedule, training plan, reduction of loses and improvement of document record.

Status: Comply

3.2.2 (Module D) CPO Mills – Identity Preserved Requirements

Clause	Requirement																						
D1	Definition																						
D.1.1																							
A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from plantation/ estates that are certified against the RSPO Principles and Criteria (RSPO P&C), or against the Group Certification scheme. Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill process certified and uncertified FFB without physically separating them, then only Module E is applicable.																							
During the one year pervious (28 Sept 2017 – 27 Aug 2018) the MPOM only received and processed FFB from its own estates (certified sources), in that case the MPOM is may be applying SCCS Modul D (IP) and modul E (MB), Mandau POM has established and implemented a certified product traceability system using the SCCS Module D–IP (SOP 31) and E-MB (SOP 32).																							
	Status: Comply																						
D.2	Explanation																						
D.2.1																							
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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).																							
Mandau POM are registered as RSPO member under KLK Berhad, number 1-0014-04-000-00, furthermore the mill has been registered and comply to the requirement of supply chain reporting using RSPO IT Platform with member registration number: RSPO_PO1000000411 and sub license id: CB58783.																							
Announcement of certified product sold and shipping has been done through RSPO plamtrace by the company’ marketing dept. The detailed of certified product sales describes in the following table:																							
➤ CSPK → All sold to Mandau KPC																							
<table><tr><th colspan="2">Despatch</th><th colspan="3">Traceability system</th></tr><tr><th>Date</th><th>Quantity</th><th>Transaction ID</th><th>Creation date</th><th>Contract no</th></tr></table>		Despatch		Traceability system			Date	Quantity	Transaction ID	Creation date	Contract no												
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20/11/17-08/12/17	594.320	TR-fcb88c97-4c0a	12/20/2017	MDU/PK-IP/1117-5
08/12/17-15/12/17	300.000	TR-7afb0abb-4ebe	3/8/2018	MDU/PK-IP/117-8
15/12/17-09/01/18	700.000			MDU/PK-IP/1217-5
09/01/18-22/01/18	600.000			MDU/PK-IP/1217-6
25/01/18-23/02/18	700.000			MDU/PK-IP/0118-1
22/01/18-27/02/18	378.400			MDU/PK-IP/0118-6
09/03/18-28/03/18	400.000	TR-69b738a9-f3a7	4/30/2018	MDU/PK-IP/0318-1
28/03/18-03/04/18	200.000	TR-1ced8829-2212	4/30/2018	MDU/PK-IP/0318-8
03/04/18-21/04/18	700.000	TR-2afefdf0-d82f	4/30/2018	MDU/PK-IP/0418-1
21/04/18-03/05/18	250.000	TR-25d257aa-64c7	4/30/2018	MDU/PK-IP/0418-8
03/05/18-08/06/18	650.000	TR-dc2cf43e-37f0	7/27/2018	MDU/PK-IP/0518-1
08/06/18-07/07/18	400.000	TR-59acab33-aef9	7/27/2018	MDU/PK-IP/0618-3
07/07/18-20/07/18	500.000	TR-d6ada2fe-b307	7/27/2018	MDU/PK-IP/0718-3
20/07/18-03/08/18	450.000	TR-604407b6-67da	16/08/2018	MDU/PK-IP/0718-8
03/08/18-15/08/18	513.700	Not yet		MDU/PK-IP/0818-1

➤ **CSPO**

Month	Contract number	TON	Announcement
Oct'17	ADEC /00698-S/CPO-ISCCEU (1330); ADEC /00708-S/CPO-ISCCEU (1331); ADEC /00704-S/CPO-ISCCEU (1333); ADEC /00714-S/CPO-ISCCEU (1332)	1,095.890	ST-TR-0e6ee2e7-f776
Nov'17	ADEC /00698-S/CPO-ISCCEU (1330); ADEC /00714-S/CPO-ISCCEU (1332); ADEC /00720-S/CPO-ISCCEU (1334); ADEC /00734-S/CPO-ISCCEU (1335); ADEC /00709-S/CPO-ISCCEU (1337); ADEC /00737-S/CPO-ISCCEU (1338); ADEC /00724-S/CPO-ISCCEU (1339); ADEC /00725-S/CPO-ISCCEU (1340); ADEC /00730-S/CPO-ISCCEU (1341); ADEC /00741-S/CPO-ISCCEU (1342); ADEC /00746-S/CPO-ISCCEU (1343); ADEC /00752-S/CPO-ISCCEU (1344)	5,611.130	
Des'17	ADEC /00752-S/CPO-ISCCEU (1344); ADEC /00757-S/CPO-ISCCEU (1345); ADEC /00748-S/CPO-ISCCEU (1346); ADEC /00749-S/CPO-ISCCEU (1347); ADEC /00751S/CPO-ISCCEU (1348); ADEC /00763-S/CPO-ISCCEU (1349); ADEC /00781-S/CPO-ISCCEU (1350)	2,970.590	
Jan'18	ADEC /00781-S/CPO-ISCCEU (1350); ADEC /00784-S/CPO-ISCCEU (1351); ADEC /00758-S/CPO-ISCCEU (1352); ADEC /00787-S/CPO-ISCCEU (1353); ADEC /00792-S/CPO-ISCCEU (1354); ADEC /00802-S/CPO-ISCCEU (1355); ADEC /00795-S/CPO-ISCCEU (1356); ADEC /00803-S/CPO-ISCCEU (1357); ADEC /00811-S/CPO-ISCCEU (1358)	5,136.560	
Feb'18	ADEC /00802-S/CPO-ISCCEU (1355); ADEC /00811-S/CPO-ISCCEU (1358); ADEC /00759-S/CPO-ISCCEU (1360); ADEC /00764-S/CPO-ISCCEU (1361); ADEC /00765-S/CPO-ISCCEU (1362); ADEC /00806-S/CPO-ISCCEU (1363)	2,570.900	
Mar'18	ADEC /00806-S/CPO-ISCCEU (1363); ADEC /00821-S/CPO-ISCCEU (1364); ADEC /00825-S/CPO-ISCCEU (1365); ADEC /00817-S/CPO-ISCCEU (1359); ADEC /00829-S/CPO-ISCCEU (1366); ADEC /00835-S/CPO-ISCCEU (1367); ADEC /00831-S/CPO-ISCCEU (1368); ADEC /00766-S/CPO-ISCCEU (1369); ADEC /00767-S/CPO-ISCCEU (1370); ADEC /00768-S/CPO-ISCCEU (1371); ADEC /00760-S/CPO-ISCCEU (1372); ADEC /00769-S/CPO-ISCCEU (1373); ADEC /00770-S/CPO-ISCCEU (1374); ADEC /00771-S/CPO-ISCCEU (1375)	5,582.820	ST-TR-0e6ee2e7-f776

Apr'18	ADEC /00771-S/CPO-ISCC (1375); ADEC /00772-S/CPO-ISCC (1376); ADEC /00773-S/CPO-ISCC (1377); ADEC /00774-S/CPO-ISCC (1378); ADEC /00775-S/CPO-ISCC (1379); ADEC /00776-S/CPO-ISCC (1380); ADEC /00777-S/CPO-ISCC (1381);	3,527.460	
May'18	ADEC /00778-S/CPO-ISCC (1382)	462.720	
Jun'18	ADEC /00870-S/CPO-ISCC (1383)	750.000	
Jul'18	ADEC /00896-S/CPO-IP (1391)	500.000	TR-e5fd5508-cd53
	ADEC /00876-S/CPO-ISCC (1394)	500.000	ST-TR-0e6ee2e7-f776
	ADEC /00897-S/CPO-IP (1396)	212.700	TR-e5fd5508-cd53
Total		1,212.700	
Augst'18	ADEC /00897-S/CPO-IP (1396)	287.300	Not yet announced
Total		29,208.07	

- All CSPO claimed as RSPO-IP are sold to PT Nagamas Palmoil Lestari (1000 MT)
- All CSPO claimed ISCC are sold to PT Kreasi Jaya and PT Benuainti Perkasatama (28,208.07 MT)

	Status: Comply
D.3	Documented procedures
D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements in these requirements; The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard. <p>The procedure of SCCS IP/SG implementation are describes in SOP 31 revision of 3 on 18 April 2018, explained in the section of definition that the use of these document is for IP/SG implementation, the document has contains all the requirements in the latest SCC standard and system (document which issued on 2017). During the license, MPOM only received and processed the FFB from certified sources, in the case of MPOM receive and processed the mixed FFB so that the IP will be downgraded to MB. During field observation to MPOM, observed that has been provided the separate of storage for IP and MB product, there was 4 storage tank, one of it is for spesific MB product.</p> <p>In the SOP has been describes regarding to the key personel involves and responsible, namely:</p> <ol style="list-style-type: none"> Mill manager: will guarantee the implementation and compliance to the SOP, monitoring the balance of certified products in palm trace and ensure that each contract has been announced to RSPO, communicate with CB if there is a change in supply chain model and reporting if there is over-production Dept of sustainability : is responsible for conducting an internal audit of the SCCS implementation on an annual basis and ensuring correction to nonconformities have been applied Marketing division : is responsible for issuing sales contracts, arranging shipments and making claims on non-conforming product and accepting payment invoices, carrying out shipping announcements for each sales to RSPO Assistant : is responsible for checking safety seals and ensuring availability of shipping documents 	

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

During interviews with the weighbridge operator and Mill Head Adm, it was known that they has aware regarding of SCCS requirements, all sampled personnel could explain the FFB admission process and the delivery of certified products.

Status: Comply

D.3.2

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

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

Status: Comply

D.4 Purchasing and goods in

D.4.1

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

Mandau POM only receive and processed the FFB from certified source, the detailed in the table below :

Month	Incoming FFB Kg	FFB Process
	This Month	This Month
19 Oct'17	7,899,480	8,159,480
Nov'17	21,319,890	21,319,890
Dec'18	17,695,430	17,695,430
Jan'18	21,177,900	21,177,900
Feb'18	13,508,280	13,508,280
Mar'18	17,752,930	17,752,930
Apr'18	18,634,930	18,634,930
Mei'18	7,089,630	7,089,630
Jun'18	12,089,770	12,089,770
Juli'18	19,847,280	19,847,280
Agst'18	19,679,650	18,719,650
Total	176,695,170	175,995,170

Status: Comply

D.4.2

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

There is no over production during the license periode (19 Oct 2017 – 28 Aug 2018), as per audit verification the actual certified produced detailed below, the mill need to adjust the projection since the license still valid for the until next two months:

Product	Projection during 19 October 2017 s.d 18 Oct 2018	Actual produce 19 October 2017 to 28 Aug 2018
FFB	244,722 MT	176,695.17 MT
CSPO	54,196 MT	40,313.72 MT
CSPK	11,682 MT	8,694.76 MT

Since the MPOM license still valid up to 19 Oct 2018, the mill need to inform and requesting the addition of projection to CB prior to the actual production has been exceeded. #OFI

Status: OFI

D.5 Record keeping

D.5.1

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

All certified FFB received and CSPO/CSPK produced and despatched has been balanced, based on data verification there is no oversales by MPOM, the auditor has been verified the certified product book-keeping report since 19 Oct 2017 – 28 Aug 2018 :

CSPO

Month	Incoming FFB Kg	CPO Production	Decpatch Sales				Balance
			IP	ISCC	Non CSPO	Total	CSPO
Beginning stock							1,573,006
19 Oct'17	7,899,480	1,841,557	-	1,092,820		1,092,820	2,321,743
Nov'17	21,319,890	4,722,369	-	5,596,370	250,000	5,846,370	1,447,742
Dec'18	17,695,430	3,915,307	-	2,962,420	-	2,962,420	2,400,629
Jan'18	21,177,900	4,746,305	-	5,121,310	-	5,121,310	2,025,625
Feb'18	13,508,280	3,188,674	-	2,563,690	-	2,563,690	2,650,609
Mar'18	17,752,930	4,264,115	-	5,568,380	-	5,568,380	1,346,344
Apr'18	18,634,930	4,330,530	-	3,517,850	-	3,517,850	2,159,024
Mei'18	7,089,630	1,633,629	-	461,190	758,070	1,219,260	3,331,463
Jun'18	12,089,770	2,943,587	-	659,510	1,068,080	1,727,590	5,615,540
Juli'18	19,847,280	4,412,984	712,700	587,180	3,021,810	4,321,690	8,728,644
Agst'18	19,679,650	4,314,666	527,270	-	2,378,820	2,906,090	12,516,040
Total	176,695,170	40,313,724	1,239,970	28,130,720	7,476,780	36,847,470	44,543,403

CSPK

Month	Incoming FFB Kg	CSPK Production	Decpach Sales	Balance
Beginning stock				307,453
Oct'17	7,899,480	415,295	579,650	143,098
Nov'17	21,319,890	1,008,732	759,150	392,679
Dec'18	17,695,430	882,655	1,114,960	160,374
Jan'18	21,177,900	1,071,362	1,180,330	51,406
Feb'18	13,508,280	688,768	635,620	104,554
Mar'18	17,752,930	906,311	558,540	452,325
Apr'18	18,634,930	950,291	977,910	424,706
Mei'18	7,089,630	341,622	430,780	335,548
Jun'18	12,089,770	553,767	611,580	277,735
Juli'18	19,847,280	924,603	838,170	364,168
Agst'18	19,679,650	951,352	646,750	668,770
Total	176,695,170	8,694,757	8,333,440	

Status: Comply
D.6
Processing
D.6.1

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

There is no FFB received and processed from uncertified sources. The mill has committed to kept separate from non-certified product, the objective is to strive 100% separation, as per explanation in the SOP of SCCS IP/SG section of 7 :

- CPO/PK (IP) masing-masing harus ditempatkan dalam tangki khusus penyimpanan IP dengan kemurnian 100%
- Jika terdapat product yang tercampur atau terkontaminasi harus dilakukan flushing sehingga CPO/PK IP yang dihasilkan benar-benar 100% merupakan produk IP.

Status: Comply

3.2.3 (Module E) CPO Mills - Mass Balance Requirements

Clause	Requirement																						
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 sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.																							
During the one year pervious (28 Sept 2017 – 27 Aug 2018) the MPOM only received and processed FFB from its own estates (certified sources), in that case the MPOM is may be applying SCCS Modul D (IP) and modul E (MB), Mandau POM has established and implemented a certified product traceability system using the SCCS Module D–IP (SOP 31) and E-MB (SOP 32).																							
	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. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.																							
The actual certified tonnage during the license period (19 Nov 2017 – 28 Aug 2018) has been verified by the auditor, as well as the projection for next license, the projection of certified products that could potentially be produced by the MPOM, it will be recorded in the public summary report and certificate, the following table represent the projection and actual volume:																							
<table><tr><th rowspan="2">Product</th><th rowspan="2">Projection during 19 October 2017 s.d 18 Oct 2018</th><th rowspan="2">Actual produce 19 October 2017 to 28 Aug 2018</th><th colspan="2">Projection during 19 October 2018 to 18 Oct 2019</th></tr><tr><th>IP</th><th>MB</th></tr><tr><td>FFB</td><td>244,722 MT</td><td>176,695.17 MT</td><td>187,839 MT</td><td>33,148 MT</td></tr><tr><td>CSPO</td><td>54,196 MT</td><td>40,313.72 MT</td><td>43,203 MT</td><td>7,624 MT</td></tr><tr><td>CSPK</td><td>11,682 MT</td><td>8,694.76 MT</td><td>9,392 MT</td><td>1,657 MT</td></tr></table>		Product	Projection during 19 October 2017 s.d 18 Oct 2018	Actual produce 19 October 2017 to 28 Aug 2018	Projection during 19 October 2018 to 18 Oct 2019		IP	MB	FFB	244,722 MT	176,695.17 MT	187,839 MT	33,148 MT	CSPO	54,196 MT	40,313.72 MT	43,203 MT	7,624 MT	CSPK	11,682 MT	8,694.76 MT	9,392 MT	1,657 MT
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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).																							
Mandau POM are registered as RSPO member under KLK Berhad, number 1-0014-04-000-00, furthermore the mill has been registered and comply to the requirement of supply chain reporting using RSPO IT Platform with member registration number: RSPO_PO1000000411 and sub license id: CB58783.																							
There is no sales of certified product claimed under RSPO-MB, all sales are done under IP, ISCC and conventional, as it was has been explained in module D (IP) summary.																							
<ul style="list-style-type: none">• All CSPO claimed as RSPO-IP are sold to PT Nagamas Palmoil Lestari (1000 MT).• All CSPO calimedISCC are sold to PT Kreasi Jaya and PT Benuainti Perkasatama (28,208.07 MT).• Remove from stock as much as 7000 MT.																							
	Status: Comply																						

E.3	Documented procedures
E.3.1	<p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements in these requirements; The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard. <p>The procedure of SCCS MB implementation are describes in SOP 32 revised on 18 April 2018, explained that the use of these document is for MB implementation, the document has contains all the requirements in the latest SCC standard and system (document which issued on 2017). During the license, MPOM only received and processed the FFB from certified sources, in the case of MPOM receive and processed the mixed FFB so that the IP will be downgraded to MB. Flushing method to the storage tank, transport tank and processing lane will be done if the mill will upgrade to IP (flushing volume will be done based on calculation of the volume of tank and pipes along the processing lane). During field observation to MPOM, observed that has been provided the separate of storage for IP and MB product, there was 4 storage tank, one of it is for MB product spesifically.</p> <p>In the SOP has been describes regarding to the key personnel involves and responsible, namely:</p> <ol style="list-style-type: none"> Mill manager: will guarantee the implementation and compliance to the SOP, monitoring the balance of certified products in palm trace and ensure that each contract has been announced to RSPO, communicate with CB if there is a change in supply chain model and reporting if there is over-production Dept of sustainability : is responsible for conducting an internal audit of the SCCS implementation on an annual basis and ensuring correction to nonconformities have been applied Marketing division : is responsible for issuing sales contracts, arranging shipments and making claims on non-conforming product and accepting payment invoices, carrying out shipping announcements for each sales to RSPO Assistant : is responsible for checking safety seals and ensuring availability of shipping documents Weighbridge operator: responsible for ensuring all product shipping documents are complete (company name, estates name, ticket number, tonnage number etc.) <p>During interviews with the weighbridge operator and Mill Head Adm, it was known that they has aware regarding of SCCS requirements, all sampled personnel could explain the FFB admission process and the delivery of certified products.</p>
	Status: Comply
E.3.2	<p>The site shall have documented procedures for receiving and processing certified and non-certified FFBs</p> <p>In the supply chain documentation procedure for MB document number SOP 32, section 6 describes regarding to mechanism of the reception of FFB at the security station and the weighbridge station, explained that the seal checks and ensures the delivery documents are carried out at the security station, if there are sources of FFB from non-certified sources, then the FFB will not be accepted by MPOM. The mill management will approve all FFB suppliers to ascertain whether they are certified or not through the RSPO website and ensure the RSPO certificate for new suppliers. Delivery notes from certified outside suppliers must display the company name, estate name, ticket number, tonnage number, RSPO certificate number and its validity date.</p>
	Status: Comply
E.4	Purchasing and goods in
E.4.1	<p>The site shall verify and document the volumes of certified and non-certified FFBs received.</p> <p>Mandau POM only receive and processed the FFB from certified source, the detailed in the table below :</p>

Month	Incoming FFB Kg	FFB Process
	This Month	This Month
19 Oct'17	7,899,480	8,159,480
Nov'17	21,319,890	21,319,890
Dec'18	17,695,430	17,695,430
Jan'18	21,177,900	21,177,900
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Agst'18	19,679,650	18,719,650
Total	176,695,170	175,995,170

Status: Comply

E.4.2

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

There is no over production during the license periode (19 Oct 2017 – 28 Aug 2018), as per audit verification the actual certified produced detailed below, the mill need to adjust the projection since the license still valid for the until next two months:

Product	Projection during 19 October 2017 s.d 18 Oct 2018	Actual produce 19 October 2017 to 28 Aug 2018
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Since the MPOM license still valid up to 19 Oct 2018, the mill need to inform and requesting the addition of projection to CB prior to the actual production has been exceeded. #OFI

Status: Comply

E.5

Record keeping

E.5.1

- The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis.
- All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.
- The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a site is allowed to sell short. (i.e. product can be sold before it is in stock.)

All certified FFB received and CSPO/CSPK produced and despatched has been balanced, based on data verification there is no oversales by MPOM, the auditor has been verified the certified product book-keeping report since 19 Oct 2017 – 28 Aug 2018 :

CSPO

Month	Incoming FFB Kg	CPO Production	Decpatch Sales				Balance
			IP	ISCC	Non CSPO	Total	CSPO
Beginning stock							1,573,006
19 Oct'17	7,899,480	1,841,557	-	1,092,820		1,092,820	2,321,743
Nov'17	21,319,890	4,722,369	-	5,596,370	250,000	5,846,370	1,447,742
Dec'18	17,695,430	3,915,307	-	2,962,420	-	2,962,420	2,400,629
Jan'18	21,177,900	4,746,305	-	5,121,310	-	5,121,310	2,025,625
Feb'18	13,508,280	3,188,674	-	2,563,690	-	2,563,690	2,650,609
Mar'18	17,752,930	4,264,115	-	5,568,380	-	5,568,380	1,346,344
Apr'18	18,634,930	4,330,530	-	3,517,850	-	3,517,850	2,159,024
Mei'18	7,089,630	1,633,629	-	461,190	758,070	1,219,260	3,331,463
Jun'18	12,089,770	2,943,587	-	659,510	1,068,080	1,727,590	5,615,540
Juli'18	19,847,280	4,412,984	712,700	587,180	3,021,810	4,321,690	8,728,644
Agst'18	19,679,650	4,314,666	527,270	-	2,378,820	2,906,090	12,516,040
Total	176,695,170	40,313,724	1,239,970	28,130,720	7,476,780	36,847,470	44,543,403

CSPK

Month	Incoming FFB Kg	CSPK Production	Decpatch Sales	Balance
Beginning stock				307,453
Oct'17	7,899,480	415,295	579,650	143,098
Nov'17	21,319,890	1,008,732	759,150	392,679
Dec'18	17,695,430	882,655	1,114,960	160,374
Jan'18	21,177,900	1,071,362	1,180,330	51,406
Feb'18	13,508,280	688,768	635,620	104,554
Mar'18	17,752,930	906,311	558,540	452,325
Apr'18	18,634,930	950,291	977,910	424,706
Mei'18	7,089,630	341,622	430,780	335,548
Jun'18	12,089,770	553,767	611,580	277,735
Juli'18	19,847,280	924,603	838,170	364,168
Agst'18	19,679,650	951,352	646,750	668,770
Total	176,695,170	8,694,757	8,333,440	

Status: Comply

3.3. Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or√
ASA-1.1	The company didn't use trademark on the product.	√
	Status: Comply	
2.	Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-1.1	The company didn't use trademark on the product.	√
	Status: Comply	
3.	Implementation of Certificate and Trademark is not used on product	X or√
ASA-1.1	The company didn't use trademark on the product.	√
	Status: Comply	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate logo.	X or√
ASA-1.1	The company didn't use trademark on the product.	√
	Status: Comply	

3.4. Summary of RSPO Partial Certification.

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

Kuala Lumpur Kepong Bhd Time Bound Plan is explained in point 1.10. Kuala Lumpur Kepong Bhd has informed the Time Bound Plan progress, MUTU has considered that Kuala Lumpur Kepong Bhd is complied with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by Kuala Lumpur Kepong Bhd on 2018.

MUTU has verified partial certification for un-certified unit's subsidiary of Kuala Lumpur Kepong Bhd based on their Time Bound Plan. There are five (5) uncertified mills and twentyone (21) uncertified estates of Kuala Lumpur Kepong Bhd. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

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

2.2 Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.2.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Positive assurance statement provided, which does not include the new mill found in the revised time bound plan..
2.2.2	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	The company has conducted HCV assessment in January – February 2012 for all subsidiaries where the assessment report confirms that there was no replacement of primary forest or containing HCV. The new mills and newly acquired land are still under consultant preliminary report.
2.2.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	No new planting reported for existing units. However, the newly acquired lands will adhere to the NPP procedures when it is ready.
2.2.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	SIA conducted reported that there are land conflicts at some of the uncertified units and the company is handling through FPIC and grievance procedures.
2.2.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	None noted. No stakeholder comments or complaints received

2.2.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	None noted. No stakeholder comments or complaints received
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3.5 Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

3.5.1 Identification of Findings, Corrective Actions and Observations at Re-Certification Assessment

NCR No.	:	2017.01	Issued by	:	Moh. Arif Yusni
Date Issued	:	15 July 2017	Time Limit	:	Prior issued certificate
NC Grade	:	MAJOR	Date of Closing	:	21 August 2017
Standard Ref. & Requirement	:	2.1.1 There is compliance with all applicable local, national and ratified international laws and regulations.			
Non-Conformance Description & Evidence observed (filled by auditor):					
<p>The Company has not been able to show evidence of compliance with the minister of labor and transmigration decree No. 102 of 2004 concerning Overtime and Overtime Wages, Article 11 about the calculation of overtime wages, section (b) which states: "If overtime is performed on weekly rest days and / or official holidays for 6 (six) Working days 40 (forty) hours a week then:</p> <ul style="list-style-type: none">- b.1. The calculation of overtime pay for the first 7 (seven) hours is paid 2 (two) hour wages, and the eighth hour is paid 3 (three) hour wages and the ninth and tenth overtime hours are paid 4 (four) hour wages. <p>Based on the results of the review of the Overtime Calculation document in May and June 2017 and the results of interviews with management it is known that there are security personnel (security guards) in Mandau POM working overtime on weekly rest days for 16 Hours (e.g. Security (1person) commander on 18, 25, 26 June 2017 and a security guard of 1 person on 7, 11, May 14, 2016,)). However, based on the calculation of overtime wage, it is known that the calculation method used is 7 (seven) hours at time 2 (two) and the next clock multiplied by 3 (three).</p> <p>Based on this finding, the CH have not been provide the evidence related to compliances with rules and regulations</p>					
Root Cause Analysis (filled by organization audited):					
Mechanism of calculation of overtime wages contained in the Collective Labor Agreement (CLA) No. KEP.5601 DTKT-PHIJ I PKB 12015/50 period of 2015-2017 is not referred to the Kepmenaker. 102 of 2004 and there is no direction from the Labor Agency regarding this matter prior to the signing of CLA and its approval.					
Correction (filled by organization audited):					
<ul style="list-style-type: none">✓ Submit an application letter to the Labor Agency regarding the understanding of Ministerial Decree no. 102 of 2004 and subsequent action (refer to attachment 1)✓ Making revisions to the mechanism of calculation of overtime payment in accordance with direction of Labor Agency starting on 1/7/2017 (refer to attachment 2)					
Corrective Action (filled by organization audited):					
Tindakan Korekif (dilengkapi oleh organisasi yang diaudit):					
Will considering and referring to all applicable laws and regulations in the preparation next CLA					
Assessor Evaluation and Conclusion (filled by auditor):					
Verification on 31 July 2017					
The Company submitted the corrective action evidence, such as:					
<ul style="list-style-type: none">• The evidence of communication between companies with Labor Agency Bengkalis regent on July 20, 2017 (letter No. AD-KM/VII/2017-34 in regard of request of explanation on the calculation of overtime wages in accordance with Permenaker No. 102 Year 2004 and addressed by the Labor Agency and explaining that the calculation of overtime wages shall in referring to the provisions of Article 11 of Permenaker No. 102 Year 2004.• Available revisions of the list of aproval form and overtime calculation which has been referred to Article 11 Permenaker No. 102 Year 2004					

- Available the recapitulation of calculation of employees' overtime wages in July 2017 which has been referring to Article 11 Permenaker No. 102 of 2004, for example for Security MPOM (Worker No. 118), working overtime for 12 hours on July 16, 2017, has been paid for the first 7 hours multiplied by 2, 1 hour later (hour 8) multiplied by 3 and 4 hours later multiplied by 4, so that the total wages which will paid is 33 hours.

However, the company has not been able to show the evidence that the overtime wages payment.

Verification on 21 August 2017

The Company has been show the evidence of overtime wages referring to Article 11 of Permenakaer No 102 of 2004 for the period of July 2017 and evidence of payment, for example for security employees at Mandau POM (Worker No. 118) with total overtime in July 2017 is 366.5 hours.

Based on above explanation the NC stated fulfilled and will be observed in the next assessment.

Verified by : **Moh Arif Yusni**

NCR No.	:	2017.02	Issued by	:	Yohanes Hardian
Date Issued	:	15 Juli 2017	Time Limit	:	14 Juli 2018
NC Grade	:	MAJOR	Date of Closing	:	4 August 2017
Standard Ref. & Requirement	:	4.4.2 Protection of water courses and wetlands including securing and maintanang appropriate riparian and other buffer zones, at the time of or prior to replanting shall be demonstrated.			
Non-Conformance Description The Company has not implemented water body protection in accordance with SOP no 9 (Groundwater Quality and Surface Water) which mentions protecting water reservoir areas such as reservoirs and springs (buffer zone) as wide as 20 meters.					
Evidence observed (filled by auditor): Based on the results of housing KM1 field visit, spotted traces of chemical spraying to the edge of the the reservoir and there is no marking of the chemical application ban.					
Root Cause Analysis (filled by organization audited): Reservoirs in KM1 have not been categorized as conservation areas, so there is no marking of ban for spraying and fertilizing in the area.					
Correction (filled by organization audited): Identified the water source and its usage as well as the management plan; installed the sign of spraying ban in the area.					
Corrective Action (filled by organization audited): Routinely conduct the socialization to sprayers and fertilizer team in regard of the prohibition to spray in the riparian (buffer zone). As well as regularly monitoring of water body' buffer-zone, which is carried out by the designated in-charge.					
Assessor Evaluation and Conclusion (filled by auditor): Verification on 31 Juli 2017,					

The Company has shown the evidence of corrective action, namely: the identification of water sources on July 24, 2017, for all estate (KM1, KM2, KM3, KM4, KM5, KM6), in the document also describes the action plans, status, including the separation of water bodies into conservation areas and reservoirs made by companies as a water source for firefighters. Locations (estate, division and block) have been described in the document.

In addition there is evidence of marking between water bodies and water point for fire-fighting such as plank marks (for water point of fire-fighting) and spray boundary markers for water bodies (conservation), evidence of socialization to employees.

Verification on 4 August 2017

Perusahaan telah menunjukkan bukti checklist pemeriksaan sempadan sungai dan sumber air di areal perusahaan pada tanggal 27 juli 2017 dengan demikian Ketidaksesuaian 2017.02 telah terpenuhi

The Company has presented evidence of checks on river and water sources borders in the company area on 27 July 2017 so that the 2017.02 Mismatch has been fulfilled.

Verified by : **Yohanes Hardian**

NCR No.	: 2017.03	Issued by	: Yohanes Hardian
Date Issued	: 15 Juli 2017	Time Limit	: ASA 1.1
NC Grade	: MINOR	Date of Closing	: 28 July 2017
Standard Ref. & Requirement Acuan Standar & Persyaratan	: 5.2.4. Once the management plan is prepared, continuous monitoring documentation and report regarding the status of the RTE and HCVs are affected by the operations of the plantation and palm oil mill shall be available and the result of monitoring are to be used to follow-up the improvement of the management plan.		
Non-Conformance Description The company has not yet implemented protection for fauna located around SOP 15. Identification and Management of HCV, Flora and Fauna			
Evidence observed (filled by auditor): Based on the results of the visit at the boundary pole 82 at block 2004 C was found a net for bird and bat traps in the plantation area			
Root Cause Analysis (filled by organization audited): Has not yet stated in the SSOP 15 regarding on mechanism of monitoring of hunting activities of important species.			
Correction (filled by organization audited): Revisions on SSOP on mechanism for monitoring of hunting activities especially for important species and implemented the SSOP through regularly and routinely monitoring.			
Corrective Action (filled by organization audited): Socialization the SSOP revision to the officer in charge and to all employees.			
Assessor Evaluation and Conclusion (filled by auditor): Evaluation on 4 August 2017 The Company has shown evidence of corrective action:			

Revision of SSPO of monitoring mechanism for hunting activities of important species in the plantation area, in the SSOP has been added the procedure of monitoring activities of hunting by security guards, conducting socialization of sanctions to workers, and reporting to the authorities if found violating activities.

Socialization of SSOP 15 to the officer in-charge such as security guard and staff on 31 June 2017 and to all employees on 28 July 2017

Monitoring activities have been recorded in the Monitoring' Log-book of Fire and Poaching of Wild Animals

Based on evidence describes above, the NCR No.2017.03 stated fulfilled.

Verified by	:	Yohanes hardian
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3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-1.1 Assessment

NCR No.	:	-	Issued by	:	-
Date Issued	:	-	Time Limit	:	-
NC Grade	:	-	Date of Closing	:	-
Standard Ref. & Requirement	:	-			
Non-Conformance Description & Evidence observed <i>(filled by auditor):</i>					
During surveillance 1.1 RSPO, there aren't non-conformance.					
Root Cause Analysis <i>(filled by organization audited):</i>					
-					
Correction <i>(filled by organization audited):</i>					
-					
Corrective Action <i>(filled by organization audited):</i>					
-					
Assessor Evaluation and Conclusion <i>(filled by auditor):</i>					
-					
Verified by	:	-			

3.5.3 Opportunity for Improvement.

No	Ref. Std.	Description
1.	2.1.1	The company has the opportunity to have an OHS Experts in the electricity sector.
2.	2.2.2	There are HGU poles that cannot be accessed such as BPN 68, in this case the company needs to improve maintenance of access to the boundary poles and adjust all maps used against the latest HGU maps that are owned as well as the accessibility of the HGU map for each audit.
3.	4.6.5	PPE use in spraying activities in accordance with MSDS (Observation).
4.	5.3.2	Reporting of the 2nd Quarter of Schedule Waste Year 2018 KMU to be reported in a disciplined to the relevant agencies.
5.	6.3.2	Follow-up to the settlement of disputes concerning the employment relationship between the community who previously worked in the Company to the Riau Provincial Manpower and

		Transmigration Agency.
6.	SCCS D.4.2	Information on quota addition to CB before actual production exceeds the predetermined projection.

4.5.4 Noteworthy Positive Components

No	Descriptions
1.	The company has a Biogas Plant to reduce GHG Emissions.
2.	Implementing sustainability standards on oil palm plantations is indicated by having obtained ISPO and ISCC certificates.
3.	Has an accredited testing laboratory facility.

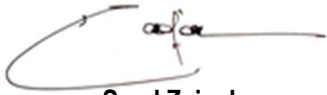

3.6 Summary of Arising Issues from Public, Management and Auditor Response

Public Issues (Institution/ NGO/Community)	Auditor Responses
Environment Agency of Bengkalis Regency <ul style="list-style-type: none"> The company already has a Schedule Waste Storage license in Mandau POM, North Mandau Estate and South Mandau Estate. The company has Environmental Impact Management Analysis in 2016 and Environmental Permit Decree in 2017 The company is expected to have environmental CSR programs such as coaching activities for Adiwiyata schools, reforestation, climate villages and others The company is encouraged to pay more attention to domestic waste management The company has reported the mandatory report on a regular basis in accordance with the time set Communication between companies and stakeholders is quite good. 	<p>The company has shown compliance with environmental management & monitoring obligations, as explained in criterion 4.1 to 4.8.</p> <p>Related to domestic waste management, the auditor has verify that the company has been provide the garbage-bin in each line-site as well as has been provide the landfill to dispose the waste (located more that 500 m from line-site), the schedule of dispose is twice a week.</p>
Plantation Agency of Bengkalis Regency <ul style="list-style-type: none"> Communication between companies and stakeholders is quite good. Communication is carried out both verbally and by sending letters. The Plantation Business Development Report has been reported regularly. There are indigenious / indigenious people in the company's surrounding village, namely the Sakai Tribe. There are no negative issues regarding the company. 	<p>The company has demonstrated compliance with obligations related to plantation company operating permits and compliance with spatial planning as described in criteria 1.1, 1.2, 1.3, 1.4.</p>
Labor Agency of Bengkalis Regency <ul style="list-style-type: none"> There are Termination of Employment of 9 Mandau POM employees and are still in the process of completion. The company cooperates with companies providing labor services for security work, and FFB transport. There are trade unions and Bipartite Cooperation Institutions in the company. Trade unions and Bipartite Cooperation Institutions have been registered in the Labor Agency. All reports related to employment have been recorded in the mandatory report on employment. The company has applied the basic wages of employees in accordance with the Bengkalis Regency Minimum Wage. 	<p>The company has been apply criterion for 6.5.</p>
Labor Union of North Mandau Estate <ul style="list-style-type: none"> The company plays an active role in every settlement of existing disputes. Workers' Union assists companies in monitoring employee status in order to remain in accordance with applicable regulations. 	<p>The company has demonstrated efforts to fulfill the freedom of association for workers, as explained in criterion 5.4.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<ul style="list-style-type: none"> There are no negative issues related to aspects of employment and industrial relations. 	
Gender Committee <ul style="list-style-type: none"> There is an issue of sexual harassment of minors and has been resolved by the Police. The Gender Committee has a work program for 2018. The Gender Committee supervises every female employee who works with chemicals. Female workers related to chemicals are routinely checked for pregnancy every month. The company provides special breaks for female workers to breastfeed. The company provides menstruation leave (2 days) and gives birth (3 months) to all female workers. 	<p>The company has apply the criteria and indicators for 6.9.1; 6.9.2 and 6.9.3.</p>
Employee Cooperative <ul style="list-style-type: none"> Employee cooperative with the name "Adei Mandau Employee Cooperative". Employee cooperatives are engaged in providing electricity tokens, buying and selling clean water and providing security uniforms. The cooperative has 37 members. Annual Member Meetings for the 2017 period have been held on January 19, 2018. The company lends buildings to employee cooperative activities. The remaining Cooperative Business Results in 2017 amounted to IDR 15,188,000 and agreed by all members to be used as cooperative capital to be more developed. 	<p>The company has given facilities to the employee cooperative.</p>
Wednesday, 29 August 2018 Koto Pait Village – Beringin <p>Positive and negative impacts since the existence of the Company such as:</p> <ul style="list-style-type: none"> Social Impact <ul style="list-style-type: none"> Job opportunities for the surrounding village community. Notification of company job vacancy. Most village employees work in the Company. Determination of CSR assistance has also involved village communities to determine community needs. For example the help of Sacrificial Animals. Environmental Impact <ul style="list-style-type: none"> So far there have been no environmental pollution issues such as liquid waste that pollutes the river, Land legality. <ul style="list-style-type: none"> So far, land compensation has been carried out by the Company. Community feel that they are not forced to sell land, there has never been a paramilitary use and pricing is determined by both parties. During this time, there were no disputes and conflicts 	<p>The company has good cooperation with the community of Koto Pait Beringin Village. The company has according with Principle 6.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
<p>between the Company and the community.</p> <ul style="list-style-type: none"> - There was no overlap in the community area that was used as the Company area. <p>The communication officer is Public Relations Staff, the community has known about the mechanism of information related the procedure, communication and consultation.</p> <p>So far, the Company and the village community's cooperative relations have been well and harmoniously established.</p>	
<p>Jiat Sub-Village, Beringin Village. (Customary head of Sakai Tribe).</p> <ul style="list-style-type: none"> • The Sakai tribe has existed since 1907 from the area of West Sumatra (Pagaruyung) and until now has settled in Riau. • Customary activities carried out include: traditional medicine in an Islamic way. • There is a "Datuk Berdarah Putih" grave tomb in the sub-village area and is given an information board for its existence. The company helps maintain sacred graves every 3 months (Cleaned). • The sub-village community gets the same job opportunities in accordance with the capabilities and expertise needed by the Company. • So far, there has never been environmental pollution due to Company waste. • CSR assistance provided by companies such as; granting <i>Kurban</i>, villagers were employed as security officers, the use of local contractors (FFB and school transport), Dhuafa assistance & orphans, scholarship assistance and mosque assistance. • Villagers submit job vacancy to the Company in July 2018 but the Company has not yet responded to this. • So far the villagers have not invited the Company to musrenbang activities. • The communications officer, the Public Relations staff, the traditional leaders, have known the mechanism of information delivery, communication and consultation. • The cooperative relationship between the Sub village Head and the company is well established. 	<p>The company has implemented indicators 6.2.2 & 6.2.3.</p> <p>The company has applied criterion 6.3.</p> <p>The letter is addressed to the Kernel Crushing Plant on July 23, 2018. The KCP Unit is not included in the certification unit. The letter is addressed to the Kernel Crushing Plant on July 23, 2018. The KCP Unit is not included in the certification unit.</p>
<p>Owner of 18 hectares of land in the Company Land Use Title (Block 15 KM 5) Enclave Area</p> <p>The results of interviews with landowners revealed that the area was owned by residents of the Sakai tribe since ancient times and was purchased by the Landlord. The land does not have a Property Rights (still in process) there is only a certificate from the village.</p> <p>The land is not sold by the concerned and has been managed by 4 landowners' families. So far there has never been any conflict</p>	<p>The land has been enclave by the Company and so far there has never been a conflict between the Company and the Land Owner.</p>

Public Issues (Institution/ NGO/Community)	Auditor Responses
regarding the land. The land owner is committed to maintaining order and security in the area so that it does not cause conflict between land owners and the Company.	

4.0	CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY
4.1	Formal Sign-off of Assessment Findings
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p>Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>PT Adei Plantation & Industry – Mandau POM Group Manager</p>  <p>Syed Zainal Friday, 07 September 2018</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p>Sandra Purba Friday, 07 September 2018</p> </div> </div>

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

No	Institution/NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	National Land Agency	Bengkalis Regency, Riau Province	-	Interview by Phone	29 August 2018	-	√
2	Plantation Agency	Bengkalis Regency, Riau Province	-	Interview by Phone	29 August 2018	√	-
3	Environment Agency	Bengkalis Regency, Riau Province	-	Interview by Phone	29 August 2018	√	-
4	Labor Agency	Bengkalis Regency, Riau Province	-	Interview by Phone	29 August 2018	√	-
5	Labor Union of North Mandau Estate	Bengkalis Regency, Riau Province	-	Direct Interview	29 August 2018	√	-
6	Gender committee	Bengkalis Regency, Riau Province	-	Direct Interview	29 August 2018	√	-
7	Employee Cooperative of Adei Plantation	Bengkalis Regency, Riau Province	-	Direct Interview	29 August 2018	√	-
8	Mandau POM : Security – 2 Workers Chemical Storage – 1 Worker Schedule Waste Storage – 1 Worker Workshop – 3 Workers	Bengkalis Regency, Riau Province	-	Direct Interview	27 - 29 August 2018	√	-
9	Mandau 5 Estate : Harvesting – 5 Workers Manuring – 3 Workers BOB – 1 Worker Fire Tower – 1 Worker Circle Racking – 3 Workers	Bengkalis Regency, Riau Province	-	Direct Interview	27 - 29 August 2018	√	-
10	Mandau 6 Estate : PPE Storage – 1 Worker Daycare – 2 Worker Sterilizer storage – 1 Worker Pesticide storage – 1 Worker Housing Complex – 8 People Workshop – 3 Workers fueling station – 1 Worker Kindergarten – 2 Teacher	Bengkalis Regency, Riau Province	-	Direct Interview	27 - 29 August 2018	√	-
11.	Sub-village of Koto Pait – Beringin Village, Sub-Village of Jiat and Land owner of 18 ha inside Land use Title PT Ade Plantation & Industry (Block 15 KM 5).	Bengkalis Regency, Riau Province	-	Direct Interview	29 August 2018	√	-
12.	AMAN	Jakarta, Indonesia.	-	Email	23 August 2018	-	√
13.	Jikalahari	Jakarta, Indonesia.	-	Email	23 August 2018	-	√
14.	Sawit Watch	Jakarta, Indonesia.	-	Email	23 August 2018	-	√
15.	WALHI	Jakarta, Indonesia.	-	Email	23 August 2018	-	√

Appendix 2. Assessment Program

DATE		27 to 31 August 2018	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 27 Aug 2018			
06.00 – 08.30	06.00 – 08.30	JAKARTA → Pekanbaru	SP / AFS / BP / YDT
09.00 – 12.00	09.00 – 12.00	Pekanbaru → PT. Adei Plantation & Industry Mandau Complex	SP / AFS / BP / YDT
14.00– 15.00	14.00– 15.00	Opening meeting <ul style="list-style-type: none"> Auditee Speech (Introduction of PIC, Profile of Certified Management Unit) Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) 	SP / AFS / BP / YDT
15.00– 17.00	15.00– 17.00	Field observation to MANDAU POM : <ul style="list-style-type: none"> Supply Chain verification (FFB Receiving, Weighbridge, Despatch CPO & PK) FFB sorting, FFB processing, workers and OHS aspect Occupational Health & Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation) POME Pond, empty bunch area, land application) 	SP / AFS / BP / YDT
Tuesday, 28 Aug 2018			
08.00 – 12.00	08.00 – 12.00	Mandau 3 Estate <ul style="list-style-type: none"> Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Environmental and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) Implementation of Occupational Health & Safety Aspect, Implementation of Employment Procedure and Mechanism HCV/conservation area and Implementation of Legal Aspect (Land Ownership, Legal Boundaries); Observation of Workers Facilities (Housing, School, Worship Place). Mandau 5 Estate <ul style="list-style-type: none"> Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road 	SP / AFS / BP / YDT

DATE		27 to 31 August 2018	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
		<i>Maintenance, Biological Control Monitoring, EFB Application</i> <ul style="list-style-type: none"> Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) Implementation of Occupational Health & Safety Aspect Implementation of Employment Procedure and Mechanism Aspect Implementation of Legal Aspect (Land Ownership, Legal Boundaries); HCV Observation of Workers Facilities (Housing, School, Worship Place). 	
12.00 – 14.00	12.00 – 14.00	Break	
14.00 – 17.00	14.00 – 17.00	Documents Review <ul style="list-style-type: none"> Review of previous (Initial assessment) findings. Verification of Basic Information Mill and Estate. Confirmation of Time Bound Plan. Review of Partial Certification. 	SP / AFS / BP / YDT / RYT
Wednesday, 29 Aug 2018			
08.00 – 12.00	08.00 – 12.00	Mandau 6 Estate <ul style="list-style-type: none"> Implementation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) Implementation of Occupational Health & Safety Aspect Implementation of Employment Procedure and Mechanism Aspect Implementation of Legal Aspect (Land Ownership, Legal Boundaries); HCV Observation of Workers Facilities (Housing, School, Worship Place). public consultation to internal stakeholders (labor union, gender committee, employee cooperative board) Public consultation to related government institution public consultation to surrounded villages and local contractor (sample will be defined on site) 	SP / AFS / BP / YDT
12.00 – 14.00	12.00 – 14.00	Break	
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> Verification of stakeholder consultation result and field visit. 	SP / AFS / BP / YDT

DATE		27 to 31 August 2018	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
		<ul style="list-style-type: none"> Document review and completing audit checklist. 	
Thursday, 30 Aug 2018			
08.00 – 11.00	08.00 – 11.00	<ul style="list-style-type: none"> Verification of stakeholder consultation result and field visit. Document review and completing audit checklist. 	SP / AFS / BP / YDT
12.00 – 14.00	12.00 – 14.00	Break	
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> Verification of stakeholder consultation result and field visit. Document review and completing audit checklist. 	SP / AFS / BP / YDT
Friday, 31 Aug 2018			
07.00 – 09.00	07.00 – 09.00	<ul style="list-style-type: none"> Internal discussion by auditor team preparing for Closing Meeting 	SP / AFS / BP / YDT
09.00 – 10.00	09.00 – 10.00	Closing Meeting: <ul style="list-style-type: none"> Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion)/ Comments, Responses and Questions 	SP / AFS / BP / YDT
10.00 – 14.00	10.00 – 14.00	Kebun Mandau – Pekanbaru	
15.00 -	15.00 -	Pekanbaru - Jakarta	