

Roundtable on Sustainable Palm Oil Certification
R S P O

[✓] Re-Certification

Name of Management : Nilo POM 1 – PT Adei Plantation & Industry, subsidiary of Kuala Lumpur Organisation
Organisation : Kepong Bhd.
Plantation Name : PT Adei Plantation & Industry (Nilo Barat 1 Estate and Nilo Barat 2 Estate) and PT Safari Riau (Safari Riau Estate)
Location : Telayap Village, Sub District of Pelalawan, District of Pelalawan, Province of Riau, Indonesia
Certificate Code : **MUTU-RSPO/039**
Date of Certificate Issue : 14 May 2019 Date of License Issue : 28 May 2019
Date of Certificate Expiry : 13 May 2024 Date of License Expiry : 13 May 2020

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
RC	18 – 22 & 27 March 2019	Andi Pratama Pasaribu (Lead Auditor), Ardiansyah, Satria Adi Putra, Steve Mualim and Rindu Galih Rezza Rachmansyah	Hera Hendrasana	Octo H.P.N Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
RC	17 May 2019

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Figure 1. Location Map of PT Adei Plantation & Industry

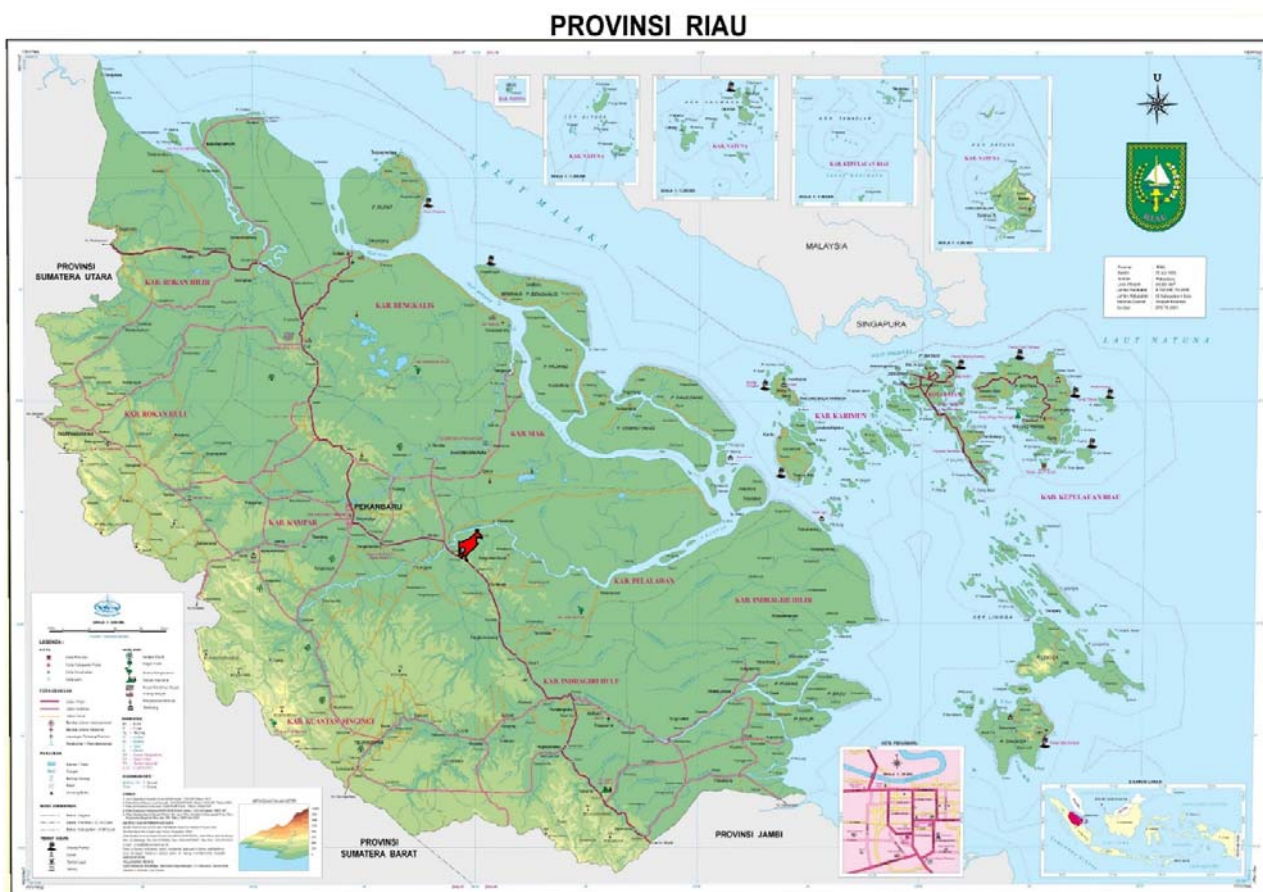


Figure 2. Location Map of PT Adei Plantation & Industry and PT Safari Riau

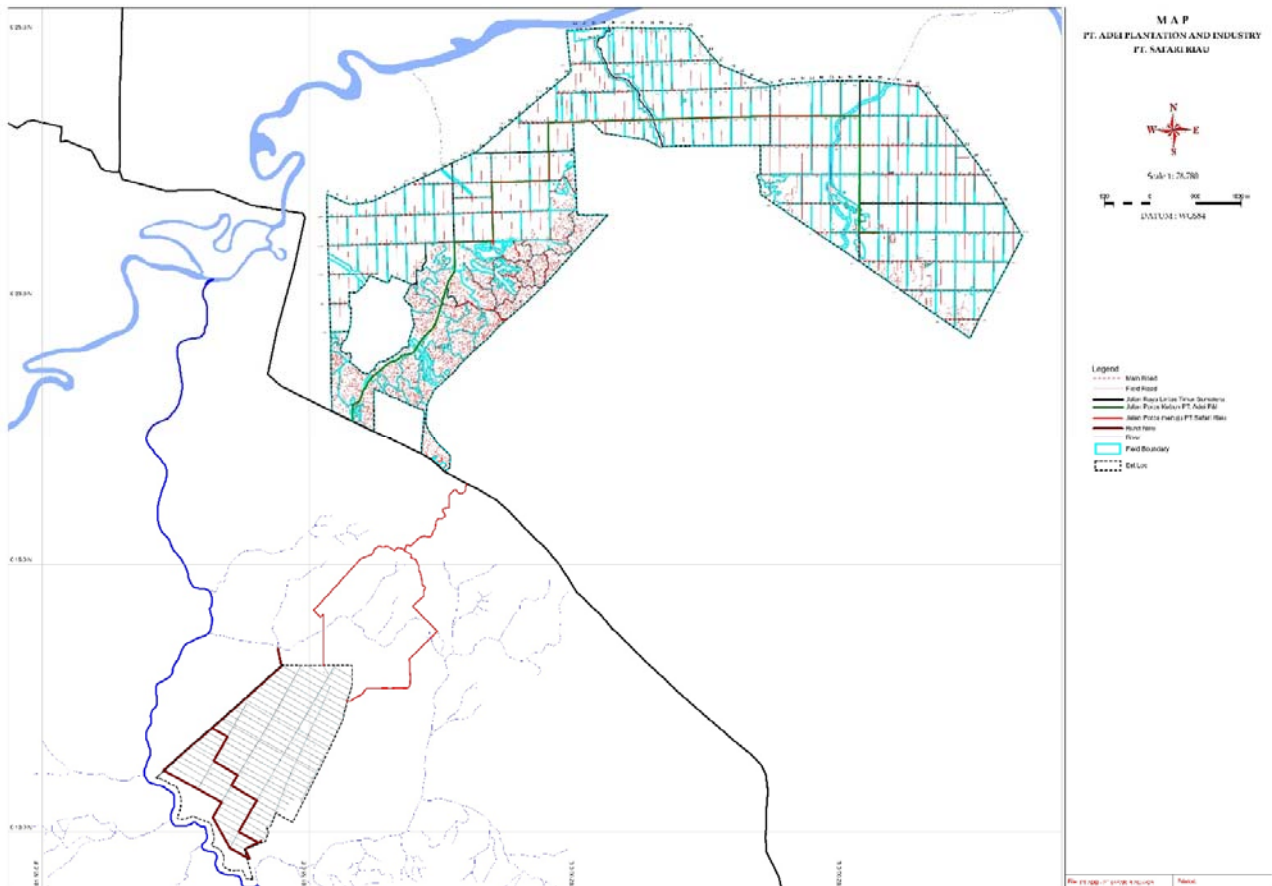


Figure 3. Operational Map of Nilo Barat 1 & 2 Estate

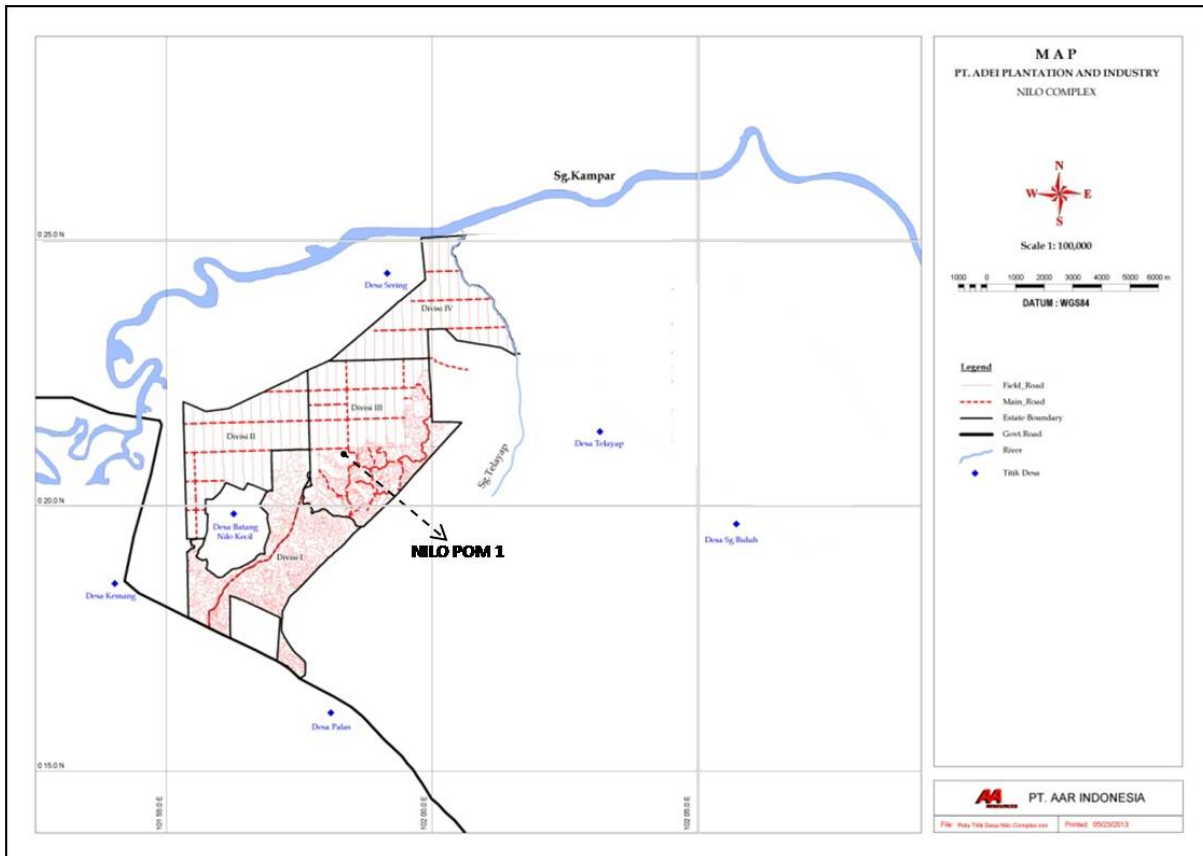
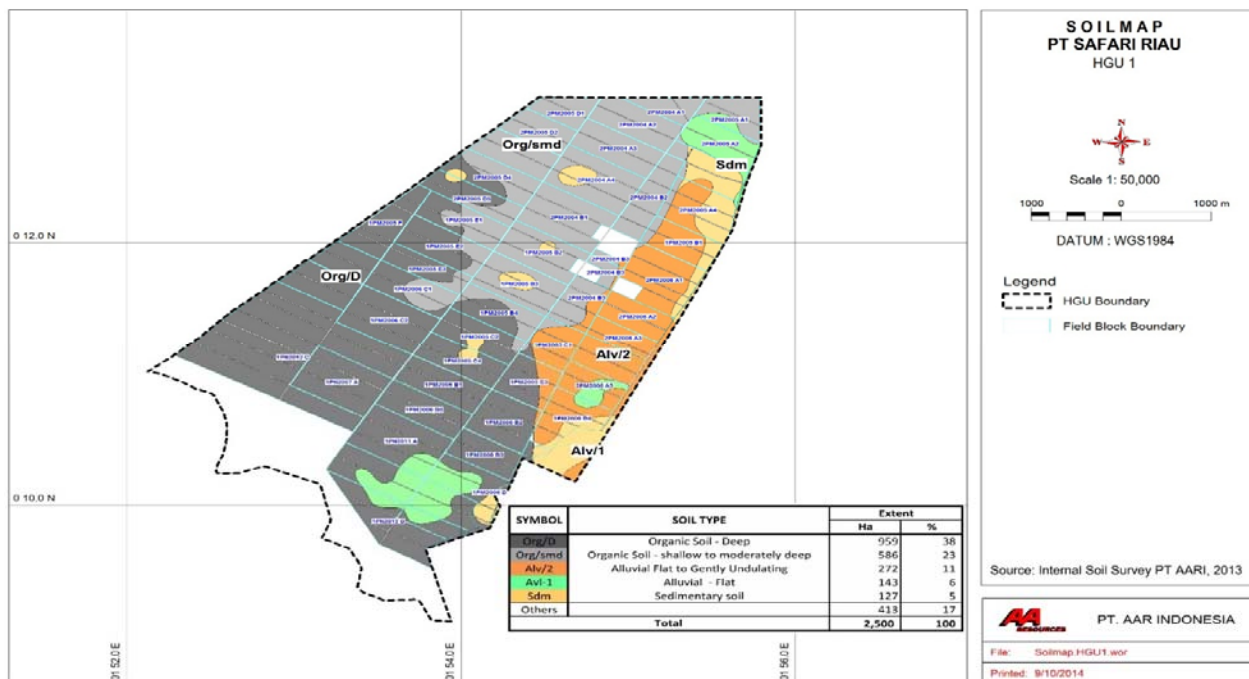


Figure 4. Operational Map of PT Safari Riau



Abbreviations Used

AARI	:	Applied Agricultural Resources Indonesia
B3	:	Hazardous Material
BOB	:	Barn Owl Box
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial</i> (Social Security Agency)
BPN	:	<i>Badan Pertanahan Nasional</i> (National Land Agency)
CH	:	Certificate Holder
CITES	:	Convention on International Trade in Endangered Species of Wild Fauna and Flora.
CLA	:	Collective Labor Agreement
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
CV	:	Comanditaire Venotschap
DLH	:	<i>Dinas Lingkungan Hidup</i> (Environment Agency)
EFB	:	Empty Fruit Bunch
EIA	:	Environmental Impact Analysis
FFB	:	Fresh Fruit Bunches
FGD	:	Focus Group Discussion
FPIC	:	Free, Prior, Informed, Concern
GHG	:	Green House Gas
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha</i> (Land Use Title)
IPM	:	Integrated Pest Management
ISPO	:	Indonesian Sustainable Palm Oil
IUCN	:	International Union for Conservation of Nature
IUP	:	<i>Izin Usaha Perkebunan</i>
KER	:	Kernel Extraction Rate
KKPA	:	<i>Kredit Kepada Koperasi Untuk Anggotanya</i> (Cooperative Credit Scheme)
KLHK	:	<i>Kementrian Lingkungan Hidup dan Kehutanan</i>
KLK	:	Kuala Lumpur Kepong
KNB 1	:	Kebun Nilo Barat 1
KNB 2	:	Kebun Nilo Barat 2
LCC	:	Legume Cover Crop
LD 50	:	Lethal Dose 50
MCK	:	<i>Mandi, cuci & Kakus</i>
MCL	:	Mandau Central Laboratory
MCU	:	Medical Check Up
MSDS	:	Material safety Data Sheet
NGO	:	Non-Government Organization
NPOM	:	Nilo Palm Oil Mill 1
UKL/UPL	:	<i>Upaya Kelola Lingkungan dan Upaya Pemantauan Lingkungan</i> (Environmental management and monitoring efforts).
OER	:	Oil Extraction Rate
OFI	:	Opportunity For Improvement
OHS	:	Occupational Health and Safety

P2K3	:	<i>Panitia Pembina Keselamatan dan Kesehatan Kerja</i> (Guiding Committee of Occupational Safety and Health)
PIC	:	Person in Charge
PK	:	Palm Kernel
PKO	:	Palm Kernel Oil
PKWT	:	<i>Pekerja Waktu Tertentu</i> / Fixed Term Contract
POM	:	Palm Oil Mill
PPE	:	Personal Protective Equipment
PPKL	:	<i>Pengendalian Pencemaran dan Kerusakan Lingkungan</i>
PT AP&I / PT Adei	:	PT Adei Plantation & Industry
RC	:	Re-certification
RKL/RPL	:	<i>Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan</i> (Environmental Management Plan / Environmental Monitoring Plan)
RSPO	:	Roundtable on Sustainable Palm Oil
RTE	:	Rare, Threatened and Endangered
SBSI	:	<i>Serikat Buruh Sejahtera Indonesia</i>
SCCS	:	Supply Chain Certification System
SIA	:	Social Impact Assessment
SOP	:	Standard Operating System
SSOP	:	Sustainability Standard Operating System
SPSI	:	<i>Serikat Pekerja Seluruh Indonesia</i>
TPA	:	<i>Tempat Penitipan Anak</i> (Daycare).
WTP	:	Water Treatment Plant
WWTP	:	Waste Water Treatment Pond

1.0	SCOPE of the CERTIFICATION ASSESSMENT		
1.1	Assessment Standard Used	<ul style="list-style-type: none"> Indonesian National Interpretation Principles and Criteria RSPO 2013 for Indonesia July 2016, approved RSPO Governors 30 September 2016 RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D / E for CPO Mill) RSPO Certification System for Principles and Criteria, 14 June 2017 	
1.2	Organisation Information		
1.2.1	Organisation name listed in the certificate	PT Adei Plantation & Industry subsidiary of Kuala Lumpur Kepong Bhd	
1.2.2	Contact person	Thomas Thomas	
1.2.3	Organisation address and site address	RSPO registered Company Wisma Taiko, No 1 Jalan SP Seenivasagam Ipoh/Perak Darul Ridzuan, Malaysia 30000 Liasion Office: Kompleks Pertokoan Taman Anggrek Blok B2 – B5 Jl. Tuanku Tambusai, Pekanbaru, Riau	
1.2.4	Telephone	0761 – 571885, 571861/62	
1.2.5	Fax	0761 – 571884	
1.2.6	E-mail	Thomas.t@klk.com.my	
1.2.7	Web page address	www.klk.co.id	
1.2.8	Management Representative who completed the application for certification	Thomas Thomas	
1.2.9	Registered as RSPO member	1-0014-04-000-00, 18 October 2004	
1.3	Type of Assessment		
1.3.1	Scope of Assessment and Number of Management Unit	Nilo POM 1, Nilo Barat 1 Estate, Nilo Barat 2 Estate and Safari Riau Estate	
1.3.2	Type of certificate	Single	
1.4	Locations of Mill and Plantation		
1.4.1	Location of Mill		
	Name of Mill	Location	Coordinate
			Latitude Longitude
	Nilo POM 1	Telayap Village, Sub District of Pelalawan, District of Pelalawan, Province of Riau, Indonesia	N 0° 20' 52" E 101° 58' 20"
1.4.2	Location of Certification Scope of Supply Base		
	Name of Supply Base	Location	Coordinate
			Latitude Longitude
	Nilo Barat 1 Estate	Batang Nilo Kecil Village Sub District of	

		Pelalawan, and Kemang Village Sub District Pangkalan Kuras, District of Pelalawan, Province of Riau, Indonesia	N 0°17' 48"	E 101°55'57"	
	Nilo Barat 2 Estate	Telayap Village, Sub District of Pelalawan, District of Pelalawan, Province of Riau, Indonesia	N 0° 20' 59"	E 101° 58' 28"	
	Safari Riau Estate	Terantang Manuk Village, Sub District of Pangkalan Kuras, District of Pelalawan, Province of Riau, Indonesia	N 0° 12' 04"	E 101° 54' 51"	
1.5	Description of Area Statement				
1.5.1	Tenure				
	• State				
	- PT Adei Plantation & Industry		12,860 Ha		
	- PT Safari Riau		2,500 Ha		
	• Community		- Ha		
1.5.2	Area Statement				
		PT Adei Plantation & Industry (Ha)	PT Safari Riau (Ha)	Total (Ha)	
	• Total area	6,179	2,500	8,679	
	• Mature area	3,713	1,549	5,262	
	• Immature area	1,856	-	1,856	
	• Building	51	22	73	
	• Infrastructure (Road & Bridges)	79	113	192	
	• Nursery	14	-	14	
	• Reserve Area	308	-	308	
	• Conservation Area	53	-	53	
	• HCV	105	250	355	
	• Temporary Enclave	-	27	27	
	• Water catchment areas	-	539	539	
*area of 6,681 is included in the certification scope of Nilo POM 2					
*there are differences in each management unit area due to the re-measurement on 2018					
1.6	Planting Year and Cycles				
1.6.1	Age profile of planting year				
	Planting Year	Hectarage (Ha)			
		Nilo Barat 1 Estate	Nilo Barat 2 Estate	Safari Riau Estate	Total
	1992	118	-	-	118
	1998	801	-	-	801
	1999	510	780	-	1,290
	2000	628	312	-	940
	2001	-	424	-	424
	2003	17	-	-	17
	2004	-	-	285	285
	2005	-	123	738	861

	2006	-	-	473	473		
	2007	-	-	27	27		
	2014	-	-	26	26		
	Mature Area	2,074	1,639	1,549	5,262		
	2016	278	283	-	561		
	2017	-	221	-	221		
	2018	129	538	-	667		
	2019	-	407	-	407		
	Immature Area	407	1,449	-	1,856		
	TOTAL	2,481	3,088	1,549	7.118		
1.6.2	New Planting area after January 2010			- Ha			
1.6.3	Planting Cycle			2 nd Cycle			
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
	Nilo POM 1	90	160,659	34,859	21.70	8,433	5.25
						*Production data source from March 2018 to February 2019	
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/ year)	Supplied to Mill	
						FFB (tonnes/year)	%
	Nilo Barat 1 Estate	2,891	2,481	53,455	21.55	53,455	100
	Nilo Barat 2 Estate	3,288	3,088	41,198	13.34	41,198	100
	Safari Riau Estate	2,500	1,549	51,497	33.24	51,497	100
	TOTAL	8,679	7,118	146,150	16.99	146,150	100
						*Production data source from March 2018 to February 2019	
						*Safari Riau Estate certified since 26 November 2018 (extension scope)	
1.7.3	FFB description from other source						
	Name of sources/Organisation	Type of Organisation	Number of smallholders	Production Area (Ha)	Supplied to Mill		
					FFB (tonnes/year)		
	KKPA Batang Nilo Kecil (Noncertified)	PT Adei P&I (Associated Smallholder)	300	540	6,320.93		
	KKPA Sering (Noncertified)	PT Adei P&I (Associated Smallholder)	50	120	954.04		
	KKPA Telayap (Noncertified)	PT Adei P&I (Associated Smallholder)	250	1,002	925.82		
	KKPA Pelalawan (Noncertified)	PT Adei P&I (Associated Smallholder)	202	352	194.30		
	KKPA PT. Safari Riau	Independent Outgrower	-	-	5,353.81		

	(Noncertified)							
	KTA PT.Safari Riau (Noncertified)	Independent Outgrower	-	-	1,095.86			
	TOTAL				14,844.76			
	*Production data source from March 2017 to February 2018							
1.7.4	Product categories			FFB, CPO, PK				
1.8	Tonnage of Product							
1.8.1	Past Annual Claim Certified Product	Previous Certificate Claim (tonnes/year)		Actual Production 12 Month before audit (tonnes/year)				
	• FFB Production	123,436		104,802				
	• CPO Production	25,304		21,358				
	• Palm Kernel (PK) Production	6,480		5,348				
	* During ASA-4 to RC There is an extension volume because the increase of production.							
1.8.2	Product selling							
	Tonnage of selling product		Period of actual selling product 12 Month before audit (tonnes/year)					
	• CSPO sold as RSPO certified product		-					
	• CSPK sold as RSPO certified product		4,373					
	• CSPO sold under other scheme		4,122					
	• CSPK sold under other scheme		-					
	• CSPO sold as conventional		14,236					
	• CSPK sold as conventional		825					
1.8.3	Estimate of Certified FFB Claim							
	Name of Estates	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)			
	Nilo Barat 1 Estate	2,891	2,481	45,628	22			
	Nilo Barat 2 Estate	3,288	3,088	22,946	14			
	Safari Riau Estate	2,500	1,549	50,259	33			
	TOTAL	8,679	7,118	118,833	11.63			
	*Projected FFB production for 14 May 2019 to 13 May 2020							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (tonnes)	Extraction (%)	Palm Kernel Out put (tonnes)	Extraction (%)	Supply Chain Module
	Nilo POM 1	90	118,833	25,549	21.50	6,060	5.10	MB
	*Projected CSPO & CSPK for 14 May 2019 to 13 May 2020							
1.9	Other Certifications							
	ISPO			MUTU-ISPO/109 valid until 29 November 2022				
	ISCC			EU-ISCC-Cert-DE105-83153805, valid 4 May 2018 – 3 May 2019				
1.10	Time Bound Plan							

1.10.1	Time Bound Plan for Other Management Units					
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
	MILL	Time Bound Plan				
	INDONESIA					
	Berau POM PT Hutan Hujan Mas	2018	Sungai Melemah (PT MP)	2018	Berau, Kalimantan Timur	IC
			Sungai Atap (PT MP)	2018		IC
			Sungai Segah (PT HHM)	2018		IC
			Sungai Pura (PT HHM)	2018		IC
			Sumbarata (PT SSD)	2018		IC
	Jabontara POM PT Jabontara Eka Karsa	2017	Sungai Raya	2017	Berau, Kalimantan Timur	Certified
			Sungai Jantui	2017		Certified
	MAP POM PT Mulia Agro Permai	2018	Menteng Jaya Sawit Perdana	2018	Mentaya Hilir Utara, Kalimantan Tengah	IC
			MAP Barat (PT MAP)	2018	Baamang, Kalimantan Tengah	IC
			MAP Timur (PT MAP)	2018		IC
	KMA POM PT Karya Makmur Abadi	2017	KMA Utara	2018	Mentaya Hulu, Kalimantan Tengah	IC
			KMA Tengah	2018		IC
			KMA Selatan	2018		IC
	SWP POM PT Steelindo Wahana Perkasa	2012	Barat	2012	Belitung, Bangka Belitung	Certified
			Utara	2012		Certified
			Timur	2012		Certified
			Selatan	2012		Certified
	Parit Sembada POM PT Parit Sembada	2013	Parit Sembada	2013	Belitung, Bangka Belitung	Certified
			Alam Karya Sejahtera	2013		Certified
	Mandau POM PT ADEI	2012	Kebun Mandau Selatan 1	2012	Bengkalis, Riau	Certified
			Kebun Mandau Selatan 2	2012		Certified
			Kebun Mandau Selatan 3	2012		Certified
			Kebun Mandau Selatan 4	2012		Certified
			Kebun Mandau Utara 5	2012		Certified
			Kebun Mandau Utara 6	2012		Certified
			Kebun Mandau Utara 7	2012		Certified
	Nilo POM 1 PT ADEI	2012	Nilo Barat 1	2012	Pelalawan, Riau	Certified
			Nilo Barat 2	2012		Certified
			Kop Petani Sejahtera (KKPA)	2018		-
			Kop Karya Mitra (KKPA)	2018		-
			Kop Tani Harapan Maju (KKPA)	2018		-
			PT Safari Riau	2018		Certified
			KKPA PT Safari Riau	2018		-

			KTA Safari	2018		-
	Nilo POM 2 PT ADEI	2012	Nilo Timur 1	2012	Pelalawan, Riau	Certified
			Nilo Timur 2	2012		Certified
			KKPA SP 1 (PT SWP)	2018		Certified
			KKPA SP 2 (PT SWP)	2018		Certified
			KKPA Sungai Buluh (PT SWP)	2018		Certified
			Ladang Mutiara (PT SWP)	2018		Certified
	Tapung Kanan POM PT Sekarbumi Alamlestari	2012	Tapung Kanan 1	2012	Kampar, Riau	Certified
			Tapung Kanan 2	2012		Certified
			Tapung Kanan 3	2012		Certified
			KKPA (Kopni Sahabat Lestari)	2016		Refuse to take a part RSPO process.
	Stabat POM PT Langkat Nusantara Kepong	2014	Basilam	2017	Langkat, Sumatera Utara	Certified
			Gohor Lama	2017		Certified
			Tanjung Keliling	2017		Certified
			Maryke	2017		Certified
			Bekiun	2017		Certified
			Padang Brahrang	2017		Certified
			Bukit Lawang	2017		Certified
			Tanjung Beringin	2019		-
	Padang Brahrang POM PT Langkat Nusantara Kepong	2014	Sudah tidak beroperasi			
	PENINSULAR MALAYSIA					
	Batu Lintang POM	2013	Pelam	2013	Kulim, Kedah	Certified
			Batu Lintang	2013	Serdang, Kedah	Certified
			Subur	2013	Batu Kurau, Perak	Certified
			Ghim Khoon	2013	Kulim, Kedah	Certified
	Kekayaan POM	2011	Kekayaan	2011	Paloh, Johor	Certified
			Landak	2011	Paloh, Johor	Certified
			Voules	2011	Tenang, johor	Certified
			Bandar Tenggara	2011	Bandar Tenggara, Johor	Certified
			New Pogoh	2011	Tenang, johor	Certified
			Fraser	2011	Kulai, Johor	Certified
			Paloh	2011	Paloh, Johor	Certified
			Sungai Bekok	2011	Bekok, Johor	Certified
			Ban Heng	2011	Pagoh, Muar, Johor	Certified
			See Sun	2011	Renggam, Johor	Certified
	Paloh POM	-	Outside Crop	-	Paloh, Johor	-

	Jerang Padam POM	2012	Ayer Hitam	2012	Bahau, Negri Sembilan	Certified
			Batang Jelai	2012	Rompin, Negri Sembilan	Certified
			Jeram Padang	2012	Bahau, Negri Sembilan	Certified
			Kombok	2012	Rantau, Negri Sembilan	Certified
			Ulu Pemas	2012	Pemas, Negri Sembilan	Certified
			Gunung Pertanian	2012	Simpang Durian, Negri Sembilan	Certified
			Sungai Kawang	2012	Lanchang, Pahang	Certified
			Renjok	2012	Telepong, Pahang	Certified
			Tuan	2012	Telepong, Pahang	Certified
	Tanjung Malim POM	2013	Tanjung Malim	2013	Tanjung Malim, Perak	Certified
			Kerling	2013	Kerling, Selangor	Certified
			Sungai Gapi	2013	Serendah, Selangor	Certified
			Bukit Kato	2013	-	Certified
			Kampar	2013	-	Certified
	Tuan Mee POM	2013	Tuan Mee	2013	Sungai Buloh, Selangor	Certified
	Kuala Pertang POM	2013	Kerila	2013	Tanah merah, Kelantan	Certified
			Pasir Gajah	2013	Kuala Krai, Kelantan	Certified
			Sungai Sokor	2013	Tanah Merah, Kelantan	Certified
	Changkat Chermin POM	2013	Lekir	2013	Batu 12, 32020 Sitiawan, Perak	Certified
			Changkat Chermin	2013	Batu 13 ½, 32400, Ayer Tawar, Perak	Certified
			Raja Hitam	2013	Bt 18, Kg Jering, 32400 Ayer Tawar, Perak	Certified
			Allagar	2013	Ladang Allagar, 34800 Trong, Perak.	Certified
			Glenealy	2013	Jalan Si Putih – Batu Hampar, 32800 Parit, Perak	Certified
			Serapoh	2013	Ladang Serapoh, 32800 Parit, Perak	Certified
			Kuala Kangsar	2013	Ladang Kuala Kangsar, 33700 Padang Rengas, Perak	Certified
			Pinji	2013	Ladang Pinji, P.O.Box 1027, 30820 Ipoh, Perak	Certified
			Batu Dua	2013	Ladang Batu Dua, P.O.Box 1027, 30820 Ipoh, Perak	Certified
			Menglembu	2013	Ladang Menglembu d/k No. 1, Hala Kledang 4, Taman Kledang, 31450 Menglembu, Perak	Certified
			Kampar	2013	Peti Surat 20, 31907, Kampar, Perak.	Certified
			Subur	2013	34520, Batu Kurau, Perak	Certified
			Bukit Kartho	2013	Ladang Bukit Katho, 35500 Bidor, Perak.	Certified

	SABAH, MALAYSIA																																	
	Mill 1	2009	Jatika	2009	Tawau, Sabah	Certified																												
			Sigalong	2009		Certified																												
			Pangeran	2009		Certified																												
			Sri Kunak	2009		Certified																												
			Pang Burong	2009		Certified																												
	Mill 1	-	Outside crop	-	-	-																												
	Pinang	2009	Pinang	2009	Tawau, Sabah	Certified																												
			Tundong	2009		Certified																												
			Ringlet	2009		Certified																												
	Lungmanis	2010	Lungmanis	2010	Lahad Datu, Sabah	Certified																												
			Sungai Silabukan	2010		Certified																												
	Rimmer	2010	Rimmer	2010	Lahad Datu, Sabah	Certified																												
			Tungku	2010		Certified																												
			Bukit Tabin	2010		Certified																												
	Bornion	2010	Bornion	2010	Kinabatangan, Sabah	Certified																												
			Segar Usaha	2010		Certified																												
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard																																	
	<p>Based on result of partial audit on 27-30 November 2017 with scopes audit of KKPA Batang Nilo Kecil, KKPA Telayap and KKPA Sering, it is known that some areas of cooperatives do not have legality, among others:</p> <ul style="list-style-type: none">• KKPA Batang Nilo Kecil (300 members): No evidence of land legality ownership for 300 members (still in process)• KKPA Sering (50 members): 46 people have land legality ownership (Certificate of Ownership), but there are 4 persons who have not been able to show land legality ownership (still in process)• KKPA Telayap (465 members): 450 people already have land legality ownership, but there are 15 people who have not been able to show land legality ownership. <p>In addition, KKPA Telayap also has internal problems between the board and members of the cooperative, so it has not been able to follow the RSPO certification process.</p> <p>The Company has shown the RSPO Certification Socialization News Report for KKPA / Plasma on December 15, 2017 attended by KKPA Batang Nilo Kecil (Petani Sejahtera cooperative), KKPA Sering (Karya Mitra cooperative), PT Safari Riau, KKPA Telayap, KKPA Safari Riau (Terantang Manuk cooperative) and Pelalawan District Agency. The results of the RSPO certification consultation meeting to the KKPA/Plasma only agree to be audited after all legality is available.</p> <p>The company also shows the Licensing Monitoring document with the following details:</p> <table><tr><th>No</th><th>Estate</th><th>Cooperative Name</th><th>Number of Members</th><th>SHM</th><th>STDB</th><th>Supply to Mill</th></tr><tr><td>1</td><td>KKPA Batang Nilo Kecil</td><td>Petani Sejahtera</td><td>300</td><td>Available: 264 Not available yet: 36</td><td>Available: 300</td><td>NPOM1</td></tr><tr><td>2</td><td>KKPA Sering</td><td>Karya Mitra</td><td>50</td><td>Available: 46 Not available yet: 4</td><td>Available: 50</td><td>NPOM1</td></tr><tr><td>3</td><td>KKPA Telayap</td><td>Harapan Maju</td><td>465</td><td>Available: 450 Not available yet: 15</td><td>Not available yet: 465</td><td>NPOM1</td></tr></table>						No	Estate	Cooperative Name	Number of Members	SHM	STDB	Supply to Mill	1	KKPA Batang Nilo Kecil	Petani Sejahtera	300	Available: 264 Not available yet: 36	Available: 300	NPOM1	2	KKPA Sering	Karya Mitra	50	Available: 46 Not available yet: 4	Available: 50	NPOM1	3	KKPA Telayap	Harapan Maju	465	Available: 450 Not available yet: 15	Not available yet: 465	NPOM1
No	Estate	Cooperative Name	Number of Members	SHM	STDB	Supply to Mill																												
1	KKPA Batang Nilo Kecil	Petani Sejahtera	300	Available: 264 Not available yet: 36	Available: 300	NPOM1																												
2	KKPA Sering	Karya Mitra	50	Available: 46 Not available yet: 4	Available: 50	NPOM1																												
3	KKPA Telayap	Harapan Maju	465	Available: 450 Not available yet: 15	Not available yet: 465	NPOM1																												

	4	KKPA TERANTANG MANUK (KKPA Safari Riau)	Terantang Jaya Mandiri	325	Available: 315 Not available yet: 10	Available: 315 Not available yet: 10	NPOM1
	5	PT. SAFARI RIAU	Total area of 5,348 Ha for PT Safari Riau, has have HGU of 2,500 Ha and area of 2,848 Ha is still in the process of HGU.				
	Based on the above explanation, it is known that there are still problems of legality on KKPA Batang Nilo Kecil, KKPA Sering, KKPA Telayap, KKPA Safari Riau and PT Safari Riau, so it has not been able to follow RSPO certification process. It will be re-observed in the next assessment.						

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

2.2.2	Assessment Process
RC	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Adei Plantation & Industry to the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016 and Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, Revised June 2017 (Module E for CPO Mill).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results <i>RC</i> delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (<i>ASA-1.1</i>). Improvement of findings from main assesment findings were observed by auditors at this <i>RC</i> assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of <i>RC</i>.</p> <p>The assessment program please find Appendix 2</p>
2.2.3	Locations of Assessment
RC	<p>Number of units in this certification activity is three estates, which supply the raw material (FFB) to Nilo 1 palm oil mill. In conducting the assessment, the auditors team determined that all locations are visited consist of one palm oil mill (Nilo POM 1) and three estates (KNB 1 estate, KNB 2 estate and Safari Riau).</p> <p>Nilo Barat 1 Estate</p> <ul style="list-style-type: none"> • Block 32, Division 2. Observation legal boundary / HGU mark BPN 129 • Block 33, Division 2. Observation legal boundary / HGU mark BPN 130 • Chemical Weeding, Block 5 Division 1. Observation and interview with chemical applicator regarding to chemical weeding procedure, PPE usage, routine medical examination, payments, worker rights, complaint etc. • Manuring, Block 12 Division 2. Observation and interview with chemical applicator regarding to manuring procedure, PPE usage, routine medical examination, worker rights, payments, complaint etc. • Harvesting, Block 5 Division 1. Observation and interview with harvester and harvesting supervisor regarding to safety working procedure on harvesting, PPE usage, worker rights, payments, complaint etc. • Barn Owl Box, Block 5 and Block 12 Division 1. Observation of natural predator to monitoring rat infestation. • Road Maintenance, Block 13 Division 1. Observation of road maintenance by using heavy equipment (road grader and compactor). • Replanting Area, Block 25, 26 and 27. Observation of replanting activity. There is no fire usage during replanting activity. • Fertilizer store. Observation for material handling and OHS • Chemical store. Observation for material handling and OHS • Generator set house. Observation for OHS and hazardous waste management • Spraying team PPE store. Observation for OHS and waste management • Pesticides mixing area. Observation for agrochemicals management • Land fire facilities. Observation related land fire facilities • Land fire emergency response simulation. Observation for land fire emergency response team • Daycare div 1. Observation for workers welfare, OHS, and workers facilities • Daycare div 2. Observation for workers welfare, OHS, and workers facilities • Housing div 1. Observation for OHS and workers facilities • Housing div 1. Observation for OHS and workers facilities • Landfill div 1/2 block 32. Observation for domestic waste management <p>Nilo Barat 2 Estate</p> <ul style="list-style-type: none"> • Block 12, Division 4. Observation legal boundary / HGU mark BPN 146

- **Block 12, Division 4.** Observation legal boundary / HGU mark BPN 147
- **Block 54, Division 3.** Observation legal boundary / HGU mark BPN 81
- **Block 54, Division 3.** Observation legal boundary / HGU mark BPN 82
- **Land Application Block 00A1, Division 3.** Observation for Palm Oil Mill Effluent application and waste management.
- **Harvesting, Block PM15A, Division 4.** Observation and interviews with foremen and harvest workers related to work procedures, health insurance and labor protection, safe working practices and use of PPE.
- **Spraying, Block 01A1, Division 3.** Interviews of spraying mechanism, work tools, chemicals used, doses used, medical examinations, extra feeding, PPE, labor aspect and environment.
- **Fertilizer, Block 8/9, Division 3.** Interviews of fertilizer mechanism, work tools, chemicals used, doses used, medical examinations, extra feeding, PPE, labor aspect and environment.
- **EFB Application Block 56, Division 3.** Observation related to waste management and nutrient cycle strategy
- **Nest Box (*Tyto alba*), Block 8, Division 4.** Observation related integrated pest management.
- **Beneficial Plant, Blok 17, Division 3.** Observations regarding the implementation of procedures for the use of natural enemies.
- **Water Gate, Block 21 & 22, Division 3.** Observation related water management in peat area.
- **Subsidence Pole, Block 17, Division 3.** Observation related land management in peat area.
- **Piezometer, Block 23, Division 3.** Observation related water management in peat area.
- **Chemical Warehouse.** Observation and Interview with worker related to OHS implementation, training, hazardous material and hazardous waste management.
- **Fertilizer Warehouse.** Observation and Interview with worker related to OHS implementation, training, hazardous material and hazardous waste management.
- **PPE Storage.** Observation related PPE storage and stock.
- **PPE Spraying Storage.** Observation and Interview with worker related to OHS implementation, PPE storage, training, hazardous material and hazardous waste management.
- **PPE Manuring Storage.** Observation and Interview with worker related to OHS implementation, PPE storage, training, hazardous material and hazardous waste management.
- **Emergency & Firefighting Warehouse.** Observation and interview with workers related emergency and firefighting equipment management.
- **Workshop.** Observation and interviews with workers related to management of hazardous waste and hazardous material, training, implementation of OHS, emergency response facilities and worker welfare.
- **Temporary Hazardous Waste Warehouse.** Observation and interviews with workers related to management of hazardous waste and hazardous material, MSDS, training, implementation of OHS, emergency response facilities and worker welfare.
- **Landfill Division 3 Block 56.** Observation related to domestic waste management
- **Tunas Harapan Kindergarten.** Field observation related to education facility.
- **Tunas Harapan Elementary School.** Field observation related to education facility.
- **Tunas Harapan Junior Highschool.** Field observation related to education facility.
- **Tunas Harapan Highschool.** Field observation related to education facility.
- **Nurul Medika Clinic.** Observation and interview with clinic doctor related health facility, health regulation, workers health check, and clinic management.
- **Division 3 Housing Complex.** Observation related to employee facilities, management of domestic waste, emergency response facilities, access to daily needs, provision of clean water and electricity.
- **Division 3 Daycare.** Observation and Interview related to given facility, emergency response facilities and interviews with employees in relation to work hours, wages, access to daily needs, policies, protection of reproductive rights for women workers.
- **Division 4 Housing Complex.** Observation related to employee facilities, management of domestic waste, emergency response facilities, access to daily needs, provision of clean water and electricity.
- **Division 4 Daycare.** Observation and Interview related to given facility, emergency response facilities and interviews with employees in relation to work hours, wages, policies, protection of reproductive rights for women workers.

Nilo POM 1

- **Security Gate.** Observation and interview with security officer regarding of receive and dispatch procedure.
- **Weighbridge.** Observation and interview with weighbridge operator regarding of receive and dispatch procedure, certified and noncertified product recapitulation etc.
- **Loading Ramp Station.** Observation and Interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.
- **Boiler Station.** Observation and Interview with operator related personnel understanding over the applicable SOP, infrastructure in mill, the implementation of occupational health and safety, medical examination, trainings from company and worker welfare.
- **Compound Workers.** Interview with worker contractor related worker contract, applicable SOP, PPE used, training, and BPJS from contractor.
- **Sterilizer Station.** Observation of application and interview with sterilizer operators related to SOP, K3 and employment.
- **Engine Room.** Observations and interviews with engine room operators on employment, occupational safety and health and defined work procedures.
- **Kernel Stations.** Observations and interviews with kernel station operators regarding employment, occupational safety and health and defined work procedures.
- **Boiler Station.** Observations and interviews with boiler operators regarding labor, occupational safety and health and defined work procedures.
- **Digester & Press Stations.** Observations and interviews with digester/press station operators regarding employment, occupational safety and health and defined work procedures.
- **Hydrant No. 03 Simulation.** Observation for simulation of emergency facilities
- **Hydrant No. 02 Simulation.** Observation for simulation of emergency facilities
- **Water treatment plant.** Observation for OHS and water usage monitoring
- **Chemical Store.** Observation for OHS and material handling
- **Hazardous Waste Store.** Observation for OHS and hazardous waste management
- **Lubricants Store.** Observation for OHS and OHS and material handling
- **Workshop.** Observation for OHS and workers welfare
- **Effluent Pond.** Observation for palm oil mill effluent management
- **Empty Bunch Area.** Observation for empty bunch management

PT Safari Riau

- **Block C3, Division 1.** Observation legal boundary / HGU mark No. 36
- **Block C1, Division 1.** Observation legal boundary / HGU mark No. 37
- **Block B36, Division 1.** Observation legal boundary / HGU mark No. 38
- **Block B38, Division 1.** Observation legal boundary / HGU mark No. 39
- **Block E28, Division 1.** Observation legal boundary / HGU mark No. 01
- **Block B32/A32, Division 1.** Observation management of HCV area in form of buffer zone of Nilo River.
- **Circle Path (spraying) Block C10 Division 1.** Observation and Interview with workers related to personnel understanding over the applicable SOP, implementation of OHS, training from company and worker welfare.
- **Manuring Block B09 Division 1.** Observation and Interview with workers related to personnel understanding over the applicable SOP, implementation of OHS, training from company and worker welfare.
- **FFB Loading Block A19 Division 1.** Observation and Interview with workers related to personnel understanding over the applicable SOP, implementation of OHS, training from company and worker welfare.
- **Pest Census Block C17 Division 1.** Observation and Interview with workers related to personnel understanding over the applicable SOP, implementation of OHS, training from company and worker welfare.
- **Subsidence Pole, Block A29, Division 1.** Observation related land management in peat area.
- **Piezometer, Block A29, Division 1.** Observation related water management in peat area.
- **Water Level, Block A29, Division 1.** Observation related water management in peat area.
- **Nest Box (Tyto alba), Block A22, Division 1.** Observation related integrated pest management.
- **Housing div 1& 2.** Observation related OHS, worker facilities, waste management, and welfare.

	<ul style="list-style-type: none"> • Daycare div 1. Observation related OHS, worker facilities and welfare. • Hazardous waste store. Observation for OHS and hazardous waste management. • Spraying team PPE store. Observation related OHS and material handling. • Chemical mixing store. Observation related OHS and material handling • Land fire facilities store and emergency simulation. Observation related land fire facilities and emergency response team • Diesel fuel tank. Observation related OHS and material handling <p>Public Consultation with Stakeholders</p> <ul style="list-style-type: none"> • Government Agency of Pelalawan Regency: <ul style="list-style-type: none"> ❖ National Land Agency ❖ Environment Agency ❖ Agriculture Agency ❖ Labour Agency • Surrounding Community: <ul style="list-style-type: none"> ❖ Local Contractors (Asri Jaya Mandiri, Solongan Maju Bersama, Indotama Jayamas Bersama, FFB transport) ❖ Previous Landowner ❖ Kemang Village ❖ Nilo Village ❖ Harapan Jaya Village ❖ Terantang Manuk Village ❖ Telayap Village ❖ Sering Village ❖ Sungai Buluh Village • Internal Stakeholder: <ul style="list-style-type: none"> ❖ Labor Union (SBSI 1992, SPSI, SBSI FKUI) ❖ Gender Committee ❖ Cooperative
2.3	Stakeholder Consultation and Stakeholders Contacted
2.3.1	Summary of stakeholder consultation process.
RC	<p>The public consultation with stakeholders to PT Adei Plantation & Industry done through:</p> <ul style="list-style-type: none"> • Conduct a public announcement on the CB website (www.mutucertification.com) and RSPO website on 18th February 2019. • Conducting visits and direct interviews with stakeholders (Environmental Agency; Labour Agency; National Land Agency and Agriculture Agency of Pelalawan Regency, Riau Province) on 18th March 2019. • Conduct consultations via email questionnaire to NGOs (WALHI, Sawit Watch, World Wildlife Fund for Nature, and <i>Aliansi Masyarakat Adat Nusantara</i>) on 11th March 2019. • Conducting visits and direct interviews with stakeholders (Previous Land Owner, Kemang Village, Nilo Village, Sering Village, Harapan Jaya Village, Terantang Manuk Village and Telayap Village) on 21th – 22th March 2019. • Conducting Interviews with the Local Contractors, Gender Committee and Labor Union on 19th March 2019.
2.3.2	Stakeholder contacted
	<i>Please find appendix 1</i>
2.4	Determining Next Assessment
	The next visit (ASA-1.7) will be determined eight to twelve months after this RC .

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Nilo POM 1 – PT Adei Plantation & Industry, subsidiary of Kuala Lumpur Kepong Bhd operation consisting of one (1) mill and three (3) oil palm estates.

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

MUTUAGUNG LESTARI found that Nilo POM 1 – PT Adei Plantation & Industry, subsidiary of Kuala Lumpur Kepong Bhd complied with the requirements of Indonesian National Interpretation of RSPO Principles and Criteria 2013, endorsed September 2016 and Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014, Revised June 2017 (Module E for CPO Mill).

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is *Issued*

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY		
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	
1.1.1 & 1.1.2	<p>The company has had transparency procedure where stakeholder can access information by using information request procedure (<i>SOP Permintaan dan Pemberian Informasi, Komunikasi dan Pengaduan</i>) that valid since 10 August 2017. These document stated that stakeholder can access several company information by using information request mechanism. Related stakeholder can requested the company's public document by official letter, email or by phone. All request will be recorded in information request log book by public affair staff and responded within 14 days. List of document that can be accessed by relevant stakeholders such as accident report, policy, RSPO audit report, crop report, etc. The PIC that can be contacted by stakeholder is <i>HUMAS Department</i>.</p> <p>In accordance to the procedure's above, public affair staff has documented company's stakeholder list which is updated annually. During the audit, auditor has verify the number of stakeholder list that contain stakeholder from external (government institution, hospital, police station, fire fighter, NGO's, local communities leader, village head local contractor, etc.) and internal stakeholder (labor union representatives, gender committee, labor cooperation etc.).</p> <p>Both PT. ADEI and PT. Safari Riau had a documented requested information in <i>log book permintaan informasi</i>. Those document informed incoming letter that should be response by management. For example, there was an incoming letter from central bureau of statistic on 20 September 2018 regarding to plantation activity survey. Unit management has responded on 25 September 2018. Not later than procedure.</p>	
	Status: Comply	
1.2	Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	
1.2.1	<p>The company has provided the list of publicly available document, for example: company's policy, regional director memos, crop report, agreement, OHS program, external/internal audit report RSPO/ISPO, work accident report, financial report of scheme smallholder, land title and so on. Some of document also can be access in KLK website (www.klk.com.my) such</p>	

as sustainability report and policy.

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

Status: Comply

1.3

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

1.3.1

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

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

Socialization on the policies has been conducted on September 2018 to workers and contractors. Interviews with workers in the Estate, as well as local contractors have known and understood the company's ethical behavior.

Status: Comply

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

2.1

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

2.1.1

CH has showed compliance with regulations, such as:

- Has had land tenure for all operation area
- Has had business permit for all operation area
- Provide PPE to all workers
- The company has applied a minimum wage in the wage system and is in accordance with Regulation of Manpower Ministry No. 07 of 2013 concerning Minimum Wages
- The company has a wage structure and scale for each level of work and is in accordance with Regulation of Manpower Ministry No. 01 of 2017 concerning Wage Structure and Scale
- The company has regularly reported the Annual Mandatory Workforce Report and in accordance with Regulation of Manpower Ministry No. 18 of 2017 concerning Mandatory Reporting on Labor
- The company has carried out the recording of workers with PKWT status to the Manpower Office and in accordance with Decree of Manpower Ministry No. 100 of 2004 concerning Provisions for Implementing Certain Time Work Agreements
- The company has provided overtime payment in accordance with Decree of Manpower Ministry No. 102 of 2004 concerning Overtime Work and Overtime Work Wages
- License for boilerman and heavy equipment operator.
- Conduct management and monitoring of environmental impact every semester and reporting to Environmental Agency
- Store hazardous waste in licensed hazardous warehouse
- Using licensed seed
- Conduct replanting by mechanical method not using fire.
- Allocate and give community CSR every year.

2.1.2; 2.1.3; 2.1.4

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

Status: Comply

2.2

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

2.2.1

CH manages area as large as 8,679 Ha consist of 6,179 Ha under PT Adei and 2,500 Ha under PT Safari Riau. Area which manage by CH has had land tenure in form of:

- HGU certificate No. 9 on 26 August 2005 on behalf of PT Safari Riau for an area of 2,500 Ha.
- HGU certificate No. 1 on 25 January 1994 on behalf of PT Adei Plantation & Industry for an area of 12,860 Ha. For PT Adei Plantation there are 2 mills so that the scope of RSPO certification is divided into 2 namely 6,179 Ha for Nilo POM 1 and 6,681 for Nilo POM 2.

Beside that CH also has had business permit consist of:

- *Surat Pendaftaran Usaha Perkebunan*/ Registration of Plantation Business on behalf of PT Adei Plantation on 2002 for oil palm plantation as large as 12,860 Ha and mill with capacity 60 Ton FFB/ hour
- Plantation Business Permit (*Izin Usaha Perkebunan/ IUP*) on behalf of PT Safari Riau on 2006 for oil palm plantation as large as 2,500 Ha.

2.2.2

CH has a map of legal boundary for all operation area in accordance with map from BPN. Boundary marks has monitored twice a year according to BPN Pole Monitoring Procedure. The last monitoring is conducted on March 2019 in Nilo Barat 1 Estate, which inform all marks (71 marks) in good condition. Based on field visit on 6 marks in Nilo Barat 1 & 2 Estate known that all marks is in good condition. While the last monitoring of boundary marks in PT Safari Riau is conducted on December 2018, which inform all (39 marks) in good condition and this is confirm by field visit on 5 marks.

2.2.3, 2.2.4, 2.2.5 and 2.2.6

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

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

Status: Comply

2.3

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

2.3.1; 2.3.2; 2.3.3

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

CH has made compensation for the area it manages. The compensation process was first carried out in 1991 by PT Adei Crumb Rubber Factory (old management). After that, in the 2000 PT Adei Plantation & Industry (new management)

returned the compensation process to landowners in the permit area. As for the PT Safari Riau area, previously it has been managed by other companies that have a Timber Utilization permit. The compensation process was carried out starting in 2004. Land compensation document has been completed with agreement and map.

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

Status: Comply

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

3.1

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

3.1.1

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

3.1.2

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

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

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

Status: Comply

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

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

4.1.1

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

Based on field visits and interviews with spray workers in Blok01A1 Division 3 KNB-2 and in Block C10 Division 1 of PT Safari Riau, it is known that workers understand the procedures related to spraying activities such as not spraying near water bodies and not spraying downwind.

4.1.2; 4.1.3

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

The company shows the results of the internal audit harvest carried out in February 2019 by the internal auditor. From the results of the internal audit it is known that the harvest presentation of Nilo Barat 1-2 and PT Safari Riau has met the standards for competency which is above 90%. Regarding the procedure for nonconformities and corrective actions carried out by filling in the identification of root problems, corrective actions, determining the PIC and determining the deadline for improvement.

4.1.4

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

Beside that, the company has SOP regarding the searching for estate from FFB outside suppliers received by the Factory, the SOP explains the purpose of tracing the origin of FFB, Source of FFB, collecting data from outside suppliers, mapping FFB suppliers from outside, verifying data by factory and approving new FFB suppliers.

The company (Nilo POM 1) has shown a list of FFB contractors including the KKPA Telayap Village, Batang Nilo Kecil KKPA, KKPA Safari Riau, KKPA Sering Village and Pelalawan KKPA. The company also has recorded records carried out on a daily, monthly and annual basis for all FFB received. In addition, the company also detailed records regarding the origin of FFB from contractors received.

Nilo POM 1 only received FFB from own estate (including from other estate under KLK Group) and smallholder that had agreement before. Based on document verification, mill received FFB from supplier below:

Mill	Supplier	Code	RSPO Status
NPOM1	KNB-1	KLK250	Certified
	KNB-2	KLK256	Certified
	Safari Riau Estate	KLK262	Certified
	KKPA Telayap	KLKA02	Noncertified
	KKPA Sering	KLKA04	Noncertified
	KKPA Sinar Pelalawan	Z01	Noncertified
	KKPA Sejahtera Bersama	Z02	Noncertified
	KKPA Safari Riau	KLKA09	Noncertified

Status: Comply

4.2

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

4.2.1; 4.2.2

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

The company has shown a fertilization realization program. The recording of fertilizers in Nilo Barat 2 Estate includes fertilizing in Block 99A4B using MOP fertilizer in February 2019 as many as 13,200 kg with a realization of 100% compared to the recommendations set.

Based on field observations in Block 8/9 Division 3 KMB-2 and in Block 7, Division 1 of PT Safari Riau, it is known that workers understand related fertilization procedures such as not fertilizing close to the body of water and fertilizing according to the recommended dosage.

4.2.3

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

The company analyzes the soil every year that is carried out by PT. AARI (Applied Agricultural Resources Indonesia). Analysis of the soil is contained in the document Soil Analysis Result. The realization of the evaluation of soil fertility status at PT Safari Riau was conducted on July 3, 2018 to determine pH, organic C content, total N (in%), total P content and available P, K content, Mg content, Na content, Ca content and value of cation exchange capacity (CEC). Beside that, the company has shown proof of implementation in accordance with the SOP, including the report on leaf test results with January 1, 2018 in KNB. The indicators carried out by observations included levels of N, P, K, Mg, Ca, B and Ash and carried out supporting data in the form of visual observations.

4.2.4

The company has demonstrated a nutrition recycling strategy, among others, carried out EFB applications, land applications, the use of fiber and shells for boiler fuel and the remaining palm oil trees when replanting. For example, the application of empty bunches has been carried out in Field 99A4 KNB-2 covering an area of 160 Ha. Realization up to February 2019 is an area of 92.56 Ha or under equal to 42.15%.

Based on the field visit to the replanting area in Block 31 Division 3 KMB-2 it is known that the company has implemented nutrient recycling by utilizing the chipping results of oil palm plants to increase organic content in the soil. Based on the results of field visits in Block 56 Division 3 KMB-2 it is known that the company has carried out of EFB with a dosage of 250 kg / staple.

Status: Comply

4.3

Practices minimize and control erosion and degradation of soils.

4.3.1; 4.3.2

The company has SOP concerning erosion control and optimal soil fertility management for productivity which describes technical actions related to the management of high erosion areas, for example making sure the ground cover plants are prioritized before planting oil palm, using empty bunches, making conservation terraces for slope areas above 15-22°, and the ban on planting oil on slopes above 40%.

The company does not yet have a specific map describing fragile lands in the area cultivated. However, the company has a fragile / marginal land assessment document made by PT. AAR Indonesia held on July 11, 2018. In the assessment explained that the land in the operational area of PT Safari Riau consists of several types for example: sedimentary soil (S2) with an area of 125.82 Ha, mixed riverine alluvium (S3) with an area of 369.77 Ha, deep peat (S3) with an area of 949.18 Ha, and shallow to moderately deep peat (S3) with an area of 586.63 Ha.

PT Safari Riau has slope map with a scale of 1: 50,000. The map explains the type of soil, slope, parent material, soil depth, drainage conditions, structure, consistency, texture, description, ha, and percentage of each type of soil. Based on the map the soil conditions in PT Safari Riau are sandy clay, wavy topography with a slope of 4% -12% and a low fertility limiting factor and there is a peat area.

The company has also shown LCC Planting documents in the replanting area, such as planting LCC (*Pueraria javanica* and *Calopogonium mucunoides*) in the 3PR2019A complex in KNB-2 covering an area of 132 hectares. Realization up to March 2019 covering an area of 85.6 Ha (Under 35.15%).

Based on the results of field visits in Block 01A1, Division 3 KMB-2, it was found that the company had made terraces, planted legumes / cover crops and carried out fringing at the edge of the terrace. This is the company's effort to retain nutrients and prevent erosion / runoff.

4.3.3

The company has presented the Road Maintenance Program document 2018-2019. The data includes a road maintenance program (Grader) in KMB-2 (Field 99C - Block 4) in January 2019 with a length of 3,000 meters, realization carried out in January 2019 for 3,000 meters (100% realization of the budget).

Based on the results of field visits to Block 56 Division 3 in KMB-2 it was found that the company had carried out road maintenance activities manually, in general the road conditions were in good condition and could be passed by FFB transport trucks.

4.3.4; 4.3.6

The company has the SOP for Seedling, Planting and Plant Maintenance listed in the Sustainability SOP no. 7 dated 10 August 2017, revision 2 in section D concerning Planting Palm Oil on Peatlands. The company has monitored the level of decline in peat surface height (subsidence). In addition, the company has installed 31 units of piezometers at the Nilo Complex and 112 units will be installed. Monitoring the decrease in peat surface height (subsidence) is carried out every 15th (mid-month).

The Company has shown subsidence and water level monitoring documents in Nilo Barat 1, Nilo Barat 2 and PT Safari Riau. The example of monitoring land subsidence includes monitoring at subsidence pole No.5 in Nilo Barat 1, Division 2 in December 2018. It is known that there is an average land subsidence of 1.5 mm. Beside that, monitoring Piezometer in Nilo Barat 1 Estate, Nilo Barat 2 Estate and PT Safari Riau with results including monitoring on piezometer No.1, It is known that in February 2019 there was 14 cm, this was caused by high rainfall so that the water level had increased.

The company has shown the *Mucuna bracteata* planting recapitulation document in KMB-1. In addition, based on a field visit to Block 31, Division 3, Nilo Barat 2 (in the replanting area) is known that the company has planted *Mucuna bracteata* aimed at managing ground cover and to prevent runoff.

4.3.5

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

In addition, the company shows the Director General's Decision on Pollution and Environmental Damage Control number SK.99 / PPKL / PKG / PKL.0 / 12/2017 concerning Determination of Groundwater High Adherence Points, Mounting Points for Automatic Groundwater Height Measurements and Station Points Rainfall Monitoring PT Adei Plantation & Industry Nilo Estate, on December 27, 2017, which included 49 monitoring points for measuring groundwater level and 4 point rainfall monitoring stations. Measurements of groundwater level are carried out once every 2 weeks and reported every 3 months to the Environmental Ministry, Riau Province Environmental Agency and Pelalawan District Environmental Agency.

Status: Comply

4.4

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

4.4.1

PT Adei Plantation & Industry and PT Safari Riau has established and implemented water management based on water management plan 2018. This water management plan document are consist of water source identification based on HCV

assessment, water usages monitoring for mill, riverine protection, and wetland/peatland protection by water level maintaining.

In addition, company also has been conduct surface water quality testing and clean water that used by workers as specified in regular environmental management and monitoring plan documents. Result of surface water and clean water testing has been reported to enviromental agency for every semester, and semester 2 of 2018 testing results indicates that surface water quality are comply with standard quality, for examples BOD on Pengarutan river downstream are 0.10 mg/l.

4.4.2

Procedures for watersheds and water sources protection has been established and listed on sustainability procedures no 22 & 16 on 2017. PT Adei and PT Safari Riau shown identification and maps for water courses and wetlands included riparian on 1 : 70000 scale. Water sources map and HCV identification shown the main watersheds on company areas are Batang Nilo river (KNB 1 & KNB 2) and wetland/swamp area on Safari Riau estate. Field visit during audit, for examples on Batang Nilo riparian acquired information that company shown proper ways for maintain and protect the catchment area for example manual weeding and marking (± 50 m bothsides) the chemical boundary border.

4.4.3

Palm oil mill effluent produced by Nilo POM 1 are processed at waste water treatment plant based on procedures No 23/2017 before it distributed to KNB 2 estates as land applications. This pome applications was conducted based on decree of Pelalawan regent No SK Kpts.503/BPMP2T-PLY/19/2016 valid until 2021.

Palm oil mill effluent testing document review shown for Nov 2018 - Feb 2019 all of waste water testing parameters are compliant to the standards quality (for examples BOD on February 2019 are 77 mg/l) and all of waste water management and monitoring has been reported to related institutions for regular basis per three month. Field visit on Nilo POM 1 effluent pond during audit found there is no leakage indications and these waste water treatment plant are managed well by specific person in charge with appropriate training.

4.4.4

Field observations on Nilo POM 1 water treatment plant found monitoring of raw and process water usage was done by officer periodically and flowmeters at inlet/outlet serves normally. Procedure for mill water usage and monitoring are provided and has been listed on procedure for process water usage on 2016.

Standards of water usage for FFB process recorded on 2018 budget projected 2.37 m³/mt FFB processed. Water usage monitoring was done periodically and recorded, for example on February 2019 FFB processed 9382 mt, process water usage 21802 m³ and water usage efficiency was 2.32 m³/mt FFB processed.

Status: Comply

4.5

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

4.5.1; 4.5.2

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

Based on data on pesticide use for the period 2018/2019, it is known that there is a decrease in pesticide use such as not using *warfarin* / *brodifakum*. This is because there is no attack of rat pests that exceed the threshold. Beside that, the company has shown plans for integrated pest control. The integrated pest control plan in Nilo Barat 1 Estate, Nilo Barat 2

Estate and PT Safari Riau include the development of *Tyto alba* and *Turnera subulata* planting.

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

The company has shown a recording of the Integrated Control Pest Census Training activity conducted on August 15, 2018 at KNB and was attended by 54 participants consisting of census labor and head supervision. Based on interview with workers, they know

Status: Comply

4.6

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

4.6.1; 4.6.2

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

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

The company (Nilo Barat 1 Estate, Nilo Barat 2 Estate and PT Safari Riau) has shown the pesticide application program listed in the 2018 Period and Costing Book Program and Work Realization documents, while the application plan for the pesticide is Circle Spraying activity in Block PR16A Nilo Barat Estate in January 2019 has a program covering 45 Ha with a realization of 45 Ha (realization of 100%).

Based on field visits and interviews with spraying workers in Block 01A1 Division 3 KNB-2, it is known that pesticide operator has worked according to procedures such as not spraying near water bodies, having knowledge of the types of pesticides used, understanding the dosage used and capable of identifying the target weeds. Based on this, it can be concluded that the company can show procedures and implementation regarding security in the use of chemicals.

4.6.3

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

The company has documented the use of pesticides for the past 1 year and compared them to the use of the previous year. Based on these data it is known that in general there is an increase in the use of glyphosate pesticides. Based on management justification, it is known that the increase is due to replanting activities, so that more pesticides are needed per hectare because of increased open areas and exposure to sunlight which can trigger the development of weeds.

4.6.4

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

The company has documented the use of pesticides for the past 1 year and compared them to the use of the previous year. Based on the data, it is known that there has been a decline in pesticide use with Group IA (*Paraquat*), the last use of which was carried out in the 2015-2016 period. Based on the results of the field visit on the Pest and Disease Census

in Block B8 KNB-2, it was found that there was currently no attack of rat so there was no use of warfarin / *brodifakum* type chemicals.

Beside that, based on observations to the chemical warehouse KNB-2 and PT Safari Riau, it was found that there were no pesticides included in group 1A and 1B WHO lists or listed in the Stockholm or Rotterdam Conventions.

4.6.5; 4.6.7

The company has SOP 18 (August 10, 2017) concerning the Safety of Use and Storage of Chemicals including Hydrocarbons.

The company has shown the Spray Team Training document (chemical) at PT Safari Riau and KNB1 and KNB2 on February 8, 2018. The training was conducted on 21 pesticide applicators and warehouse officers.

Based on the results of observations and interviews on spraying activities in KNB-2 (Blok 01A1) and PT Safari Riau (Block 05). The workers has understood the spray dose used such as spraying with the use of the active ingredient isopropyl amine glyphosate using a dose of 100 ml of chemicals for every 20 liters of water. 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. All PPE has been provided by company in free to all workers. They also 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. In addition, they were explained that the provision of shoes is done with a period of 1 year. However, it is also explained that if there is damage, a replacement can be done immediately.

4.6.8

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

4.6.9

The company has conducted training annually related to handling technic/OHS of pesticides, and emergency respons training for the workers who involved on pesticide activity such as Pesticide & MSDS (Material Safety Data Sheet) training on 11 March 2019 was attended by 9 participants and on 25 March 2019 attended by 10 participants include smallholder. The annual training of 2019 has been documented into minutes of meeting, list of attendees and activity photos. Company already had MSDS (Material Safety Data Sheet) for each agrochemical substance (Pesticide) that describes handling and storage guidance, treatment when accident occurs (First Aid Measures), hazard identification, measures against spillage and leakage, personal protection equipment, physical and chemical characteristics, reactivity and stability, Toxicology information, Ecology information, waste disposal and transport with appropriate language so all workers knowing the information.

4.6.6 & 4.6.10

Based on field visits at the KNB 2 and Safari Riau chemical warehouse, it is known that the company already has a chemical warehouse in accordance with applicable procedures, for example chemical material is store separately from non-chemical and has adequate ventilation.

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

Based on interview with spraying team and mixing supervisor on KNB and Safari Riau found that workers recognized how to properly disposed waste materials and workers have been trained by company about waste and hazardous materials handling.

Field visit on toxic & hazardous waste storage for examples on KNB and Safari Riau estate found company showed proper ways for ex agrochemical disposal. Monitoring evidence for agrochemical usage and ex agrochemicals container stored in storage are available and verified by auditors. Besides that company also has monitored ex agrochemicals

containers that used for pesticides mixing activities, therefore ex container usage for other purposes can be avoid by company internal mechanism.

4.6.11; 4.6.12

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

The company has shown recordings of periodic checks for KNB1, KNB2 and PT Safari Riau. The Company displays the latest periodic results for PT Adei Plantation & Industry (Nilo Barat 1 and 2 Estate) for the September 2018 period with details of 86 employees consisting of fertilization, IPM employees, Spraying employees, warehouse staff employees and daycare employees. Beside that, the company has shown the document recap of chemist employees for KNB1, KNB2 and PT Safari Riau. The number of workers handling chemicals for KNB1 consisted of 27 employees (1 male employee and 26 female employees) and for PT Safari Riau as many as 15 people (14 female employees and 1 male employee).

Based on the results of field visits to the KNB-2 (Blok 01A1) and PT Safari Riau (Blok 05), it is known that the workforce has been subjected to periodic health checks, in addition workers have also been socialized regarding the results of health checks. Workers can also explain that there is a prohibition on pregnant and lactating women to carry out work using chemicals.

Status: Comply

4.7

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

4.7.1; 4.7.2

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

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

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

Based on the results of field observations and interviews with workers at NPOM 1, KNB1, KNB2 and PT Safari Riau, it is known that workers have been provided with PPE in accordance with the risk analysis that has been determined. In addition, for jobs that use chemicals (spray and fertilizer), the company has provided MSDS and applied it according to written provisions such as using carbon masks for spray workers and the use of gloves for workers in fertilizing activities.

4.7.3

The company displays documents related to operator certificates/training related to OHS including welder qualifications in the workplace, power and production training, lift and transport operators, steam operators and OHS electric technicians. The company has also shown PPE granting documents, among others, to fertilizer worker in the form of glasses, masks, gloves, aprons and shoes on March 14, 2019. This is also confirm during field visit in Nilo Barat 1 Estate and PT Safari Riau, manuring workers are using PPE in accordance with specified hazard identification and risk analysis.

4.7.4

The company shows the approval documents of the Provincial Level Occupational Safety and Health Committee (P2K3) at PT. Adei Plantation & Industry which is in effect on March 8, 2019 in accordance with the Decree of the Head of the

Riau Province Manpower and Transmigration Office (No. KPTS.560 / Disnakertrans.PK / SK-P2K3 / X / 2019/06.

In addition, the company showed a revision of the provincial level Occupational Safety and Health (P2K3) committee for PT Safari Riau in accordance with the decision of the head of the Riau Province Manpower and Transmigration Office with No. Kep.129 / Disnakertrans-PK / SK-P2K3 / VII / 2018 date passed July 4, 2018 by the Department of Manpower & Transmigration of Riau Province.

The company shows documents related to the minutes of the P2K3 monthly meeting, including the October 2018 P2K3 Meeting for NPOM 1, with discussions regarding hazardous waste in the work environment and housing.

4.7.5

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

The company showed several first aid training record, including training first aid box holders in KNB1 such as no Certificate 01 / AM-Diklat / VII / 2018. Based on the results of field observations it is known that the foreman of the harvest, spray and fertilizer, brings a first aid kit with the contents according to the list set by the company. In addition, first aid officers are also able to explain the functions of each tool in the first aid kit.

Based on field observation to mill, already provided evacuation route and assembly point.

4.7.6

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

- “BPJS Kesehatan” Payment for the February 2019 period through Bank Mandiri for KNB 1, KNB 2, KNT 1, KNT 2, Nilo 1 POM, Nilo 2 POM, Contract workers (PKWT) on 08 February 2019.
- “BPJS Ketenagakerjaan” Payment for February 2019 through Bank Mandiri for 1,458 workers and Contract workers (PKWT) on 15 March 2019.
- “BPJS Kesehatan” Payment of for February 2019 paid on 08 February 2019 for 300 workers through Bank Mandiri (PT Safari Riau).
- “BPJS Ketenagakerjaan” Payment for February 2019 paid on 15 March 2019 for 300 workers through Bank Mandiri. (PT Safari Riau).

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

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

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

4.7.7

The Company has calculated the Loss Time Accident for the period March 2018 - February 2019. The document describes the month, number of employees, number of work days, number of hours worked (employees & all employees), number

of cases of poisoning and illness (Death, Lost work days and without loss working day) and the number of mandays lost. The following is a calculation of Lost Time Accident owned by the company:

Unit	Fatality Rate	Incident Rate	Frequency Rate	Severity Rate
KNB	-	50.2	25.3	176.8
KNT	-	38.5	19.5	65.1
NPOM 1	-	50.7	25.6	46.1
NPOM 2	-	51.4	25.4	107.9
PT Safari Riau	-	200.6	101.4	235.5
PT SWP	-	36.1	18.2	36.4

Status: Comply

4.8

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

4.8.1 & 4.8.2

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

Mill Training Program (NPOM)

- OHS socialization
- Operator training at each station (Belt Press, Sterilizer, Grading, Engine Room, EFB Press, Kernel, Boiler etc.)
- Laboratory Procedure Training
- Limited Space Training
- Training on the use of PPE
- Mill General Training and Etc

Estate Training Program (KNT and KNB) and PT Safari Riau

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

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

- The socialization of the revised KLK Policy dated 30 August 2018 which was attended by 89 participants on 07 January 2019.
- Training on the use of PPE on 21 March 2019 which was attended by 46 participants
- Policy socialization, HCV, zero burning policy, complaints mechanism, information disclosure, and employee recruitment system on 19 December 2018 which was attended by 30 participants
- Policy socialization, HCV, zero burning policy, complaints mechanism, information disclosure, and employee recruitment system on 27 December 2018 which was attended by 68 participants
- Socialization of the supply chain mechanism on 18 March 2019 which was attended by 19 participants
- MSDS training on 11 March 2019 which was attended by 9 participants
- Electrical OHS training on 21 February 2019 which was attended by 3 participants
- Training on welding procedures on 11 February 2019 which was attended by 16 participants

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

Status: Comply

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

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

5.1.1

PT ADEI has a document of Environmental Impact Assessment (EIA) for the scope of Oil Palm Plantation for estate and KKPA which approved by Environmental Agency of Pelalawan Regency on 2006. This document covered 12,860 ha plantations areas (included 1,543 ha areas for KKPA Batang Nilo kecil and KKPA Telayap) and mill capacity for 120 mt FFB process / hour.

Meanwhile PT Safari Riau have another EIA document i.e "UKL/UPL" document on 2005, this document were approved by Environmental Agency of Riau province based on letter no 02/UKL-UPL/2005 on April 2005. Study areas for this EIA document are included Safari Riau estate operational areas for about 2500 ha.

5.1.2

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

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

5.1.3

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

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

Status: Comply

5.2

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

5.2.1

PT Safari Riau shown HCV assessment conducted on 2014 by RSPO approved assessor. Based on this HCV indentifications, indicates there is HCV presence i.e HCV 4.1 and HCV 1.4 attributes on Safari Riau estate, covered an area about 250.4 ha.

PT ADEI (KNB 1 and KNB 2 estate) shown HCV assessment conducted in October 2011 by RSPO Approved Assessor.

The identification were carried out using the Revised HCV Toolkit Indonesia 2008 guide. HCV assessment has been carried out by involving stakeholders on October 14th, 2011. These identifications indicates there is HCV 1.4, HCV 4, HCV 5, HCV 6 presence on KNB covered for 105 ha areas. All of indicates HCV areas was mapped by 1:70000 scale and this HCV identifications covered all estates/mill operational areas including surrounding landscape and RTE species.

5.2.2 & 5.2.3

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

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

Evidence for workforce educations related to RTE species are available and verified by auditors team, for examples on November 2018 for KNB and Safari Riau workers respectively was conducted on January 2019 and December 2018. Wrokers housing visit on KNB and Safari riau estates found there is no RTE / wild species reared by workers and based on interview with workers and housing residence shown that workers have aware regarding RTE and wild species protection polcy by company.

5.2.4

Certificate holders has established HCV management plan 2018-2020, and implemented it based on current management plan. Regular inspection (monthly basis) for examples on March 2019 record shown company has been monitored illegal hunting, wild species presence, and other illegal activities. All of records for monthly patrols on each estate are available and verified by auditors. For example patrols summary results for February 2019 on KNT 1 found *varanus salvator* and kingfisher, meanwhile wild species trap is not presence. The result of monitoring also reported to government institution every six month listed on RKL/RPL report. Company has evaluate the monitoring result of HCV areas for 2018, as the results of monitoring 2018 output, company has plan feed back into the management plan 2019 for examples painting and renewing HCV signboard on each HCV areas on PT ADEI and PT Safari Riau. Meanwhile for HCV are enrichment or species habitat enhancement, company also has conduct revegetation for examples on Batang Nilo riparian with pulai trees or *Alstonia scholaris* during 2016-2018.

5.2.5

There is HCV 5 attribute presence on KNB 1 i.e Kepung Sialang covered for 2 ha areas. This areas consists of natural vegetation and Sialang trees (honeycomb) that provides natural honey and harvested by local communities. As a commitment for HCV areas management company has established Agreement letter for HCV management with affected community for these areas conservations and management. Field visit on Kepung Sialang KNB 1 indicates these HCV areas are protected well and during field visit still found honeycomb on sialang trees.

Status: Comply

5.3

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

5.3.1

All waste products and sources of pollution have been identified and documented in waste management and identifiatidocument. Based on field visit and document review shown company have implemented waste management based on waste identification source and management plan for examples are:

- Estates, waste source: chemist activities, waste type : ex pesticides containers (toxic and hazardous waste), managed by stored in optimalization store and sent to related transporters

- Mill, waste source : FFB process, waste type : shell and fiber (non toxic/hazardous waste), managed by renewable energy usage for boiler
- Mill, waste source : FFB process, waste type : palm oil mill effluent, managed by effluent pond and land applications as nutrient cycle.
- Estates, waste source : pruning activities, waste type : oil palm frond (organic waste), managed by frond stacking.

5.3.2

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

Document review shown that company has disposed all toxic and hazardous waste to PT Primanru Jaya (licensed collector by decree of national environmental minister) on March 2019, for examples manifest BC0047617 for KNB 2 for 1520 kg ex agrochemical / contaminated containers and manifest BC0047620 for safari riau estate for 339 kg ex agrochemical / contaminated containers. Observation during audits at Nilo POM 1 and Safari Riau temporary hazardous store also shown that all current hazardous waste that stored are compliant with the periods in permit. Inventory for all chemicals usage and its containers are available on chemicals storehouse / temporary hazardous storage. All ex chemicals containers were kept on temporary hazardous waste store, and company has a permit for all hazardous and toxic waste storage issued by Pelalawan related agency

5.3.3

PT ADEI and PT SWP and KKPA has implemented waste management /utilization based on management plan. Field visit to Nilo POM 1 shown that palm oil mil effluent are managed on effluent pond before its distributed as land application on KNB 2 estate; Fiber and shell has been utilized as a boiler fuel and has been monitored, housing trash has been collected in the garbage then disposed to the landfill area. Field visit on land application activities on KNB-2 shown that company has utilized POME as nutrient cycle based on permit which it belongs.

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

Status: Comply

5.4
Efficiency of fossil fuel use and the use of renewable energy is optimised.
5.4.1

Nilo POM 1 shown commitment to reducing fossil fuel by renewable energy usage such as shell and fiber as boiler fuel for substitute diesel fuel by generator. Shell and fiber usage have been monitored per month and realization of fossil fuel usage, for examples during December 2018 are 24393 litre.

During Jan-Dec 2018, fiber and shell usage for boiler resulting average energy efficiency for electricity grid generated by renewable energy (boiler) are 61.76 kWh/mt CPO produced, and for diesel fuel (used by generator) are 6.34 litre/mt CPO produced.

Furthermore, as fossil fuel usage reducing plan, PT Safari Riau also have monitored direct fossil fuel usages estimation for FFB transport per month, for examples diesel fuel usages per tonne FFB produced on February 2019 for Safari riau estate are 1.70 litre/mt FFB produced.

Status: Comply

5.5
Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.
5.5.1 & 5.5.2

Zero burning activities for land preparation are listed on land preparation procedures No 9/2018 and Group Sustainability

policy on 2018 related zero burning activities on land preparation.

Document review and field verification on KNB shown that replanting activities was conducted by zero burning activities. Document review for replanting working agreement letter for examples SPK No Adei-KNB2/SPPB/197/2018 between PT ADEI and PT Indotama Jaya Mas on 2018 shown that article 5 clearly mentioned that all contractor are not allowed to conduct land preparation by open fire methods.

Status: Comply

5.6

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

5.6.1 & 5.6.2

Monitoring for emission and pollutants (air emission, air ambient, odor, noise, and vibration) from estate and mill was done periodically every 6 month, covered on RKL/RPL implementation report and reported to environmental agency periodically. 2nd Semester 2018 testing result indicates all parameters related to emission are still comply with standard quality for examples Nilo POM 1 boiler opacity are 12 %.

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

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

5.6.3

Nilo POM 1 conduct GHG calculation and its monitoring using RSPO palm GHG calculator V3.0.1. Summary of GHG emission for Nilo POM 1 for periods Oct 2017 - Sept 2018 are listed as follows :

Summary of Net GHG Emissions

Emissions per Product	tCO ₂ e/t Product
CPO	10.62
PK	10.62

Production	ton/year
FFB processed	172199.15
CPO produced	37657.97

Land Use	Ha
OP planted area*	7423
OP planted on peat	5477.53
Conservation	355

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

Extraction	%
OER	21.82
KER	5.24

Summary of Field Emissions and Sinks

Description	Own Crop			Grup		
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/t FFB	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e
Land Conversion	22658	3.89	0.23	1360.27	0.88	0.02

*CO ₂ Emissions from Fertilizer	23276	3.99	0.24	24492.22	15.81	0.45
**N ₂ O Emissions	36564.85	6.27	0.38	10843.45	7	0.2
Fuel Consumption	501.04	0.09	0.01	157.54	0.51	0
Peat Oxidation			2.43	61740.04	39.86	1.13
Sinks						
Crop Sequestration	-48222.26	-8.27	-0.5	-14501.32	-9.36	-0.27
Conservation Sequestration	0	0	0	0	0	
Total	270461.91	46.37	2.78	84092.2	54.29	1.54

Summary Oil Mill Emissions and Credits

Remarks	tCO ₂ e	tCO ₂ e/t FFB
Emissions sources		
POME	104134.68	0.6
Fuel consumption	951.28	0.01
Grid electricity	41.19	0
Credits		0
Export of grid electricity (housig)	0	0
Sales of PKS	0	0
Sales of EFB	-13426.55	-0.08
Total	91700.6	0.53

Palm Oil Mill Effluent (POME) Treatment

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

POME Divert to Anaerobic Digestion

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

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

GHG calculation on 2018 shown net emission of GHG for NPOM 1 are increasing compared to 2017 net GHG calculation, this are due to increasing replanting areas on KNB-1 compared to previous periods.

Status: Comply

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

6.1

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

6.1.1

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

- AMDAL Document for Oil Palm Plantation and Plantation Activities in Pelalawan District, which was approved by

letter from Pelalawan Regent No. 660 / Bapedalda / 2006/1328, dated October 17, 2006, the scope of PT ADEI. The important social impacts that are managed and monitored are open employment and business opportunities (measures of the impact of the number of local residents absorbed, business opportunities and welfare levels) and the emergence of community perceptions (the measure of impact is community perceptions of plantation activities and company presence, number of people who restless due to plantation activities, social turmoil and conflicts with the community)

- Environmental and Social Impact Analysis From Replanting (replanting) Activities of PT Adei Plantation and Industry, approved by the Chairman of PT Ade Plantation and Industry in May 2015. The social impacts managed and monitored are open employment opportunities and public perceptions. Note: Analysis is carried out by the Internal Company (Andria, Sanusi, Hendra Rizki Hadi, and Budiman Simajuntak). Mr. Andria has experience related to AMDAL, RKL / RPL and the environment.
- The SIA document was carried out on November 1 - 10, 2011 and the report was published in January 2012. The SIA was implemented and prepared by AKSENTA.
- The analysis of the social impact of PT Safari Riau is contained in the Environmental Permit in the form of Environmental Management Efforts and Environmental Monitoring (UKL-UPL) Documents for the Development of Oil Palm Plantations in Riau Province Pelalawan District in 2005 with an area of 2,500 ha. The UKL-UPL document has been approved and approved by Bapedalda District. Pelalawan with the Approval Number 02 / UKL-UPL / 2005 dated April 26, 2005.

6.1.2

PT Adei Plantation

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

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

PT Safari Riau

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

6.1.3, 6.1.4 & 6.1.5

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

- Socialization of Corporate Policy, HCV, prohibition on burning, complaints mechanism, information disclosure, and employee recruitment system on December 19, 2018 which was attended by 30 participants consisting of the surrounding community and village apparatus.
- Socialization of Corporate Policy, HCV, prohibition on burning, complaints mechanism, information disclosure, and employee recruitment system on December 27, 2018 which was attended by 68 participants.
- Socialization and evaluation of management plans and annual social monitoring activities for surrounding villagers in December 2018 through the submission of questionnaires to the community to find out the social developments that have occurred over the past year.
- Report on the realization of CSR activities in 2018.

- Making plans for CSR activities in 2019
- In carrying out mitigation activities against the social impacts that exist within the plasma farmers, one of the efforts made by the company is to place each PIC (assistant) in providing guidance / socialization / mediation to the plasma farmers in each Cooperative.

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

Non-conformity No. 2019.01 with Minor category

Evidence observed (filled by auditor):

- Based on the results of document studies and interviews with PT Adei Plantation & Industry union officials, it was found that there were cases of industrial relations disputes between the company and employees in 2018 and there were still disputes that were still in process. But the results of the evaluation of the management plan and monitoring of social affairs in 2019 have not covered the issue.
- Based on the results of the SIA document review of PT Adei Plantation & Industry, it was found that there were 6 villages which became the scope of the study, namely: Telayap, Batang Nilo Kecil, Sering, Kemang, Palas and Buluh Rivers. However, in evaluating the management plan and monitoring social affairs in 2019 there were only 5 villages that became the scope of the evaluation study, and for the Village it was often not implemented.
- Based on a review of the UKL-UPL document and PT Safari Riau HCV it is known that the geographical location of the company is located in Terantang Manuk Village. The company has evaluated the management and monitoring of social plans for the period of 2019, but the villages that are the study for the evaluation of management plans and social monitoring are Harapan Jaya and Sialang Indah Villages.

Non-Conformance Description (filled by auditor):

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

6.1.4	Status: Non-conformity No. 2019.01 with Minor category
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6.2

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

6.2.1, 6.2.2 & 6.2.3

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

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

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

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

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

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

The company has logbook to record the incoming mail and response, such as there is a letter from youth organization in 3 Dec 2018 and already response in 4 Dec 2018.

Status: Comply

6.3

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

6.3.1 & 6.3.2

The company has a grievance mechanism described in the SOP on Requests and Information Giving and Complaints and Communication and Complaints submitted by the Director on 10 August 2017. This SOP describes the types of complaints submitted, for example: work conditions and conditions, OHS, violence and discrimination, abuse and abuse of authority. These complaints can be channeled / delivered / recorded through the media or the designated PIC, namely:

- Logbook complaints
- "Ketua RT" (housing supervisor)/foreman
- Suggestion Box
- Gender Committee
- Labor union
- Hotline / Email

This procedure also explain how to resolve the complaint and grievance which consist of investigation of complaint, response the complaint or facilitate with third party. The officer responsible for documenting complaints and complaints is the manager, Assistant and foreman.

Based on the results of the document review, it was found that there were no complaints from the surrounding village community, whereas for workers there were complaints that were recorded and documented in the logbook of complaints related to housing damage.

Status: Comply

6.4

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

6.4.1, 6.4.2 and 6.4.3

The certificate holder has had a procedure for identifying legal, customary or user rights, and for identifying people entitled to compensation in "SOP No 5 about Land Acquisition", who explains the procedure for land acquisition that include identification of land ownership by third parties including communities, custom rights and other land use.

CH has had the concession since 1994 and the last compensation is made on 2013. From interviews with the local communities is also known there are no new land clearing and land acquisition in period 2018 to 2019. For the documented evidence of land compensation is stored by Public Relation department.

	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.		
<p>6.5.1, 6.5.2, 6.5.3 & 6.5.4</p> <p>PT Adei Plantation & Industry has a Collective Labor Agreement (PKB) document between PT. ADEI Plantation & Industry with 3 trade unions (PK SB SI 1992, PUK SPPP All Indonesian Workers Union and SBSI Hukatan PK) in 2015 - 2017. The Collective Labor Agreement was approved by the Head of the Pelalawan District Manpower and Transmigration Office on 1 October 2015 and valid for 2 years from the date of stipulation. After the validity period of the PKB expires, it can be extended for a period of 1 year and if after the extension period ends the new Collective Labor Agreement has not been validated, the previous PKB is still a reference for employment in the company. In the Collective Labor Agreement also explained about Employee Relations, Worker Status, Wages, Deposits and Position, Wage Increase, Working Days, Working Hours, Social Security / Welfare (BPJS), Overtime Work, Pregnancy / Childbirth Leave, Protection, Equipment, Occupational Safety and Health , etc.</p> <p>Based on the results of interviews with the labor unions, it is known that currently the preparation related to the new Collective Labor Agreement period is still in the process of negotiations between the company and the union. If an agreement has taken place, final preparations and records will be made to the relevant agencies.</p> <p>PT Safari Riau has a Company Regulation that has been approved by the Head of the Pelalawan District Manpower and Transmigration Office based on the number of KPTS.560 / DTKT-HS / PP / 2018/47 dated July 11, 2018 which is valid from August 1, 2018 to July 31, 2020. Some things that are regulated in the company include: employee acceptance, worker status, wages, dependents, positions, wage increases, fines, losses, deductions from wages, official travel expenses, working days / hours, overtime work, care, childbirth, benefits accidents / death, wages during illness, wages during detention by the authorities, family planning programs, holiday allowances, bonuses, sago liver, employee cooperatives, unions, leave, work safety, environment, provisions for transfer, order, prohibition , disciplinary violations, termination of employment, provision of severance pay, settlement of complaints, obligations of workers, work experience certificate, age limit to stop working, and the period of validity of company regulations.</p> <p>Based on the results of interviews with the workers' union in PT Adei and PT Safari Riau, it is known that the minimum wage for the 2019 period has not been ratified by the Governor so that the company still uses the minimum wage in 2018. However, if the minimum wage is ratified then the company will pay a minimum wage payment since January 2019 This has been done every year because the company and trade unions agreed to use the Sectoral Plantation Minimum Wage (UMSP) for the basis of the minimum wage in the company.</p> <p>Based on the results of interviews with harvest workers, spraying, fertilizers and factory operators in PT Adei and PT Safari Riau, it is known that the company has provided wages in accordance with the determination of the minimum wage set by the government and overtime payments have also been in accordance with applicable regulations. This also confirm during document review of pay slip. The harvester is work based on target, interview with harvester known that for old oil palm the target is achived after 5 working hours.</p> <p>PT Adei and PT Safari Riau has welfare facilities provided free of charge to workers. These facilities include housing, elementary school, junior high school, high school, clinic, ambulance, school bus, church, mosque, prayer room, soccer field, badminton and other public facilities. In terms of electricity availability, now all housing facilities have been provided by the "PLN" and the company also provides subsidies every month to workers.</p> <p>Based on the results of field observations, it is known that the PT Adei and PT Safari Riau has provided facilities and infrastructure for decent and adequate workers. Housing is in good condition, electricity comes from PLN, and water comes from bore wells. For consumption water, workers buy bottled water sold at Nilo Mart at affordable prices. In addition, the company also provides child care, school buses, elementary, junior high schools and senior high school. When observing, it was known that the company was building a high school so that employee children could study around the plantation area for elementary-high school level at the Nilo Complex. In addition, there are also clinics that provide class</p>		

1 health facilities (health facilities class 1) equipped with medical doctors and nurses.

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

Status: Comply

6.6

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

6.6.1 & 6.6.2

The company has shown trade union related company policies such as:

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

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

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

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

Status: Comply

6.7

Children are not employed or exploited.

6.7.1

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

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

	Status: Comply	
6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		
6.8.1 & 6.8.2 <p>The Company has a Policy on Opportunities and Similar Treatment in Job Opportunities dated October 1, 2011 which was signed by Director (Tan Kei Yoong) which contains that the Company is always fair and gives equal treatment without discriminating on race, ethnicity, caste, nationality, religion, gender, sexual orientation and union membership. In addition, also in the KLK Group's sustainability policy, point 3.2.ix stated that the group and its suppliers / contractors must guarantee equal opportunities at work.</p> <p>Based on the results of a study of the workers' list document, it is known that all workers working in the company come from various regions, religions and tribes including the Javanese, Batak, Melayu, and Sundanese. In addition there are also workers who are Muslims, Christians, Hindus and others so that there is no discrimination that occurs in the work environment of the company. This is in line with the results of interviews with harvest, fertilizer, spray and factory operators who stated that the provision of equal employment opportunities based on expertise and reliability by the company has caused no discrimination in the work environment.</p> 6.8.3 <p>The results of interviews with workers, labor union and gender committees known that in the recruitment process there are several requirements that must be met, such as identity cards, CV, family card, health examination results, etc. In addition, workers are also given training related to their job description to improve skills / expertise of workers. So that workers who are appointed or recruited indeed have the skills / abilities in accordance with their job description. For example: Employee acceptance letter as permanent employee with letter No. SKPT/LKL/I/2018/057 dated 21 September, 2018. There are file personnel such as ID cards, CV, health checks etc.</p>		
	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 <p>PT KLG Group has a policy on Sexual Harassment and Violence signed by Tan Kei Yoong on October 1, 2011 which must be carried out by all of its subsidiaries, namely:</p> <ul style="list-style-type: none"> • The company has no tolerance for sexual harassment and violence against women in the workplace. • Sexual acts and violence are serious mistakes so that the company will give firm action to the perpetrators. • Management must set an example and be responsible as an example and prevent sexual harassment and violence. <p>In the KLG Group sustainability policy, point 3.2.XI states that the group and its suppliers / contractors will not tolerate any form of harassment or violence. The company has also conducted socialization using policy warnings found in several estate and division offices, in addition the company also conducts direct socialization to workers and their families through gender committee activities.</p> <p>The Company has a policy of Protection of Women's Reproductive Rights signed by the Regional Director, dated October 1, 2011:</p> <ul style="list-style-type: none"> • 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. <p>The company has a gender committee work program in 2019 as a reference for carrying out activities for one year. The activities listed in the program are the implementation of routine mutual cooperation, visits / socialization at TPA, routine posyandu, activities for housewives, socialization of company policies, hygiene and other socialization.</p> <p>Based on the program, gender committees play an active role in providing awareness, socialization, attention, and protection of these issues. Based on the results of interviews with the committee of gender committees and female workers</p>		

(sprayers and fertilizers) at Nilo Barat Estate, it was found that during the past year there had been no reported harassment and sexual violence. However, there is information regarding the existence of domestic violence that is not reported / delivered that is known by workers who saw the incident. So the company has the opportunity to make policy decisions for these matters (OFI).

6.9.3

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

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

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

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

	Status: Comply	
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6.10

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

6.10.1, 6.10.2, 6.10.3 and 6.10.4

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

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

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

	Status: Comply	
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6.11

Growers and millers contribute to local sustainable development wherever appropriate.

6.11.1 & 6.11.2

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

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

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

Status: Comply

6.12

No forms of forced or trafficked labour are used.

6.12.1, 6.12.2 & 6.12.3

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

Based on the results of a review of work contract documents and a list of workers it is known that there were no foreign workers working at the level of the executive workers up to assistant positions. Foreign workers only exist at the top management level. In addition, there are also no workers from trade or illegal workers because all workers have work ties with the company.

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

Status: Comply

6.13

Growers and millers respect human rights

6.13.1

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

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

Status: Comply

PRINCIPLE #7 Responsible development of new plantings

7.1

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

7.1.1, 7.1.2 & 7.1.3

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

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

Status: Comply

7.2		
Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.		
7.2.1; 7.2.2		
The company does not carry out new land clearing activities or develop operational areas. The distribution of planting years in the operational area consisted of 1992, 1998, 1999, 2000, 2001, 2002, 2003 and 2015. The years of planting in 2015, 2016, 2017 and 2018 were replanting activities.		
	Status: Comply	
7.3		
New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.		
7.3.1 & 7.3.2		
PT ADEI has conducted zero liability disclosure with RSPO on July 2014 and PT Safari Riau are performed land clearing after Nov 2005 without preceded by HCV identifications. PT Safari Riau also has undertaken LUCA and disclosure of liability on 2017. As a result RSPO has approved and announced that Safari riau have zero liability disclosure on February 2018.		
7.3.3		
Based on LUCA document review and interview with management shown that inital land preparation and land clearing for Safari Riau was done since year end of 2004 until 2009. Since ASA-1 until ASA-4, KNB 1, KNB 2, and Safari Riau did not expand or develop any new operational areas.		
7.3.4 & 7.3.5		
Since ASA-1 until ASA-4, KNB 1, KNB 2, and Safari Riau did not expand or develop new operational areas, therefore HCV identifications and management plan are covered on current document see indicator 5.2.		
	Status: Comply	
7.4		
Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.		
7.4.1; 7.4.2		
The company does not carry out new land clearing activities or develop operational areas. The distribution of planting years in the operational area consisted of 1992, 1998, 1999, 2000, 2001, 2002, 2003 and 2015. The years of planting in 2015, 2016, 2017 and 2018 were replanting activities.		
	Status: Comply	
7.5		
No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
7.5.1		
The company does not carry out new land clearing activities or develop operational areas. The distribution of planting years in the operational area consisted of 1992, 1998, 1999, 2000, 2001, 2002, 2003 and 2015. The years of planting in 2015, 2016, 2017 and 2018 were replanting activities.		
	Status: Comply	
7.6		
Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.		

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

Status: Comply

7.7

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

7.7.1 & 7.7.2

The results of the document review, field visits and interviews revealed that since the ASA-4 activities up to the current activities, the company did not conduct new land clearing activities or development of operational areas. The distribution of planting years in the operational area consisted of 1992, 1998, 1999, 2000, 2001, 2002, 2003 and 2015. The planting years of 2015 and 2016 were replanting activities. Analysis of environmental impacts and identification of social impacts for existing plantations have been described in indicators 5.1 and 5.2

The company has a Land Opening SOP number 31, the SOP has explained the stages of land clearing in the SOP explained that:

- Land clearing is done with zero burning.
- Prohibition of clearing land with a slope of more than 40%.
- Prohibition of opening more than 3 m of peat land.
- Making drainage systems, terraces, planting cover crops to prevent erosion and soil degradation.
- All conservation areas must not be cleaned and must be protected

Based on field observations in the plantation area there is no use of fire for land preparation. The replanting area is done manually by using an excavator machine

Status: Comply

7.8

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

7.8.1 & 7.8.2

PT ADEI and PT Safari Riau has not conduct any expansion and development of plantation area after Jan 1st 2015. Existing GHG emission calculations result are able to seen on Indicator 5.6.3

Status: Comply

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

8.1

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

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

Certification award

- NPOM 1 has awarded PROPER BIRU on 2017 – 2018.
- NPOM 1 and it supply based has holding ISCC certificate.

The company has had action plan to improve the performance of each activities such as environmental, social, HCV and best practices. The company has calculated the decrease in peat soil (subsidence pole), with method is taking four the direction of the sample point on the pole, which is the calculation of the north, east and south direction. This aims to obtain a more accurate calculation of peatland reduction.

Status: Comply

3.2 Summary of Assessment Report of Supply Chain Requirement

3.2.1. General chain of custody requirements for the supply chain

Clause	Requirement																													
5.1	Applicability of the general chain of custody requirements for the supply chain																													
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>Facility had an agreement with PT. Kreasijaya Adhikarya Refinery certified RSPO Supply Chain (Certificate Number CU-RSPO SCC-845661 start date 15 September 2014) for CPO. They also had an agreement with Mandau KCP (certified RSPO Supply Chain Certificate Number CU-RSPO- SCC 847893 start date 18 August 2014) for Palm Kernel processing.</p> <p>Status: Comply</p>																													
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>Nilo POM 1 only received FFB from own estate (including other estate under KLK Group) and smallholder that had agreement before. Based on document verification, mill received FFB from supplier below:</p> <table><tr><th>Mill</th><th>Supplier</th><th>Code</th><th>RSPO Status</th></tr><tr><td rowspan="8">NPOM1</td><td>KNB-1</td><td>KLK250</td><td>Certified</td></tr><tr><td>KNB-2</td><td>KLK256</td><td>Certified</td></tr><tr><td>Safari Riau Estate</td><td>KLK262</td><td>Certified</td></tr><tr><td>KKPA Telayap</td><td>KLKA02</td><td>Noncertified</td></tr><tr><td>KKPA Sering</td><td>KLKA04</td><td>Noncertified</td></tr><tr><td>KKPA Sinar Pelalawan</td><td>Z01</td><td>Noncertified</td></tr><tr><td>KKPA Sejahtera Bersama</td><td>Z02</td><td>Noncertified</td></tr><tr><td>KKPA Safari Riau</td><td>KLKA09</td><td>Noncertified</td></tr></table> <p>Due to mill still received uncertified FFB, they using Module E – Mass Balance.</p> <p>Status: Comply</p>	Mill	Supplier	Code	RSPO Status	NPOM1	KNB-1	KLK250	Certified	KNB-2	KLK256	Certified	Safari Riau Estate	KLK262	Certified	KKPA Telayap	KLKA02	Noncertified	KKPA Sering	KLKA04	Noncertified	KKPA Sinar Pelalawan	Z01	Noncertified	KKPA Sejahtera Bersama	Z02	Noncertified	KKPA Safari Riau	KLKA09	Noncertified
Mill	Supplier	Code	RSPO Status																											
NPOM1	KNB-1	KLK250	Certified																											
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	KKPA Sering	KLKA04	Noncertified																											
	KKPA Sinar Pelalawan	Z01	Noncertified																											
	KKPA Sejahtera Bersama	Z02	Noncertified																											
	KKPA Safari Riau	KLKA09	Noncertified																											
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>Nilo Palm Oil Mill 1 - PT ADEI Plantation & Industry, subsidiary of Kuala Lumpur Kepong Bhd has registered in RSPO membership 1-0014-04-000-00 since 16 May 2014.</p> <p>Nilo Palm Oil Mill 1 has been registered in IT platform palm trace RSPO https://palmtrace.rspo.org/web/rspo/member-directory which information as follows:</p> <ul style="list-style-type: none">Member Name: Nilo Palm Oil Mill 1 - PT ADEI Plantation & IndustryAccount UID: RSPO_AC1000001447Core Product: Palm OilMember ID: RSPO_PO1000001417Type of Business: Oil Mill <p>Status: Comply</p>																													
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p>																													

Facility has had an agreement with bulking of PT. Kreasijaya Adhikarya Refinery and Mandau KCP.	
	Status: Comply
5.2	Supply chain model
5.2.1 The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	
Facility only using single supply chain model which is Mass Balance Model.	
	Status: Comply
5.2.2 The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	
Facility only using single supply chain model which is Mass Balance Model.	
	Status: Comply
5.3	Documented procedures
5.3.1 The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.	
There is a change in the supply chain procedures since previous assessment. Facility still using SOP No.32 related to Supply Chain Documentation-Mass Balance Model dated August 10, 2017 in which it explains: <ul style="list-style-type: none"> • FFB suppliers come from internally and externally certified and non-certified • Documentation required by the mill, among others: records of FFB receipts and daily production, monthly summary records, CPO/PK shipment summary records, monthly and annual balance records • All records/documentations are kept for a minimum period of 10 years • Responsibilities of each key person include Manager, internal sustainability audit, marketing division • SCCS internal audit activities are conducted annually • Management review is conducted at least once a year • All complaints refer to SSOP No. 01 concerning Complaints Procedure on the revision date of the August 10, 2017 • Supply chain training is conducted at least once a year • FFB acceptance mechanism at security post and weigh stations • Listing of certified and non-certified FFB suppliers • The mill operates by applying SCCS MB • Sales and delivery mechanism. 	
During the audit, facility has shown the evidence of annual supply chain refreshment training that held on 5 March 2019 with 9 participants who having responsibility in supply chain implementation such as mill manager, security officer in mill's gate, weighbridge operator, mill's administration clerk and sustainability staff).	
	Status: Comply
5.3.2 The site shall have a written procedure to conduct annual internal audit	
The company has conducted internal audit of sustainability scheme including RSPO supply chain for mill on 10 – 14 December 2018. Based on internal audit report, found some findings that has been closed through the management review on 10 January 2019.	
	Status: Comply
5.4	Purchasing and goods in
5.4.1 The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier	
Nilo POM 1 not purchased CSPO or CSPK	

	Status: Comply
5.4.2	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents
	Facility has had procedure for handling nonconforming palm product named Complaint Handling Procedure (<i>SOP No. 1 Prosedur Penyampaian Pengaduan/Keluhan</i>). However, Nilo POM 1 not purchased CSPO or CSPK.
	Status: Comply
5.5	Outsourcing activities
5.5.1	In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.
	Facility outsourcing their physical handling activity with third parties as follows: <ul style="list-style-type: none"> Transporting CPO/PK with PT Dongan Yakin Bersama and PT. Dalan Yakin Bersama (annual contract valid from 1st January 2019 to 31 December 2019). CPO storage with PT Kreasijaya Adhikarya Refinery and PT Dumai Paricitra Abadi. Kernel crushing plant with Mandau KCP (under the same Kuala Lumpur Kepong management). <p>Through the document verification, field observation and interview with the local transporter has signed an agreement to share their information to the CB's regarding to RSPO standard.</p>
	Status: Comply
5.5.2	Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following: <ol style="list-style-type: none"> The site has legal ownership of all input material to be included in outsourced processes; The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance
	In accordance with the third parties contract regarding to physical handling, the mill has been agreed to implementing supply chain standard. The third parties worker has been socialized regarding on this.
	During the audit, auditor has observed and interviewed the local transporter which is informed that there are a contract between mill and transporter. The local transporter has agreed to share their information to the CB's regarding to RSPO standard.
	Status: Comply
5.5.3	The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.
	Facility has record all of third parties organization that used to be a physical handling palm product of NILO POM 1. This document are completed with company name, phone number, email, marketing staff and others.
	Status: Comply
5.5.4	The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products
	There are no additional contractor.

	Status: Comply
5.6	Sales and goods out
5.6.1	<p>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</p> <p>Facility has documented all information of their palm oil products buyer. During the certification period, there was some palm product potential buyer as follows:</p> <ul style="list-style-type: none"> CPO <ol style="list-style-type: none"> PT Kreasi Jaya Abadi Bulking, located in District of Dumai, Province of Riau. PT Intibenua Perkasatama, located in District of Medan, Province of North Sumatra. PT Dumai Pricitra Abadi, located in District of Dumai, Province of Riau. Neste Singapore PTE LC , located in Raffles City Tower, Singapore.
	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>Facility has shown their transaction document that consist registration in IT platform. It also can be downloaded at RSPO palm trace. During the audit, auditor has verified the sales information in RSPO Palm Trace that informed there was some RSPO certified product sold. All certified product (CPO/PK) sold as other scheme (ISCC) and conventionally.</p>
	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. <p>Based on document verification, facility has documented record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. All of these transactions are recorded in the RSPO IT Platform. Based on interviews with related staff, obtained information that data related to sales was the authority of the Marketing Department at the Head Office in Jakarta.</p>
	Status: Comply
5.8	Training
5.8.1	<p>The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff</p> <p>During the audit, facility has shown the evidence of annual supply chain refreshment training that held on 5 March 2019 with 9 participants who having responsibility in supply chain implementation such as mill manager, security officer in mill's gate,</p>

weighbridge operator, mill's administration clerk and sustainability staff).																			
	Status: Comply																		
5.8.2 Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed																			
Based on interview and document verification, all personal who having responsibility and authority are able to demonstrate their competency regarding the implementation of supply chain. All FFB delivery note from certified source has stamped with "CERTIFIED" and noncertified stamped with "NONCERTIFIED".																			
	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																			
Facility has been well maintained all record regarding to supply chain implementation (FFB receiving including its certified/non-certified sources, CPO/PK dispatch) in mass balance document.																			
	Status: Comply																		
5.9.2 Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock																			
Based on document verification on supply chain procedure, retention time for all records and report regarding to supply chain are kept for 10 year. All of record and report kept in mill archive room (room number 6). Auditor has verify the document of supply chain such as FFB delivery note and weighbridge ticket on 17 March 2009 from Division 3.																			
	Status: Comply																		
5.9.3 The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.																			
Facility estimated their palm product which is written in annex of recertification certificate and monitored in three-monthly bases. If any overproduction, facility will inform the CB to extend their volume.																			
<table><tr><th>Product</th><th>Estimation of Certified Product (MT)</th><th>Actual Production 12 Month before audit (March 2018 – February 2019 (MT)</th><th>Projected production of the next license period (MT)</th></tr><tr><td>FFB</td><td>123,436</td><td>104,802</td><td>118,833</td></tr><tr><td>CPO</td><td>25,304</td><td>21,358</td><td>25,549</td></tr><tr><td>PK</td><td>6,480</td><td>5,348</td><td>6,060</td></tr></table>				Product	Estimation of Certified Product (MT)	Actual Production 12 Month before audit (March 2018 – February 2019 (MT)	Projected production of the next license period (MT)	FFB	123,436	104,802	118,833	CPO	25,304	21,358	25,549	PK	6,480	5,348	6,060
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FFB	123,436	104,802	118,833																
CPO	25,304	21,358	25,549																
PK	6,480	5,348	6,060																
Source: book keeping data 12 month before audit (March 2018 – February 2019)																			
Notes: auditor using 12 month data's, it's different with certification period.																			
	Status: Comply																		
5.10	Conversion factors																		
5.10.1 Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries																			
Facility did not using conversion rate.																			
	Status: Comply																		

5.10.2 Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	
Facility did not using conversion rate.	
	Status: Comply
5.11	Claims
5.11.1 The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	
Facility did not using logo.	
	Status: Comply
5.12	Complaints
5.12.1 The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	
Based on SOP No.32 relates to Supply Chain Documentation-Mass Balance Model, all complaints refer to SSOP No. 01 concerning Complaints Procedure on the date of the August 10, 2017 (see criteria 6.3).	
	Status: Comply
5.13	Management review
5.13.1 The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken	
In accordance with supply chain procedure, internal audit of supply chain conducted annually. Facility has held internal audit supply chain on 10 – 14 December 2018 with some findings. Facility has showed management review that consist information such as findings, corrective action and preventive action.	
	Status: Comply
5.13.2 The input to management review shall include information on: <ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. 	
In accordance with supply chain procedure, internal audit of supply chain conducted annually. Facility has held internal audit supply chain on 10 – 14 December 2018 with some findings. Facility has showed management review that consist information such as findings, corrective action and preventive action.	
	Status: Comply
5.13.3 The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. 	
It documented in management review document as written in preventive action.	
	Status: Comply

3.2.2. Module 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.																														
Nilo POM 1 only received FFB from own estate (including other estate under KLK Group) and smallholder that had agreement before. Based on document verification, mill received FFB from supplier below:																														
	<table><tr><th>Mill</th><th>Supplier</th><th>Code</th><th>RSPO Status</th></tr><tr><td rowspan="8">NPOM1</td><td>KNB-1</td><td>KLK250</td><td>Certified</td></tr><tr><td>KNB-2</td><td>KLK256</td><td>Certified</td></tr><tr><td>Safari Riau Estate</td><td>KLK262</td><td>Certified</td></tr><tr><td>KKPA Telayap</td><td>KLKA02</td><td>Noncertified</td></tr><tr><td>KKPA Sering</td><td>KLKA04</td><td>Noncertified</td></tr><tr><td>KKPA Sinar Pelalawan</td><td>Z01</td><td>Noncertified</td></tr><tr><td>KKPA Sejahtera Bersama</td><td>Z02</td><td>Noncertified</td></tr><tr><td>KKPA Safari Riau</td><td>KLKA09</td><td>Noncertified</td></tr></table>	Mill	Supplier	Code	RSPO Status	NPOM1	KNB-1	KLK250	Certified	KNB-2	KLK256	Certified	Safari Riau Estate	KLK262	Certified	KKPA Telayap	KLKA02	Noncertified	KKPA Sering	KLKA04	Noncertified	KKPA Sinar Pelalawan	Z01	Noncertified	KKPA Sejahtera Bersama	Z02	Noncertified	KKPA Safari Riau	KLKA09	Noncertified
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	KKPA Sinar Pelalawan	Z01	Noncertified																											
	KKPA Sejahtera Bersama	Z02	Noncertified																											
	KKPA Safari Riau	KLKA09	Noncertified																											
Due to mill still received uncertified FFB, they using Module E – Mass Balance.																														
	Status: Comply																													
E.2	Explanation																													
E.2.1																														
The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. 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.																														
Facility estimated their palm product which is written in annex of recertification certificate and monitored in three-monthly bases. If any overproduction, facility will inform the CB to extend their volume.																														
	<table><tr><th>Product</th><th>Estimation of Certified Product (MT)</th><th>Actual Production 12 Month before audit (March 2018 – February 2019 (MT)</th><th>Projected production of the next license period (MT)</th></tr><tr><td>FFB</td><td>123,436</td><td>104,802</td><td>118,833</td></tr><tr><td>CPO</td><td>25,304</td><td>21,358</td><td>25,549</td></tr><tr><td>PK</td><td>6,480</td><td>5,348</td><td>6,060</td></tr></table>	Product	Estimation of Certified Product (MT)	Actual Production 12 Month before audit (March 2018 – February 2019 (MT)	Projected production of the next license period (MT)	FFB	123,436	104,802	118,833	CPO	25,304	21,358	25,549	PK	6,480	5,348	6,060													
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Source: book keeping data 12 month before audit (March 2018 – February 2019)																														
Notes: auditor using 12 month data's, it's different with certification period.																														
	Status: Comply																													
E.2.2																														
The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).																														
Nilo Palm Oil Mill 1 - PT ADEI Plantation & Industry, subsidiary of Kuala Lumpur Kepong Bhd has registered in RSPO membership 1-0014-04-000-00 since 16 May 2014.																														

Nilo Palm Oil Mill 1 has been registered in IT platform palm trace RSPO <https://palmtrace.rspo.org/web/rspo/member-directory> which information as follows:

- Member Name: Nilo Palm Oil Mill 1 - PT ADEI Plantation & Industry
- Account UID: RSPO_AC1000001447
- Core Product: Palm Oil
- Member ID: RSPO_PO1000001417
- Type of Business: Oil Mill

All transaction of certified product has been register in palmtrace, include credit. For period March 2018 to Feb 2019 there are 7,400 MT CSPO sold as credit.

Status: Comply

E.3 Documented procedures

E.3.1

The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:

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

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

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

During the audit, facility has shown the evidence of annual supply chain refreshment training that held on 5 March 2019 with 9 participants who having responsibility in supply chain implementation such as mill manager, security officer in mill's gate, weighbridge operator, mill's administration clerk and sustainability staff).

Status: Comply

E.3.2

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

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

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

Status: Comply

E.4 Purchasing and goods in
E.4.1

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

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

Month	FFB (MT)		
	RSPO Certified	Non-Certified	Total
March 2018	6,828	5,047	11,875
April 2018	6,546	5,342	11,888
May 2018	8,182	6,905	15,087
June 2018	6,581	6,053	12,634
July 2018	9,574	6,940	16,514
August 2018	9,368	6,593	15,962
September 2018	9,151	6,407	15,558
October 2018	9,644	6,375	16,019
November 2018	9,454	4,507	13,961
December 2018	10,269	441	10,710
January 2019	10,423	647	11,070
February 2019	8,781	601	9,382
Total	104,802	55,857	160,659

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

Status: Comply

E.4.2

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

Facility estimated their palm product which is written in annex of recertification certificate and monitored in three-monthly bases. If any overproduction, facility will inform the CB to extend their volume. During ASA-4 to RC There is an extension volume because the increase of production.

Product	Estimation of Certified Product (MT)	Extension Volume (MT)	New Estimation (MT)	Actual Production 12 Month before audit (March 2018 – February 2019 (MT)	Projected production of the next license period (MT)
CPO	17,339	7,965	25,304	21,358	25,549
PK	4,138	2,342	6,480	5,348	6,060

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

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

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.)

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

Period	CPO Production (MT)	Total	Cert CPO Dispatch (MT)	Total
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	Cert	Non Cert		RSPO	Other scheme	Non certified	
March 2018 to February 2019	21,359	13,500	34,859	-	4,122	14,236	18,358

Period	PK Production (MT)		Total	Cert PK Dispatch (MT)			Total
	Cert	Non Cert		RSPO	Other scheme	Non certified	
March 2018 to February 2019	5,778	2,210	7,987	4,373	-	825	5,198

	Status: Comply						
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3.3 Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or√
RC	Auditor team has no found of RSPO Trademark Uses and CB's logo. KLK as parent company of PT Adei Plantation & Industry has had trademark license with number RSPO-1106058.	√
	Status: Comply	
2.	Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use	X or√
RC	Nilo POM 1 and three estates supply bases, does not use the Trademark both in the on-product and off-product. KLK as parent company of PT Adei Plantation & Industry has had trademark license with number RSPO-1106058.	√
	Status: Comply	
3.	Implementation of Certificate and Trademark is not used on product	X or√
RC	Nilo POM 1 and three estates supply bases, does not use the Trademark both in the on-product and off-product. KLK as parent company of PT Adei Plantation & Industry has had trademark license with number RSPO-1106058.	√
	Status: Comply	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.	X or√
RC	Nilo POM 1 and three estates supply bases, does not use the Trademark both in the on-product and off-product. KLK as parent company of PT Adei Plantation & Industry has had trademark license with number RSPO-1106058.	√
	Status: Comply	

3.4 Summary of RSPO Partial Certification

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

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

MUTU has verified partial certification for un-certified unit's subsidiary of Kuala Lumpur Kepong Bhd based on their Time Bound Plan. There are 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 ASA-4

<i>NCR No</i>	:		<i>Issued by</i>	:	
<i>Date Issued</i>	:		<i>Time Limit</i>	:	
<i>NC Grade</i>	:		<i>Date of Closing</i>	:	
<i>Standard Ref. & Requirement</i>	:				
Evidence observed (filled by auditor):					
There is no non-conformity at ASA-4					
Non-Conformance Description (filled by auditor):					
Root Cause Analysis (filled by organization audited):					
Correction (filled by organization audited):					
Corrective Action (filled by organization audited):					
Assessor Evaluation and Conclusion (filled by auditor):					
<i>Verified by</i>	:				

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

NCR No	: 2019.01	Issued by	: Rindu Galih Rezza Rachmansyah
Date Issued	: 27 March 2019	Time Limit	: Next Surveillance
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 6.1.4 The documented plan for management and monitoring of social impacts, shall be reviewed at least on two-yearly basis. If necessary, the plan should be updated. There shall be evidence that the review process includes participation of all affected parties.		
Evidence observed (filled by auditor): <ul style="list-style-type: none"> Based on the results of document studies and interviews with PT Adei Plantation & Industry union officials, it was found that there were cases of industrial relations disputes between the company and employees in 2018 and there were still disputes that were still in process. But the results of the evaluation of the management plan and monitoring of social affairs in 2019 have not covered the issue. Based on the results of the SIA document review of PT Adei Plantation & Industry, it was found that there were 6 villages which became the scope of the study, namely: Telayap, Batang Nilo Kecil, Sering, Kemang, Palas and Buluh Rivers. However, in evaluating the management plan and monitoring social affairs in 2019 there were only 5 villages that became the scope of the evaluation study, and for the Village it was often not implemented. Based on a review of the UKL-UPL document and PT Safari Riau HCV it is known that the geographical location of the company is located in Terantang Manuk Village. The company has evaluated the management and monitoring of social plans for the period of 2019, but the villages that are the study for the evaluation of management plans and social monitoring are Harapan Jaya and Sialang Indah Villages. 			
Non-Conformance Description (filled by auditor): The company has not been able to show evidence that the 2-year evaluation of the management plan and monitor social has covered all issues of social internal / external and carried out in a participatory manner from all affected parties.			
Root Cause Analysis (filled by organization audited):			
Correction (filled by organization audited):			
Corrective Action (filled by organization audited):			
Assessor Evaluation and Conclusion (filled by auditor):			
Verified by	:		

3.5.3. Opportunity for Improvement

No	Ref. Std.	Description
1	2.1.1	Realization related to Hyperkes training for paramedics
2	6.2.3	Information on job vacancies for staff to surrounding village communities
3	6.3.2	Settlement of unresolved industrial relations disputes
4	6.5.3	Ensure testing of the quality of clean water in Safari Riau Estate employee housing, especially for metal parameters

3.5.4. Noteworthy Positive Components

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

3.6 Summary of Arising Issues from Public and Auditor Verification

Public Issues (Institution/ NGO/Community)	Auditor Verification
Environmental agency, Pelalawan Regency <ul style="list-style-type: none"> • There is no issues regarding landfires during 2018-2019 • There is no issues regarding pollution caused by company • Company has permit regarding environmental for examples : toxic & hazardous waste storage permit, environmental permit, land application permit, and etc • Compulsory report has been submitted for regular basis • There is no conflict between human vs wild species until now 	<p>There is no negative issues from the government agency. CH has demonstrated compliance with the RSPO criteria 2.1, 4.4, 5.1, 5.2, 5.3 and 5.5</p>
Department of Plantations of Pelalawan District <ul style="list-style-type: none"> • Communication with PT Adei Plantation & Industry, PT Steelindo and PT Safari Riau are good, the company is technically agronomy already meet the applicable laws and regulations. • There should be good communication with the public in order to avoid conflicts. • Report progress on the plantation business routinely reported per semester such as LPUP (<i>Laporan Perkembangan Usaha Perkebunan</i>). • There are no negative issues such as landfires, conflicts / disputes with local communities and other business interruptions. • The company has a CSR program with the local government as well as the surrounding village. • The company reported replanting activities to Department of Plantations. • The company already had a fire fighter team and facilities of firefighter. Beside that, the company also report about fire routinely to the Plantation Department. • There is no issue related the land fire. \ • <i>Penilaian Usaha Perkebunan</i> (PUP) was carried out in November 2016 (PT Adei Plantation & Industry and PT Steelindo Wahana Perkasa) 	<p>The company has a development plan for smallholder and is currently still in process prepare land area and has been explain at 6.1. There is no issue of land disputes and has explain 2.2 and about CSR program has been explain at criterion 6.11</p>
National Land Agency of Pelalawan District <ul style="list-style-type: none"> • There was no land dispute area in PT ADEI Nilo and PT Safari Riau. • The company still not reported their land use to the national land agency of Pelalawan District. 	<p>CH has demonstrated compliance with the RSPO criteria 1.1 and 2.2. CH has shown the handover of land use report to National Land Agency.</p>
Labour Agency of Pelalawan District <ul style="list-style-type: none"> • The company has implemented of minimum wage regulation. 	<p>It has been describe in criteria 6.5</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<ul style="list-style-type: none"> There is some industrial conflict that in progress. 	
Local Contractor (School Bus and FFB Transporter) <ul style="list-style-type: none"> The company had a contract with local communities to increasing local income. Every clause in contract has legal and fair. Contract paid monthly according to the agreement. 	<p>It has been describe in criteria 6.10 and 6.11</p>
Previous Land Owner of PT Safari Riau Palas Village & Harapan Jaya Village <ul style="list-style-type: none"> Land acquisition process has involved local communities (Suku Penyabungan and Suku Penyabi). During that process, all land owner gathered for negotiation and free to deny land compensation offer. PT Safari Riau also build 165 Ha palm oil plantation for the local communities. There is no land dispute cases during this audit. 	<p>It has been describe in criteria 2.3</p>
Head of Village (Harapan Jaya and Terantang Manuk) <ul style="list-style-type: none"> There is no land dispute case between the companies with local people. The company helped local communities for job and business opportunity, road maintenance, education, health, holy day, Independence Day and youth movement. 	<p>It has been describe in criteria 2.3 and 6.11</p>
Labor Union SBSI FKUI (Federasi Kontruksi Umum dan Informal) <ul style="list-style-type: none"> At 2012, the labor union has been build and had already 2 period. Monthly meeting (every 3 month) has been conducted on each estates. There was no significant issue regarding to industrial relationship between the company and labor union. Minimum wages year of 2018 is Rp 2,617,500/month, the determination of wages (2019) will be done following the rules. The company has responded to any complains such as complains regarding clean water. The Company has also provided PPE's which is provided for free. The company has a complain system such as report complain directly to the leadership. Member of SBSI FKUI is around 50 member The overtime has already appropriate with regulation All employees have been included in the program BPJS employment and health. 	<p>Has been described in criterion 6.5.</p> <p>Has been described in indicator 6.5.1</p> <p>The company has paid labour social insurance and labour health insurance for all workers as written in indicator 4.7.6.</p> <p>Has been described in indicator 4.6.11.</p> <p>Has been described in indicator 4.7.3</p> <p>Based on document verification known that if there are things that will submitted to company, the union held a meeting with the company (see C6.6)</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
Safari Cooperative <ul style="list-style-type: none"> June 2018, the cooperative has been build. Engaged in the basic need and gas station. There are support from the company 	<p>Has been described in indicator 6.5.4</p>
Board of Gender Committee (All Units) <ul style="list-style-type: none"> We have program such as religious and monthly meeting. All women workers has socialized about reproductive rights such as pregnant and menstruation. There is no negative issues such as discrimination, the use of labor under 18 years, sexual abuse issues and others. There are no complaints related to violations of women's rights or violence against women in the workplace PT Safari Riau has granted the rights of women such as the right to maternity leave and menstruation leave. There are extra fooding for day care from the company. There are no pegnancy and breast feeding workers with chemical application. 	<p>PT Safari Riau has committed to guarantee the rights of women, for example, the company has granted maternity leave and menstruation. Based on interviews with workers known that there are never happened of violence against women in workplace (see C6.8 and C6.9)</p>
Labor Union SBSI 1992 (<i>Serikat Buruh Seluruh Indonesia - 1992</i>) <ul style="list-style-type: none"> Labor union can inform can be done directly to management without having wait for the official meeting. There was no significant issue regarding to industrial relationship between the company and labor union. Minimum wages year of 2018 is Rp 2,617,500/month, the determination of wages (2019) will be done following the rules. A common work agreement is still in the form of processing There is no socialization of regulatory harvesting premium Menstrual permit are not in accordance with the joint work agreement There is no issue related child labor The Company has also provided PPE's which is provided for free. Facilities have been good, the company giving a subsidies for electricity (Rp 150,000) The company has a complains system such as report complain directly to the leadership. Member of SBSI 1992 is around 600 member The overtime has already appropriate with regulation All employees have been included in the program BPJS employment and health. Medical Check Up has been implemented. 	<p>Has been described in criterion 6.5.</p> <p>Has been described in indicator 6.5.1</p> <p>The company has paid labour social insurance and labour health insurance for all workers as written in indicator 4.7.6.</p> <p>Has been described in indicator 4.6.11.</p> <p>Has been described in indicator 4.7.3</p> <p>Based on document verification known that if there are things that will submitted to company, the union held a meeting with the company (see C6.6)</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
Labor Union SPSI (<i>Serikat Pekerja Seluruh Indonesia</i>) dan SBSI FKUI (<i>Federasi Kontruksi Umum dan Informal</i>) <ul style="list-style-type: none"> Minimum wages year of 2018 is Rp 2,617,500/month, the determination of wages (2019) will be done following the rules. The overtime has already appropriate with regulation Issued associated with premiums that have never been an increase 	As written in principle 6
PT Solangan Maju Bersama (Local Contractor – Transport EFB, Solid, Employee Transport, Application EFB and Solid and Manual Weeding) <ul style="list-style-type: none"> The company unit has been working with local contractors and paid according to the contract and on time. The contract limited every 6 month Clausula of contract is related assurance, PPE, quantity and prices. Contractors worker doesn't have any training. 	As written in principle 6.10
Employee Cooperative (<i>Koperasi Asri Jaya Mandiri</i>) <p>Bussiness is drinking water and will increase to the provision of fuel</p>	As written in principle 6
PT Indotama Jayamas Bersama (Local Contractor – Replanting Activity) <ul style="list-style-type: none"> The company unit has been working with local contractors and paid according to the contract and on time. The contract limited every 6 month Clausula of contract is related assurance, PPE, quantity and prices. Contractors worker have any training such as training all of the activity according to the prosedure. 	As written in principle 6.10

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 Management Representative</p>  <p>Indra Gunawan 26 April 2019</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p>Andi Pratama Pasaribu 26 April 2019</p> </div> </div>

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

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Wahana Lingkungan Indonesia	-	-	Questionare via email	11-03-2019		✓
2	Sawit Watch	-	-	Questionare via email	11-03-2019		✓
3	World Wildlife Fund for Nature	-	-	Questionare via email	11-03-2019		✓
4	Aliansi Masyarakat Adat Nusantara	-	-	Questionare via email	11-03-2019		✓
5	Environtmental Agency	Pelalawan Regency, Riau Province	-	Interview	18-03-2019	✓	
6	Labour Agency	Pelalawan Regency, Riau Province	-	Interview	18-03-2019	✓	
7	Natinal Land agency	Pelalawan Regency, Riau Province	-	Interview	18-03-2019	✓	
8	Plantation Agency	Pelalawan Regency, Riau Province	-	Interview	18-03-2019	✓	
9	Gender Committee	PT Adei Plantation & Industry and PT Safari Riau	-	Interview	20 to 21 - 03-2019	✓	
10	SBSI FKUI	PT Adei Plantation & Industry and PT Safari Riau	-	Interview	20 to 21 - 03-2019	✓	
11	SPSI	PT Adei Plantation & Industry	-	Interview	20-03-2019	✓	
12	SBSI 1992	PT Adei Plantation & Industry	-	Interview	20-03-2019	✓	
13	Safari Cooperative	PT Safari Riau	-	Interview	21-03-2019	✓	
14	Asri Jaya Mandiri	PT Adei Plantation & Industry		Interview	20-03-2019		
15	PT Solangan Maju Bersama (Contractor)	Pelalawan Regency, Riau Province	-	Interview	20-03-2019	✓	
16	PT Indotama Jayamas Bersama (Contractor)	Pelalawan Regency, Riau Province	-	Interview	20-03-2019	✓	
17	Previous landowners	Pelalawan Regency, Riau Province	-	Interview	19 to 22 - 03-2019	✓	
18	Local Contractor for Bus and FFb Transporter	Pelalawan Regency, Riau Province	-	Interview	21-03-2019	✓	
19	Terantang Manuk Village	Pelalawan Regency, Riau Province	-	Interview	21-03-2019	✓	
20	Harapan Jaya Village	Pelalawan Regency, Riau Province	-	Interview	21-03-2019	✓	
21	Kemang Village	Pelalawan Regency, Riau Province	-	Interview	22-03-2019	✓	
22	Nilo Village	Pelalawan Regency, Riau Province	-	Interview	22-03-2019	✓	
23	Telayap Village	Pelalawan Regency, Riau Province	-	Interview	23-03-2019	✓	
24	Sering Village	Pelalawan Regency, Riau Province	-	Interview	22-03-2019	✓	

25	Sungai Buluh Village	Pelalawan Regency, Riau Province	-	Interview	22-03-2019	✓	
26	Nilo Barat 1 Estate <ul style="list-style-type: none"> • 8 spraying workers • 4 harvesting workers 	PT Adei Plantation & Industry	-	Interview		✓	
27	Nilo Barat 2 Estate <ul style="list-style-type: none"> • 3 warehouse workers • 2 workshop workers • 16 spraying workers • 4 manual weeding workers • 5 harvesting workers • 5 warehouse workers 	PT Adei Plantation & Industry	-	Interview		✓	
28	Nilo POM 1 <ul style="list-style-type: none"> • 2 weightbridge operators • 2 security workers • 2 sterilizer operators • 2 digester & press operators • 1 engine room operator • 2 boiler operators • 1 contractor worker • 2 sortation workers • 3 warehouse workers 	PT Adei Plantation & Industry	-	Interview		✓	
29	Safari Riau Estate <ul style="list-style-type: none"> • 7 manuring workers • 6 spraying workers • 5 harvesting workers • 4 cencus operators • 4 warehouse workers 	PT Safari Riau	-	Interview		✓	

Appendix 2. Assessment Program

DATE	18 to 27 March 2019	
PROGRAM	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday, 18 March 2019		
06.00 – 07.10	Jakarta → Pekanbaru	All Auditor
10.00 – 12.00	Stakeholder Consultation to Government Institution in Pelalawan Regency	
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	Opening Meeting <ul style="list-style-type: none"> Auditee Speech (Introduction of PIC, Profile of Certified Management Unit) Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) 	All Auditor
Tuesday, 19 March 2019		
08.00 – 12.00	Field observation to Nilo Barat 1-2 Estate: <ul style="list-style-type: none"> Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), Fragile Soil Management, OHS implementation and Worker Welfare (payments, complaint mechanism) Legal operational High Conservation Value Area, Empty Fruit Bunch Application Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (B3) management, Land Fire facilities, Storage, ect.\ 	All Auditor
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	Field Observation to Nilo POM 1 <ul style="list-style-type: none"> Process Station, Safety Aspect and Worker Welfare (Grading-Despatch) ETP, WTP, Hazardous waste warehouse, Drainage, Collecting place of fiber, Water Discharge, Hazardous warehouse, workshop, chemical store Supply Chain Stakeholder consultation to Labor union, gender committee, local contractor, CPO and PK Transporter	All Auditor
Wednesday, 20 March 2019		
08.00 – 12.00	Field observation to Safari Riau Estate (PT Safari Riau): <ul style="list-style-type: none"> Manuring, Spraying, Harvesting, Integrated Pest Management (IPM), Fragile Soil Management, OHS implementation and Worker Welfare (payments, complaint mechanism) Legal operational High Conservation Value Area, Empty Fruit Bunch Application Worker facilities (housing, health clinic, clean water, etc) and Hazardous Waste Material (B3) management, Land Fire facilities, Storage, ect.\ 	All Auditor
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	Document Review	All Auditor
Thursday, 21 March 2019		

08.00 – 12.00	Stakeholder consultation to Labor union, gender committee, local contractor, CPO and PK Transporter (PT Safari Riau) Stakeholder Consultation to Nearest Village, Local Communities and Previous Landowner	All Auditor
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	Document Review	All Auditor
Friday, 22 March 2019		
08.00 – 12.00	Stakeholder consultation to affected communities surrounding the plantations (Sungai Buluh and Telayap Village) . Interview with Gender Committee, Worker's Union, Worker's Cooperative (if any), Local Contractor (for Mill and Estate), Third Party Supplier	ARD/APP SAP/RGR
12.00 – 14.00	Break	All Auditor
14.00 – 17.00	Document Review	All Auditor
Wednesday, 27 March 2019		
08.00 – 11.00	Closing Meeting	All Auditor
11.00 – 13.00	PT Adei Plantation & Industry → Pekanbaru	
16.40 – 18.00	Pekanbaru → Jakarta	