

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

**[✓] Surveillance**

Name of Management Organisation : Mandau Palm Oil Mill, PT Adei Plantation & Industry subsidiary of Kuala Lumpur Kepong BHD.

Plantation Name : PT Adei Plantation & Industry: KM 1, KM 2, KM 3, KM4, KM 5 and KM 6.  
Location : Village of Muara Basung, Sub District of Pangkalan Kuras, District of Bengkalis, Province of Riau, Indonesia.

Certificate Code : **MUTU-RSPO/021**

Date of Certificate Issue : 19 October 2017                      Date of License Issue : 09 November 2019

Date of Certificate Expiry : 18 October 2022                      Date of License Expiry : 18 October 2020

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1.2	19 to 23 August 2019	Trismadi Nurbayuto (Lead Auditor), Brigitta Prita, Satria Adi Putra, Haikal Ramadhan Kharismanyah, Lani Meita Indah Furi (Observer)	Leonada	Octo HPN Nainggolan

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1.2	16 October 2019

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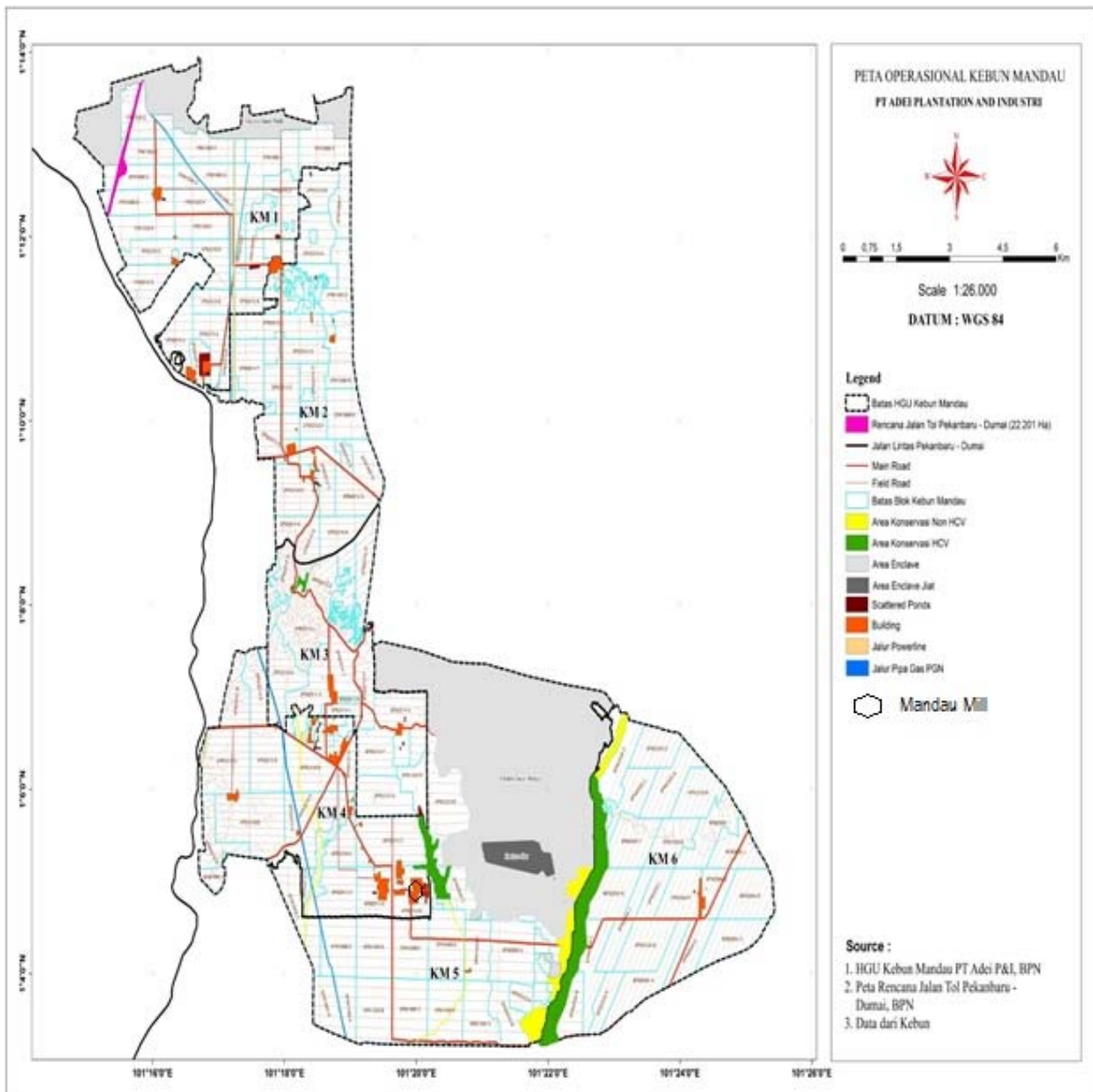
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**Figure 1. Location Map of PT Adei Plantation & Industry.**



**Figure 2. Operational Map of PT Adei Plantation & Industry**



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

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

	Name of Supply Base	Location	Coordinate	
			Latitude	Longitude
	Mandau 1	Jl. Raya Pekanbaru - Duri km 110, Semunai Village, Pinggir Sub-district, Bengkalis District, Province of Riau.	N 1°12' 30.7610"	E 101° 16' 3.3687"
	Mandau 2	Jl. Raya Pekanbaru - Duri km 110, Semunai Village, Pinggir Sub-district, Bengkalis District, Province of Riau.	N 1° 11' 90.7291"	E 101 ° 17' 47.7227"
	Mandau 3	Jl. Raya Pekanbaru - Duri km 110, Semunai Village, Pinggir Sub-district, Bengkalis District, Province of Riau.	N 1 ° 07' 11.7842"	E 101 ° 18' 40.9299"
	Mandau 4	Jl. Raya Pekanbaru - Duri km 101 Simpang Intan, Muara Basung Village, Pinggir Sub-district, Bengkalis District, Province of Riau.	N 1 ° 06' 37.1461"	E 101 ° 18' 36.4449"
	Mandau 5	Jl. Raya Pekanbaru - Duri km 101 Simpang Intan, Muara Basung Village, Pinggir Sub-district, Bengkalis District, Province of Riau.	N 1 ° 04'52.8890"	E 101 ° 19' 25.9473"
	Mandau 6	Jl. Raya Pekanbaru - Duri km 101 Simpang Intan, Muara Basung Village, Pinggir Sub-district, Bengkalis District, Province of Riau.	N 1 ° 04'59.5364"	E 101 ° 24' 19.3583"
<b>1.5</b>	<b>Description of Area Statement</b>			
1.5.1	Tenure			
	• State		<b>14,837.64</b>	<b>Ha</b>
	• Community		-	Ha
1.5.2	<b>Area Statement</b>			
	• Total area		<b>14,837.64</b>	<b>Ha</b>
	• Mature area		10,492.00	Ha
	• Immature area		797.00	Ha
	• Emplishment/ Infrastructure/ Mill / pond		205.00	Ha
	• HCV area (HCV 1; HCV 3; HCV 4; HCV 5 & HCV 6)		236.52	Ha
	• Enclave Sakai Melayu, Jiat and Tanah Putih (Conservation area outside HCV area)		3,002.19	Ha
	• Enclave of Local community (Conservation area outside HCV area)		34.00	Ha
	• Power lines/ Chevron roads		70.93	Ha
	Ha			
<b>1.6</b>	<b>Planting Year and Cycles</b>			
1.6.1	Age profile of planting year			
	<b>Planting Year</b>	<b>Hectarage (Ha)</b>		



		Mandau 1	Mandau 2	Mandau 3	Mandau 4	Mandau 5	Mandau 6	Total
	1998	1,194.00	455.00	65.00	107.00	486.00	-	2,307.00
	1999	-	-	-	-	858.00	-	858.00
	2000	14.00	17.00	-	-	325.00	-	356.00
	2001	-	-	31.00	-	-	-	31.00
	2002	-	37.00	-	-	-	-	37.00
	2003	-	17.00	-	-	204.00	-	221.00
	2004	-	-	30.00	-	24.00	1,134.00	1,188.00
	2005	-	16.00	16.00	33.00	53.00	846.00	964.00
	2006	-	-	-	-	12.00	164.00	176.00
	2007	-	-	-	-	-	27.00	27.00
	2010	-	122.00	100.00	86.00	-	-	308.00
	2011	-	-	86.00	16.00	-	-	102.00
	2012	-	493.00	248.00	172.00	-	-	913.00
	2013	-	-	129.00	270.00	-	-	399.00
	2014	-	657.00	488.00	220.00	-	-	1,365.00
	2015	409.00	135.00	220.00	476	-	-	1,240.00
	<b>Total Mature</b>	<b>1,617.00</b>	<b>1,949.00</b>	<b>1,413.00</b>	<b>1,380.00</b>	<b>1,962.00</b>	<b>2,171.00</b>	<b>10,492.00</b>
	2016	354.00	-	-	443.00	-	-	797.00
	Total Immature	354.00	-	-	443.00	-	-	797.00
	<b>TOTAL</b>	<b>1,971.00</b>	<b>1,949.00</b>	<b>1,413.00</b>	<b>1,823.00</b>	<b>1,962.00</b>	<b>2,171.00</b>	<b>11,289.00</b>
1.6.2	New Planting area after January 2010	- Ha						
1.6.3	Planting Cycle	1 <sup>st</sup> Cycle						
<b>1.7</b>	<b>Description of Mill and Supply Base</b>							
1.7.1	Description of Mill							
	<b>Name of Mill</b>	<b>Capacity (tonnes/ hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>		
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	
	Mandau	60	262,814.30	59,590.95	22.68	11,042.09	4.18	
	<i>*Production data source from 1 August 2018 to 31 July 2019</i>							
1.7.2	Description of Certification Scope of Supply Base							
	<b>Name of Estate</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year)</b>	<b>Yield (tonnes/h a/year)</b>	<b>Supplied to Mill</b>		
						<b>FFB (tonnes/year)</b>	<b>%</b>	
	Mandau 1	2,942.85	1,971	38,664.38	23.91	38,664.38	100	
	Mandau 2	2,137.11	1,949	50,727.33	26.03	50,727.33	100	
	Mandau 3	1,446.06	1,413	34,117.80	24.15	34,117.80	100	
	Mandau 4	1,943.27	1,823	29,868.70	21.64	29,868.70	100	
	Mandau 5	3,924.66	1,962	51,326.01	26.16	51,326.01	100	
	Mandau 6	2,443.69	2,171	58,110.08	26.77	58,110.08	100	
	<b>TOTAL</b>	<b>14,837.64</b>	<b>11,289</b>	<b>262,814.30</b>	<b>25.05</b>	<b>262,814.30</b>	<b>100</b>	
	<i>*Production data source from 1 August 2018 to 31 July 2019</i>							
1.7.3	FFB description from other source							
	<b>Name of sources/Organisation (RSPO certified / non-certified)</b>	<b>Type of Organisation</b>	<b>number of smallholders</b>	<b>Production Area (Ha)</b>	<b>Supplied to Mill</b>			
					<b>FFB (tonnes/year)</b>			
	-	-	-	-	-			-



TOTAL								
<i>* POM didn't receive FFB from outside.</i>								
1.7.4	Product categories	FFB, CPO, PK						
<b>1.8</b>	<b>Tonnage of Product</b>							
1.8.1	Past Annual Claim Certified Product	Last Year Projected Certified Volume (MT)			Actual certified for period last year (MT)			
	• FFB Process IP	273,065			262,814.30			
	• FFB Process MB	33,148			0			
	• CPO Production IP	62,239			59,590.30			
	• CPO Production MB	7,624			0			
	• Palm Kernel (PK) Production IP	18,049			11,406.26			
	• Palm Kernel (PK) Production MB	1,657			0			
<i>*Actual certified product from 1 August 2018 to 31 July 2019</i>								
<i>**Ext. Vol has been approved</i>								
1.8.2	Product selling							
	Tonnage of selling product	Period of actual selling product for last year						
	• CSPO sold as RSPO certified product	6,325.47 MT (IP)						
	• CSPK sold as RSPO certified product	11,280.03 MT (IP)						
	• CSPO sold under other scheme	32,508.13 MT (IP)						
	• CSPK sold under other scheme	-						
	• CSPO sold as conventional	19,572.04 MT (IP)						
	• CSPK sold as conventional	-						
There is opening stock of CSPO: 3,632.04 MT and CSPK: 364.17 MT on 1 August 2018.								
1.8.3	Estimate of Certified FFB Claim							
	<b>Name of Estate(s)</b>	<b>Total Area (Ha)</b>	<b>Planted Area (Ha)</b>	<b>FFB (tonnes/year) MB</b>	<b>FFB (tonnes/year) IP</b>	<b>Yield (tonnes/ha/year)</b>		
	Mandau 1	2,942.85	1,971	44,939	2,365	24.00		
	Mandau 2	2,137.11	1,949	51,843	2,729	28.00		
	Mandau 3	1,446.06	1,413	34,900	1,837	26.00		
	Mandau 4	1,943.27	1,823	38,100	2,005	22.00		
	Mandau 5	3,924.66	1,962	52,169	2,725	28.00		
	Mandau 6	2,443.69	2,171	57,749	3,039	28.00		
	<b>TOTAL</b>	<b>14,837.64</b>	<b>11,289</b>	<b>279,700</b>	<b>14,700</b>	<b>25.00</b>		
<i>*Projected FFB production for 12 months of certificate (19 Oct 2019 to 18 Oct 2020)</i>								
1.8.4	Estimate of Certified Palm Product Claim							
	<b>Name of Mill</b>	<b>Capacity (tonnes/hour)</b>	<b>FFB Processed (tonnes/year)</b>	<b>CPO</b>		<b>Palm Kernel</b>		<b>Supply Chain Module</b>
				<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	<b>Out put (tonnes)</b>	<b>Extraction (%)</b>	
	<b>Mandau</b>	<b>60</b>	279,700	64,400	23.00	14,000	5.00	<b>IP</b>
			14,700	3,380		740		<b>MB</b>
<i>*Projected CSPO and CSPK production for 12 months of certificate (19 Oct 2019 to 18 Oct 2020)</i>								
<b>1.9</b>	<b>Other Certifications</b>							

	ISCC	CertificateNo.: EU-ISCC-Cert-DE105-83153904 (valid from 4 May 2018 – 3 May 2019).				
	ISPO	ISPO: MUTU-ISPO/030 (9 September 2014 – 8 September 2019).				
<b>1.10</b>	<b>Time Bound Plan</b>					
<b>1.10.1</b>	<b>Time Bound Plan for Other Management Units</b>					
No	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
	MILL	Time Bound Plan				
<b>INDONESIA</b>						
1	Berau POM PT Hutan Hujan Mas	2018	Sungai Melemah (PT MP)	2018	Berau, Kalimantan Timur	Certified 2019
			Sungai Atap (PT MP)	2018		Certified 2019
			Sungai Segah (PT HHM)	2018		Certified 2019
			Sungai Pura (PT HHM)	2018		Certified 2019
			Sumbarata (PT SSD)	2018		-
2	Jabontara POM PT Jabontara Eka Karsa	2017	Sungai Raya	2017	Berau, Kalimantan Timur	Certified 2018
			Sungai Jantui	2017		Certified 2018
3	MAP POM PT Mulia Agro Permai	2021	Menteng Jaya Sawit Perdana	2021	Mentaya Hilir Utara, Kalimantan Tengah	Audited in Nov 2018
			MAP Barat (PT MAP)	2021	Baamang, Kalimantan Tengah	IC
			MAP Timur (PT MAP)	2021	Baamang, Kalimantan Tengah	IC
4	KMA POM PT Karya Makmur Abadi	2017	KMA Utara	2018	Mentaya Hulu, Kalimantan Tengah	Certified 2019
			KMA Tengah	2018		Certified 2019
			KMA Selatan	2018		Certified 2019
5	SWP POM PT Steelindo Wahana Perkasa	2012	Barat	2012	Belitung, Bangka Belitung	Certified 2014
			Utara	2012		Certified 2014
			Timur	2012		Certified 2014
			Selatan	2012		Certified 2014
6	Parit Sembada POM PT Parit Sembada	2013	Parit Sembada	2013	Belitung, Bangka Belitung	Certified 2016
			Alam Karya Sejahtera	2013		Certified 2016
7	Mandau POM PT ADEI	2012	Kebun Mandau Selatan 1	2012	Bengkalis, Riau	Certified 2012

			Kebun Mandau Selatan 2	2012		Certified 2012
			Kebun Mandau Selatan 3	2012		Certified 2012
			Kebun Mandau Selatan 4	2012		Certified 2012
			Kebun Mandau Utara 5	2012		Certified 2012
			Kebun Mandau Utara 6	2012		Certified 2012
			Kebun Mandau Utara 7	2012		Certified 2012
8	Nilo POM 1 PT ADEI	2012	Nilo Barat 1	2012	Pelalawan, Riau	Certified 2014
			Nilo Barat 2	2012		Certified 2014
			Kop Petani Sejahtera (KKPA)	2018		-
			Kop Karya Mitra (KKPA)	2018		-
			Kop Tani Harapan Maju (KKPA)	2018		-
			PT Safari Riau	2018		Certified 2018
			KKPA PT Safari Riau	2018		-
			KTA Safari	2018		-
9	Nilo POM 2 PT ADEI	2012	Nilo Timur 1	2012	Pelalawan, Riau	Certified 2014
			Nilo Timur 2	2012		Certified 2014
			Kebun Mitra Kuala Tolam SP 1 (PT SWP)	2018		Certified 2018
			Kebun Mitra Kuala Tolam SP 2 (PT SWP)	2018		Certified 2018
			KKPA Sungai Buluh (PT SWP)	2018		Certified 2018
			Ladang Mutiara (PT SWP)	2018		Certified 2018
10	Tapung Kanan POM PT Sekarbumi Alamlestari	2012	Tapung Kanan 1	2012	Kampar, Riau	Certified 2013
			Tapung Kanan 2	2012		Certified 2013
			Tapung Kanan 3	2012		Certified 2013
			KKPA (Kopni Sahabat Lestari)	2016		Refuse to take a part RSPO

						process.
11	Stabat POM PT Langkat Nusantara Kepong	2014	Basilam	2017	Langkat, Sumatera Utara	Certified
			Gohor Lama	2017		Certified
			Tanjung Keliling	2017		Certified
			Maryke	2017		Certified
			Bekiun	2017		Certified
			Padang Brahrang	2017		Certified
			Bukit Lawang	2017		Certified
			Tanjung Beringin	2019		-
12	Padang Brahrang POM PT Langkat Nusantara Kepong	2014	No longer in operation due to technical reason			
<b>PENINSULAR MALAYSIA</b>						
13	Batu Lintang POM	2013	Pelam	2013	Kulim, Kedah	Certified
			Batu Lintang	2013	Serdang, Kedah	Certified
			Subur	2013	Batu Kurau, Perak	Certified
			Ghim Khoo	2013	Kulim, Kedah	Certified
14	Kekayaan POM	2011	Kekayaan	2011	Paloh, Johor	Certified
			Landak	2011	Paloh, Johor	Certified
			Voules	2011	Tenang, johor	Certified
			Bandar Tenggara	2011	Bandar Tenggara, Johor	Certified
			New Pogoh	2011	Tenang, johor	Certified
			Fraser	2011	Kulai, Johor	Certified
			Paloh	2011	Paloh, Johor	Certified
			Sungai Bekok	2011	Bekok, Johor	Certified
			Ban Heng	2011	Pagoh, Muar, Johor	Certified
			See Sun	2011	Renggam, Johor	Certified
15	Paloh POM	-	Outside Crop	-	Paloh, Johor	-
16	Jerang Padam POM	2012	Ayer Hitam	2012	Bahau, Negri Sembilan	Certified
			Batang Jelai	2012	Rompin, Negri Sembilan	Certified
			Jeram Padang	2012	Bahau, Negri Sembilan	Certified
			Kombok	2012	Rantau, Negri Sembilan	Certified
			Ulu Pedas	2012	Pedas, Negri Sembilan	Certified
			Gunung Pertanian	2012	Simpang Durian, Negri Sembilan	Certified
			Sungai Kawang	2012	Lanchang, Pahang	Certified
			Renjok	2012	Telemong, Pahang	Certified
			Tuan	2012	Telemong, Pahang	Certified
17	Tanjung Malim POM	2013	Tanjung Malim	2013	Tanjung Malim, Perak	Certified
			Kerling	2013	Kerling, Selangor	Certified
			Sungai Gapi	2013	Serendah, Selangor	Certified
			Bukit Kato	2013	-	Certified
			Kampar	2013	-	Certified

18	Tuan Mee POM	2013	Tuan Mee	2013	Sungai Buloh, Selangor	Certified
19	Kuala Pertang POM	2013	Kerila	2013	Tanah merah, Kelantan	Certified
			Pasir Gajah	2013	Kuala Krai, Kelantan	Certified
			Sungai Sokor	2013	Tanah Merah, Kelantan	Certified
20	Changkat Chermin POM	2013	Lekir	2013	Batu 12, 32020 Sitiawan, Perak	Certified
			Changkat Chermin	2013	Batu 13 ½, 32400, Ayer Tawar, Perak	Certified
			Raja Hitam	2013	Bt 18, Kg Jering, 32400 Ayer Tawar, Perak	Certified
			Allagar	2013	Ladang Allagar, 34800 Trong, Perak.	Certified
			Glenealy	2013	Jalan Si Putih – Batu Hampar, 32800 Parit, Perak	Certified
			Serapoh	2013	Ladang Serapoh, 32800 Parit, Perak	Certified
			Kuala Kangsar	2013	Ladang Kuala Kangsar, 33700 Padang Rengas, Perak	Certified
			Pinji	2013	Ladang Pinji, P.O.Box 1027, 30820 Ipoh, Perak	Certified
			Batu Dua	2013	Ladang Batu Dua, P.O.Box 1027, 30820 Ipoh, Perak	Certified
			Menglembu	2013	Ladang Menglembu d/k No. 1, Hala Kledang 4, Taman Kledang, 31450 Menglembu, Perak	Certified
			Kampar	2013	Peti Surat 20, 31907, Kampar, Perak.	Certified
			Subur	2013	34520, Batu Kurau, Perak	Certified
Bukit Kartho	2013	Ladang Bukit Katho, 35500 Bidor, Perak.	Certified			
<b>SABAH, MALAYSIA</b>						
21	Mill 1	2009	Jatika	2009	Tawau, Sabah	Certified
			Sigalong	2009		Certified
			Pangeran	2009		Certified
			Sri Kunak	2009		Certified
			Pang Burong	2009		Certified
22	Mill 1	-	Outside crop	-	-	-
23	Pinang	2009	Pinang	2009	Tawau, Sabah	Certified
			Tundong	2009		Certified
			Ringlet	2009		Certified
24	Lungmanis	2010	Lungmanis	2010	Lahad Datu, Sabah	Certified
			Sungai Silabukan	2010		Certified
25	Rimmer	2010	Rimmer	2010	Lahad Datu, Sabah	Certified
			Tungku	2010		Certified
			Bukit Tabin	2010		Certified

26	Bornion	2010	Bornion	2010	Kinabatangan, Sabah	Certified																																										
			Segar Usaha	2010		Certified																																										
<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"> <li>• KKPA Batang Nilo Kecil (300 members): No evidence of land legality ownership for 300 members (still in process)</li> <li>• 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 )</li> <li>• 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.</li> </ul> <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 border="1"> <thead> <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> </thead> <tbody> <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> <tr> <td>4</td> <td>KKPA TERANTANG MANUK (KKPA Safari Riau)</td> <td>Terantang Jaya Mandiri</td> <td>325</td> <td>Available: 315 Not available yet: 10</td> <td>Available: 315 Not available yet: 10</td> <td>NPOM1</td> </tr> <tr> <td>5</td> <td>PT. SAFARI RIAU</td> <td colspan="5">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.</td> </tr> </tbody> </table> <p>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.</p>							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.				
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1.10.2	<b>Progress of Associated Smallholders and Out growers for Certifiable Standard</b>																																															
	PT Adei Plantation & Industry – Mandau POM does not have associated smallholders and out growers, FFB received and processed is only from own Estates.																																															

<b>2.0</b>	<b>ASSESSMENT PROCESS</b>
<b>2.1</b>	<b>Assessment Team</b>
<b>ASA-1.2</b>	<p>1. <b>Trismadi Nurbayuto (Lead Auditor)</b>. Indonesian Citizen. Diploma of Forest Management from Forestry Faculty; Associate Degree of Economic from Economic and Management. He has experienced as field assistant on oil palm plantation year of 2008. Therefore he has experienced as HCV and SEIA Assessor on 2010-2013. He has been followed HCV identification and management training; ISO training (9001;14001; 22000); ISPO Lead Auditor's training; Safety Expert; RSPO Lead Auditor's; OHS Auditors by Government Regulation No 50 year of 2012; and RSPO Next. He has been conducted audit on ISPO and RSPO scheme since year of 2013 as an Auditor on several aspect as environment, OHS, Legality, Best Management Practices, Social, Worker Welfare, Conflict Resolutions, Long term Business Plan and Supply Chain on Palm Oil Mill. During this assesment verified Legal,Social, and Partial Certification aspect..</p> <p>2. <b>Brigitta Pritta (Auditor)</b>. Citizen of Indonesia. Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism. She had attended Training ISPO by Commission ISPO on June 2013, Training ISO 9001:2008 Quality Management System on January 2014, In House Training 17021 and 17065 management system and Product Quality, Training High Conservation Value by IPB on September 2015, In House Training HCV on August 2016, In House Training Roundtable Sustainable Palm Oil on January 2014; In House Training ISO 14000:2004 Environmental Management System. She has been audit experience ISPO &amp; RSPO since April 2013 in the environmental, conservation, waste management and worker welfare aspects.During this assment verified environment, HCV, GHG &amp; SCCS aspect.</p> <p>3. <b>Satria Adi Putra (Auditor)</b>. 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 assesment verified transparency, OHS and Worker Welfare.</p> <p>4. <b>Haikal Ramadhan Kharismansyah (Auditor)</b>. Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 3 years experience as an Agronomy Staff in private oil palm plantation in Indonesia. Training which had attended including Basic Management Development Program Agronomy, Integrated Urban Pest Management, Integrated Pest Management, ISO 9001 : 2015, Auditor ISPO, RSPO awareness, ISO 22000 awareness. Did some audit ISPO scheme with aspects Best management practices. During this audit, he support to verify Best Management Practices and Long Term Business Plan.</p>
<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-1.2</b>	<p>Number of auditors : 4 auditor          Number of days for <b>ASA-1.2</b> at site : 5 days          Number of working days for <b>ASA-1.2</b> at site : 20 Working days.</p>
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-1.2</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Adei Plantation &amp; Industry – Mandau Mill to the requirements of <b>Indonesian National Interpretation of RSPO Principles and Criteria 2013 by INA-NITF, July 2016 (Endorsed by the RSPO Board of Governors meeting on 30<sup>th</sup> September 2016 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 revised on 14 June 2017 (Module D &amp; E for CPO Mill)</b>.</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or</p>



substances from required documents; (2) interview, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.

Some opportunities for improvement of the results surveillance 1.2 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase.

Improvement of findings from surveillance assesment findings were observed by auditors at this surveillance 1.2. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of surveillance 1.2.

**The assessment program please find Appendix 2.**

<b>2.2.3</b>	<b>Locations of Assessment</b>
ASA-1.2	<p><b>KM-1</b></p> <ol style="list-style-type: none"> <li>1. <b>Block 98I/197. VOPS spraying.</b> Observation and interview regarding the implementation of weed control procedures and understanding in handling pesticides</li> <li>2. <b>Block 98A/103. Manuring.</b> Observation and interview regarding the implementation of fertilization procedures and safe working methods both for itself and the environment</li> <li>3. <b>Harvesting Block.</b> Observation and interview regarding FFB criteria and workers' understanding of their rights and obligations</li> <li>4. <b>Boundary stones BPN 42, in Block 98K, Division 2.</b> Observation related to HGU boundaries, where the location of stakes is outside the isolation trenches. It borders with the enclave area of Semunai Village. Coordinate: 47N 0757789; 0134686.</li> <li>5. <b>Boundary stones BPN 183, Block 2016B, Division 3.</b> Observation related to HGU boundaries, where the location of stakes is outside the isolation trenches. It borders with the community oil palm plantation Coordinate: <b>47N 0753945; 0132078.</b></li> <li>6. <b>Boundary stones BPN 174, Block 98O, Division 7.</b> Observation related to HGU boundaries, where the location of stakes is outside the isolation trenches. It borders with the community oil palm plantation Coordinate: <b>47N 0754096; 0129432.</b></li> <li>7. <b>Landfill, Block 2016A, Division 3.</b> Landfill located in a flat land, it far from housing, and water sources.</li> <li>8. <b>Housing Division 3 &amp; 4 KM 1.</b> Observation of the housing conditions, facilities and infrastructure in the Housing area.</li> <li>9. <b>Daycare Division 3 &amp; 4.</b> Observation and interview related facilities and infrastructure in day care.</li> </ol> <p><b>KM-2</b></p> <ol style="list-style-type: none"> <li>1. <b>Block 14E Division 5. Circle and Path Spraying.</b> Observation and interview regarding the implementation of weed control procedures and understanding in handling pesticides</li> <li>2. <b>Block 14C Division 8. Manuring.</b> Observation and interview regarding the implementation of fertilization procedures and safe working methods both for itself and the environment</li> <li>3. <b>Blok 14A Divisi 7/8. Selective Weeding.</b> Observation and interview regarding manually mature upkeep</li> <li>4. <b>Block 104 Division 5/6. Harvesting.</b> Observation and interview regarding FFB criteria and workers' understanding of their rights and obligations</li> <li>5. <b>Block 2014B, Division 8.</b> There is a burnt area in the isolation trenches, based on information from staff sighted that burnt cases at 19 August 2019 evening. The fire has gone out.</li> <li>6. <b>Boundary stones BPN 164, in Block 2014A, Division 8.</b> Observation related to HGU boundaries, where the location of stakes is outside the isolation trenches. It borders with the community oil palm plantation of Muara Basung Village. Coordinate: 47N 0755731; 0126497.</li> <li>7. <b>Boundary stones BPN 166, in Block 2014C, Division 8.</b> Observation related to HGU boundaries, where the location of stakes is outside the isolation trenches. It borders with the community oil palm plantation of Muara Basung Village. Coordinate: 47N 0755681; 0127460.</li> <li>8. <b>Boundary stones BPN 46, in Block 1998M, Division 7.</b> Observation related to HGU boundaries, where the location of stakes is outside the isolation trenches. It borders with the enclave area of Semunai Village. Coordinate: 47N 0757866; 0131156.</li> </ol>

9. **Landfill, Block 1998Q Division 7.** Landfill located in a flat land, it far from housing, and water sources.

**KM-3**

1. **HCV4, Papadah River (Water Spring), Block 2012G, Division 9.** Observation related the management of buffer zone of spring with area 5.9 Ha. There are prohibition of chemical application signboard, besides that there is also a yellow stakes as limit of spraying. Based on interview with staff, explained that at the time the water flow is small.

**KM-4**

1. **Block 16D Division 2. Circle and Path Spraying.** Observation and interview regarding the implementation of weed control procedures and understanding in handling pesticides
2. **Block 15F Division 3. Manuring.** Observation and interview regarding the implementation of fertilization procedures and safe working methods both for itself and the environment
3. **Block 14C.IPM.** Observation regarding the implementation of IPM

**KM-5**

1. **HCV4, Buffer zone of Penaso River, Block 2006A, KM5/ Block 2006B, KM6.** Observation related to riparian zone, there is prohibition of chemical application signboard, besides that there is also yellow stakes as limit of spraying.

**Mandau North Estate (Central) KM 1, KM 2, & KM 3.**

1. **Chemical storage.** Field observation and interview related management of chemical.
2. **Fertilizer storage.** Field observation and interview related management of fertilizer.
3. **Storage and Washing of work tools & PPE application of chemicals.** Observation and interview regarding the management of PPE application of chemicals, washing work tools and others.
4. **Workshop.** Observation and interview related activities in workshop, OHS and others.
5. **Fire fighters.** Field observation related firefighters.
6. **Hazardous storage.** Field observation and interview related management of hazardous waste.
7. **Fuel tank.** Field observation and interview related management of fuel.
8. **Lubricants & Fuel Storage.** Field observation and interview related management of fuel.
9. **Gasoline storage.** Field observation and interview related management of gasoline.
10. **Place for monitoring menstrual leave and maternity leave.** Observation and interview related monitoring menstrual leave and maternity leave.
11. **Pratama Adei Mandau Clinic.** Observation and interview related facilities, medical procedure and others.
12. **Chemical storage.** Field observation and interview related management of chemical.
13. **Fertilizer storage.** Field observation and interview related management of fertilizer.
14. **Lubricants storage.** Field observation and interview related management of fuel.
15. **Workshop.** Observation and interview related activities in workshop, OHS and others.
16. **Fire fighters.** Field observation related firefighters.
17. **Daycare.** Observation and interview with worker related labor aspect and OHS.
18. **Housing Complex.** Observation and interview with residents about housing facilities, domestic waste management, and complaint mechanism.

**Mandau POM**

1. **WTP.** Observations and interviews related to water management, recording of water use, health checks, PPE and waste management.
2. **WWTP.** Field observations and interview related POME management, recording, OHS and environmental.
3. **Empty bunch area.** Field observations related to empty bunch management.
4. **Hazardous Waste Temporary Warehouse.** Field observations and interview related hazardous waste management, OHS and environmental aspect.
5. **Sparepart Warehouse.** Field observations and interview related sparepart management, OHS, and environmental aspect.

6. **Chemical warehouse.** Field observations and interview related chemical management, OHS, and environmental aspect.
7. **Workshop.** Field observations and interview related workshop activity, OHS, environmental and worker welfare aspect.
8. **Mill drainage.** Field observation and interview related mill drainage and potency of environmental contamination.
9. **Weighbridge Station.** Observation of supply chain procedure.
10. **Security.** Observation related to the acceptance of FFB.
11. **Grading Station.** Observations and interviews related to criteria for EFB grading, wages, sampling techniques, and PPE.
12. **Engine room.** Observations and interviews related to medical check-up, PPE, and operator understanding of emergencies
13. **Boiler.** Observations and interviews related to OHS, understanding of emergency response, and operator licenses
14. **Sterilizer.** Observations and interviews related to the duties and responsibilities of daily work
15. **Press Station.** Observations and interviews related to medical check-up, PPE feasibility, and operator responsibility
16. **Biogas Plant.** Observation and interview related to waste water utilization for biogas plant with engine capacity 600 kw and 800 kw.
17. **Quality Laboratory.** Observations and interviews related to sampling, testing time and handling related to test results that exceed the standard.
18. **Hydrant simulation.**

**Consulted Stakeholder**

- Sub-district office
- Local Contractor
- Gender Committee
- *Labor Union*
- Environmental Agency of Bengkalis Regency
- Village Official of Balai Pungut, Semunai and Tengganau
- Manpower and Transmigration Agency, District of Bengkalis
- Plantation Agency, District of Bengkalis
- Wahana Lingkungan Hidup
- Sawit Watch
- World Wide Fund

<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
<b>ASA-1.2</b>	<p>Consultation of stakeholders for PT Adei Plantation &amp; industry – Mandau Mill held by:</p> <ol style="list-style-type: none"> <li>1. Public announcement in mutuagung website on 5 August 2019.</li> <li>2. Public consultation with government agencies of Bengkalis Regency (Plantation Agency, Labor Agency, Environmental Agency) by phone on 20 August 2018.</li> <li>3. Public consultation by interview with locals of the nearby village (Balai Pungut, Semunai and Tengganau Village) and local contractor on 20 August 2019.</li> <li>4. Consultation meeting and interview with Internal Stakeholder (labour union, workers cooperative and gender committee) on 21 August 2019.</li> <li>5. Consultation with NGO (Sawit Watch, WALHI and WWF) via email on 13 August 2019.</li> </ol> <p>Numbers of input from stakeholders were clarified by PT Adei Plantation &amp; Industry – Mandau Mill.</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	<i>Please find appendix 1</i>
<b>2.4</b>	<b>Determining Next Assessment</b>

The next visit <b>ASA-1.3</b> will be determined eight – twelve months after this <a href="#">ASA-1.2</a>
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**3.0. ASSESSMENT FINDINGS**

**3.1. Summary of Assessment Report of the RSPO Certification.**

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

During the assessment, there were one (1) Nonconformity were assigned against Major Compliance Indicator; one (1) nonconformity were assigned against Minor Compliance Indicators and two (2) nonconformance against supply chain requirement for CPO mill and seven (2) opportunities for improvement were identified.

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

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

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 COMMITMENT TO TRANSPARENCY</b>		
<p><b>1.1</b>  <b>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.</b></p>		
<p><b>1.1.1 and 1.1.2.</b>            The company shows a list of stakeholders - PT Adei Plantation &amp; Industry (Mandau Mill) which informs the contact person &amp; address and telephone / email has been updated on July 2019, consisting of legal entities, workers' organizations, suppliers, villages / local communities, contractors, NGOs, and internal stakeholders. List of stakeholders is renewed every 1 year. The company show list of document that publicly and accessible, such as:</p> <ol style="list-style-type: none"> <li>1. Documents related to RSPO Principles and Criteria.</li> <li>2. Logbook requests for information / socialization, consultation and communication.</li> <li>3. Logbook complaints / objections and request help.</li> <li>4. Individual training files.</li> <li>5. List of trainees and assessments.</li> <li>6. Internal audit.</li> <li>7. External Audit.</li> <li>8. HCV report.</li> <li>9. Report on the results of water analysis.</li> </ol> <p>The company shows SOP (1) Request and provision of information, Communication and Submission of Complaints no. rev 02 dated revision August 10, 2017. Responsible are Manager / Assistant / Public Relations / Sustainability team. Requests for information can be made in writing (letter &amp; e-mail) and verbal (telephone and person visiting). Make sure all information requests regarding environmental, social and legal issues are related to sustainability. Managers must constructively and precisely respond to every information request. Letters containing responses must be signed by the Manager or authorized personnel and given a date of response. The response period is 14 days. If there is a reason, so that the response time of more than 14 days is then informed by the relevant stakeholders, the reason must be given. Based on logbook of communication there is invitation letter for example:</p> <ul style="list-style-type: none"> <li>• Letter of assignment from Department of Environment and Forestry of Riau Province on April 9, 2019 to carry out</li> </ul>		

officials trips to monitor buffer zone area in the oil palm plantation area on PT Adei P&I for five working days. The company has response his letter on April 12, 2019 to the Environment and Forestry Department.

**Status: Comply**

**1.2**

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

**1.2.1.**

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

Documents that are open for example:

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

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

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

While confidential documents, for example:

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

**Status: Comply**

**1.3**

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

**1.3.1.**

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

Code of integrity point 4.11

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

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

- Socialization of the code of ethics policy dated January 9, 2018 to workers of KM 5 (Documentation and photos).



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

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

**Status: Comply**

**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.**

**Environment Aspects:**

**Land application permit.**

Perusahaan menunjukkan izin pemanfaatan limbah untuk aplikasi ke tanah perkebunan Kelapa Sawit oleh PT Adei Plantation & Industry di Kecamatan Pinggir Kabupaten Bengkalis sesuai keputusan Bupati Bengkalis dengan nomor 061/Lingkungan/DPMPSP.Pzn/2017/59 sejak tanggal 27 september 2017 berlaku sampai dengan 5 tahun. Berlokasi di blok A – M seluas 100 ha di Kecamatan Pinggir Kabupaten Bengkalis Provinsi Riau.

**Schedule waste storage permit:**

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

**Environment Impact Assessment.**

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

**Plantation**

- The CH has *Izin Usaha Perkebunan* from Bengkalis Regent No 744/UT.512/VI/2004 with area 14,900 Ha (8,900 Ha of Oil Palm and 6,000 Ha of Rubber) and also *Izin Usaha Industri Perkebunan* No 746/UT.512.VI/2004 dated 18 June 2004 with mill capacity 60 MT/hours.
- Riau Governor Decree No 503/BP2T/13.08 dated 7 April 2010 about Conversion from rubber plantation to oil palm plantation.
- Letter No 503/BP2T-IR/360 dated 19 December 2011 from *Badan Pelayanan Perizinan Terpadu* Riau Province, about Extension of Conversion Agreement from Rubber Plantation to Oil Palm Plantation.

**Best Management Practices**

- Using a registered pesticide and distribution permit is still valid
- Using certified plant seeds that have received recognition from relevant agencies including Topaz varieties

**2.1.2; 2.1.4**

The company has an SOP for compliance with the rules and laws in effect SOP No. 2, issue date of August 1, 2015. The company has identified and documented a list of applicable regulations that are relevant to the operations of plantations and mills, the latest update being carried out on February 26, 2019. The list includes international regulations that have been ratified.

Based on interviews with management and review of the list of regulations, it is known that the documents are available



at the staff level. The list of applicable regulations and related updates are available in soft copy on the computer or in hardcopy / print.

**2.1.3**

The company has conducted an internal audit of compliance with the Laws and Regulations that must be fulfilled which was carried out on January 19, 2018 with the results that there were 82 indicators from the aspects of legality, OHS, employment to the environment with all the results have been met.

The company has a mechanism to ensure compliance with regulations in SOP No. 2 concerning Compliance with Regulations and Laws which are in force on August 10, 2017 which explains the person in charge and procedure for Controlling compliance with all applicable laws and regulations.

**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.**

The CH's has conducted land acquisition (*sagu hat*) to the eight communities group with area 2,300 ha dated 7 January 2004, 23 October 2003. And also dated 17 February 2013 with area 2,550 Ha.

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

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

The total of HGU at the time of this assessment is **14,837.641 Ha**. Based on the hectare statement showed that the area managed is in accordance with the land tenure. The company has extend and renewal the HGU Certificate No 1 with area **14,111.5322 Ha**, as follows:

- Head of BPN decree number RI No 143/HGU/BPN/2004 dated 3 November 2004 about extension of HGU with validity period 25 years since the right expired. The company should register to the BPN, two years before it ends.
- Head of BPN decree number 110/HGU/BPN/2005 dated 12 July 2005 about renewal of HGU with validity period 30 years since the end of extension of the HGU term.

Based on interview with Group Manager and document verification result obtained information that field measurements (Cadastral) has been conducted on 2 till 9 July 2019. The certificate No 11 and No 12 will not be extended and it reserved for scheme smallholders area.

**2.2.2**

HGU boundary map can be shown, issued by PT AAR Indonesia on May 27, 2013, based on the map the number of marker is 68 poles in total. Sighted the procedure of legal boundary monitoring and maintenance in the document no.: SOP 4 issued on 10 Aug 2017, which stated that the monitoring are done once a year, monitoring report observed in the sampled unit (KM1, KM2 and KM4). Field observations were carried out to random boundary poles, for e.g: BPN 42, BPN 46, BPN 164, BPN 166, BPN 174 and BPN 183, it was seen that the company did not planting beyond the established limits. There are also isolation trenches around the company area.

**2.2.3, 2.2.4, 2.2.5 and 2.2.6**

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

In the statement area there is an area of 34 Ha which is enclave, where the land is owned by community that is not willing to be compensated, observations to the field showed that the area is managed by the community and has been isolated by making trenches. Interviews with landowners on Semunai Village were carried out during public consultation and stated that the company had offered to compensate the land with FPIC process. The CH's has conducted land acquisition (*sagu hat*) to the eight communities group with area 2,300 ha dated 7 January 2004, 23 October 2003. And also dated 17

February 2013 with area 2,550 Ha.

**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.**

Observed the SOP for land dispute settlement namely SOP No 26, issued on 10 August 2017, describes the mechanism of settlement of border land disputes, land occupation disputes, social issues. In such mechanisms it has explained the procedures and methods of FPIC. Based on document of EIA and HCV report and interview with relevant agencies known that there is no traditional/customary rights as well as other rights in the company's operational area. The entire land compensation process was completed by PT Adei in 2004, evidence of compensation and agreement kept in Head Office (Pekan Baru). Based on field observation to the KM1, KM2 and KM4 sighted that there are no new development on this certification scope. However, based on interview with previous land owners from Semunai Village known that the company has acquiring land with FPIC process.

**2.3.3.; 2.3.4.**

The CH showing a Statement letter number AD-00/Ext/VII/196/2006 dated 5 June 2006, concerning "Sagu Hati" payment. It was also shown the minutes of agreement on settlement of compensation (*Sagu Hati*) on behalf Abdul Rahman, Bosniar and Amril Mukminin, SE. It were located in the Beringin Village Area within the HGU of PT Adei Plantation & Industry dated 21 February 2003, for area 329 Hectares.

**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 & 3.1.2**

The company has presented a 5 year 2017-2022 forecast document which includes, among other things, projections of FFB production, OER, projection of CPO production, kernel and financial projections. For example in the period 2021/2022 it is projected to produce 270,097 tons of FFB with a CPO of 62,122.31 tons and an estimated selling of 562,477,000 (000 idr).

An evaluation of the achievements of the plan will be carried out annually during the preparation of the annual budget. Based on information from the accompanying officer (Manager KM-2) it is known that the period of one year of PT Adei Plantation is October - September so that every October is the beginning of the current year period.

While replanting will not be carried out because the age of the oldest plants to date is 21 years (Planting Year 1998). The results of interviews with management found that the company will do replanting at the age of plants between 25-30 years including taking into account the density of planting, crop productivity and plant height. In accordance with the information provided by the accompanying officer the discussion on replanting is likely to be carried out in the 2021/2022 budget discussion

**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 SOP used by the company have been documented and broken down to Mill and Estate. Both types of SOP are in force since 2017 and some of them explain about:

- Mill: SOP No. 1 regarding Weightbridge to SOP number 18 regarding management of factory liquid waste
- Estate: No Policy: GP / AGRIC / OP1 regulates harvest standards, records of FFB calculations, collection of FFB production and Ablation until GP / AGRIC / OP10 Policy No regulates the activities of road maintenance, road construction, trenches and concrete pipes and bridges

In addition there are Sustainability SOP which contain a merger of SOP from both estate and mill which specify the fulfillment of sustainability demands ranging from requests for information, compliance with law, agronomic techniques, environmental

management to supply chains of IP and MB models.

Based on interviews and field observation both in KM1; KM2; KM4 and Mandau POM found the following facts:

- Spray Team: Has been able to explain well about spraying techniques and handling of pesticides and how to work safely both for itself and the environment
- Manuring Team: Has been able to explain about the application of the right dose of fertilizer, the right target, and the handling of the ex-fertilizer sack waste
- Sorting and Grading Team: Has been able to explain the sampling method and FFB criteria

The SOP owned by the company are relevant and cover all estate and mill operations

**4.1.2**

The internal audit team carries out regular assessments once a year. Supervisory levels such as division assistants and foremen carry out routine supervision on a daily basis. Based on information from the accompanying officer any discrepancies that arise can be responded to maximally within a period of 14 days. Whereas the improvement progress can be completed until the next assessment depends on the level of urgency.

However, based on observed evidence such as:

1. Based on the document review, it is known that there is a cooperation between PT Adei Plantation - Mandau POM with several contractors such as PT Parna Jaya Pinggir, PT Adria Teknik Bersama, and PT Abid Pratama Mandiri
2. There is a contractor evaluation for PT PJP and PT Aaron Pratama for the period January - August 2019 including stating compliance with OHS and minimum wages have been met
3. Based on an evaluation checklist of the contractor PT Abid Pratama Mandiri in August 2019 it states that there is a (sign v) related salary item in accordance with the minimum wage.
4. Based on an evaluation checklist of the contractor PT Parna Jaya Pinggir on August 15, 2019 it states that there is (mark v) related salary items in accordance with the minimum wage.
5. Based on the results of field visits and interviews obtained the following information:
  - Interview with PT Abid Pratama Mandiri workers, it is known that the wage given is Rp 16,000 / hour. The worker works 10 hours a day so that the total wage per day is IDR 160,000. In the wage document between PT Abid Pratama and his employees, it is known that payment of wages is in accordance with the results of interviews with workers.
  - Interview with PT Parna Jaya Pinggir workers during fertilization activities in block 15F division 3, workers said that wages were paid daily in the amount of Rp. 115,000; 3 fertilizers used masks that were bought by themselves and 1 other used boots that were also bought by themselves (because the ration of the masks and shoes concerned from PT PJP was damaged).
6. Decree of the Governor of Riau with the Kpts number. 949 / XI / 2018 concerning the Regency / City Minimum Wage of Riau Province in 2019 dated November 21, 2018 is Rp 3,005,582.37 per month or Rp 120,223.29 and Rp 17,174.75 if converted to hourly wages
7. SOP Sustainability Number.20 concerning selection of contractor revision 2 dated August 10, 2017 among others states to ensure the safety of workers and a reasonable wage.

Thus it can be concluded that the company has not been able to show consistency on the results of the contractor's evaluation in accordance with the procedures owned. **Nonconformity No.2019.01**

**4.1.3**

Records of measurement and monitoring results shown by companies include the following:

• **Harvesting Audit: (Round I 2018/2019)**

Parameter	Score (Max)	Number of Fruit Collection Shelter Checked	Number of Fruit Collection Shelter in accordance standard	Harvesting Score
1.2.1 Ripe	120 max	480	437	109.3

1.2.2	FFB numbering	40 max	480	456	38.0
1.2.3	Loose Fruit in circle	120 max	480	314	78.5
1.2.4	Loose Fruit in FFB Collection shelter	80 max	480	472	78.7
1.2.5	Missed Bunch	20 max	480	474	19.8
1.2.6	Pruning	20 max	480	474	19.8
Total :					343.9
%					86.0

- The percentage obtained for all KMS is 86.0%. This does not meet the In-house standard for competition is 90.0% minimum.
- Percentage of ripe fruit for all KMS is 99.2%. This meets the In-house standard for minimum 97.0% fruit ripeness

• **Manuring Audit**

Parameter	Score (Max)	Number checked	of rows	number of rows accordance in standard	Manuring Score
1.2.1	Thoroughness	80 max	40	37	74.0
1.2.2	Placement	40 max	40	28	28.0
1.2.3	Evenness	40 max	40	34	34.0
1.2.4	Clean Circle	40 max	40	40	40.0
Total					176.0
%					88.0

- The percentage obtained for KM 2 was 88.0%. This does not meet the In-house standard for the minimum 98.0% competition. This is due to the normal oilpalm not fertilized (Thoroughnes) as many as 3 points, fertilizer sown to the principal (Placement) as many as 37 points and uneven fertilizer (Evenness) as many as 6 points.
- Fertilizer application is currently not appropriate (late) from the AAR recommendation, which is in January 2019 due to late arrival

**4.1.4.**

The Certificate Holder does not receive FFB supplies from third parties, all FFB processed in the mill comes from its own Estate (KM1 to KM6). Based on field observations on grading, security and weighbridge as well as interviews with personnel in the FFB reception it is explained that since 1 August 2018 to 19 August 2019 the Mandau POM did not receive and processed FFB from third parties.

**4.1.2** | **Status: Nonconformity No.2019.01 with Minor Category**

**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**

The company has demonstrated an SOP for soil fertility management activities with policy No. GP / AGRIC / OP3 dated May 16, 2017 which contains, among others:

- No GP / AGRIC / OP3 Policy, Nutrition-1 regarding Urea Fertilizer Use for oil palm plants
- No GP / AGRIC / OP3 Policy, Nutrition-2 regarding fertilization prior to replanting
- No GP / AGRIC / OP3 Policy, Nutrition-3 regarding special compound fertilization

Based on the field observation and interviews with manuring workers in block 98I / 197 division 1 KM1 it is known that workers have applied fertilizer in accordance with the recommended dosage given by the AARI team. The fertilizer applied was NK 10:30 with a dose of 2 kg / oilpalm. Device used in the manuring process are calibrated bowls. The total fertilizer applied to the block is 6 ton

**4.2.2**

• **Manuring Realization ( 2018/2019)**

Fertilizer	Estate	Reccomendation (Ton)	Realization (Ton)
NK	KM 1	329.70	159.70
	KM 2	224.45	224.45
	KM 4	24.8	25.00
OPCOM 32A	KM 1	461.95	461.95
	KM 2	931.20	931.20
	KM 4	1078.60	1078.60
OPCOM 65 A	KM 1	151.20	151.20
	KM 2	433.45	433.45
	KM 4	1082.94	1082.94
Fertibor	KM 1	20.26	20.26
	KM 2	42.92	42.92
	KM 4	34.90	34.90
AS	KM 1	353.40	353.40
	KM 2	207.90	207.90
	KM 4	29.9	29.90
Esta KS	KM 1	207.20	207.20
	KM 2	456.80	456.80
	KM 4	460.9	460.6
MOP	KM 1	379.40	379.40
	KM 2	119.25	119.25
	KM 4	21,65	21.65
BRP	KM 1	470.03	470.03
	KM 2	340.50	340.50
	KM 4	458.05	458.05

The one-year fertilization period is October - September. Based on fertilization data it is known that fertilizer application has been reached 100% except for NK fertilizer which is planned to be completed in August 2019. Based on the field observations and interviews with manuring worker in blocks 98A / 103 KM1, block 14C KM2, and block 15F KM4 it is known that workers have understood and implement fertilization procedures properly such as the application of the right dose, on time and on target as well as safe work methods both for itself and the environment. At the time of the interview the fertilizer applied was NK fertilizer with a dose of 2kg / oilpalm. The tool used is a calibrated sow bowl

**4.2.3**

The company has an SOP for Optimizing Soil Fertility for Productivity (SOP 12, revised dated August 1, 2013) which explains, among others, soil and leaf analysis. Leaf analysis is done once a year and soil analysis 3 or 5 years. When fertilizing, the type and dosage of fertilizer used follow AARI Agronomist recommendations based on the results of leaf and soil analysis

The results of soil and leaf analysis can be seen from the manuring recommendations prepared by the AARI team. Based on a visit report dated 02 - 07 May 2018 known aspects of leaf analysis include the assessment of the elements Nitrogen, phosphate, potassium, calcium, magnesium and boron, while for soil analysis, pH, C-Organic content, nitrogen, phosphate, potassium, calcium and magnesium contained in the soil.

**4.2.4**

Nutrition recycling carried out by the company is by utilizing EFB and POME. Meanwhile the shell is used as fuel in the PKS. Records of the implementation of the nutrition cycle shown by the company include the following:

- EFB:

KMU: Applications for January - July 2019 amounting to 13,123.19 Tons

KMS: Application for July 2019 was 1,397.05 tons in the block 14C KM4

- Palm Oil Mill Effluent

In the January - July 2019 period, POME has been applied in the amount of 153,697m3

Based on the field observation to the block 14C KM4, it is known that the EFB application has been carried out by spreading it to the interrow and the outer side of the circle. The dosage used is 250 - 300 kg / oilpalm. While the application of POME (Palm Oil Mill Effluent) can be seen including in the block PE04. In addition to using EFB and POME, one of the other nutrition recycling strategies is to use the oil palm residues (In replanting phase). Oil palm frond and stem will become nutrients for plant. As explained in 3.1.1 and 3.1.2 replanting activities will not be carried out yet. So that the example of the use of oil palm residues cannot be verified in the field.

**Status: Comply**

**4.3**

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

**4.3.1**

The company has a soil map with a scale of 1: 20,000 made by the AARI (Applied Agriculture Resources Indonesia) team of the agronomy division and the GIS division who have informed about the distribution of land types in the operational areas of PT Adei Plantation & Industry Mandau Estate. Based on the identification of the AARI team, it is known that there is no marginal and critical land in the company planting area. For the entire operational area of the soil type are the order Ultisol, Inceptisol and Oxisol which includes clay and sandy mineral soils.

**4.3.2**

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

In addition, the Conservation SOP (No Policy: GP / Agric / OP5) dated June 3, 2005 states that terraces are made when there is a slope of more than 15° in the direction of the contour. However, if steepness > 25° is not planted with oil palm.

Based on field observations to KM1, KM2 and KM4, it is known that the management of slopes on the sloping area includes the making of terraces, the preparation of pruning fronds along the contour terrace, planting legumes (*Mucuna bracteata*), conservation of ferns (*Nephrolepis biserrata*), and selective weeding / spraying

**4.3.3**

Road maintenance carried out by the company is preferred by mechanical. Road maintenance records in July 2019 are as follows:

- KM-2 = 17,500 meter
- KM-4 = 9,950 meters
- KM-1 = 6,750 meters

There is a work schedule for heavy equipment allocation for Graders, Vibro Compactors, and Backhoe Loaders with a division of work one week for each division in each month. Based on the results of the field visit to block 98I / 97 KM1,



Block 14A division 7/8 KM-2 and block 15F Division 13 KM-4 are known to be in good condition. At some points of the main road that prone are given concrete

**4.3.4 & 4.3.5**

Based on the soil map of the KMU and KMS with a scale of 1: 20,000, it is known that the identified land originated from the order of Ultisol, Inceptisol and Oxisol which included clay minerals and sandy soils. Meanwhile, according to the association of land groups, land units include Kandiuults, Dystropepts, Hapludox, Tropaquepts, and Tropaquods. There is no peatland in the area cultivated by PT Adei Plantation & Industry

**4.3.6**

The company has a soil map (Scale 1: 120,000) of PT. Adei Plantation & Industry and the results of the analysis of soil samples conducted by Applied Agricultural Resources (AAR) Indonesia. The document review results show that there was no land that was classified as marginal and critical land in the area that PT. Adei Plantation & Industry. In general, the existing soil has a sandy clay texture.

In general the company has made management efforts in certain sloped areas. Based on field observations it is known that the management of planting on the slope area includes the contour terrace and individual terraces, the technique of preparing the results of pruning midrib along the contour terrace, planting legumes (*Mucuna bracteata*), conservation of ferns (*Nephrolepis biserrata*), and selective weeding

**Status: Comply**

**4.4**

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

**4.4.1.**

The company shows water management and water source maintenance documents for example:

- Testing the quality of clean water and surface water once every 6 months.
- Testing aquatic biota once a year.
- Installation of a buffer zone limit of 50 meters in the riparian area.
- Planting woody plants in riparian areas.
- Monitoring protected animals and wildlife in plantation areas.
- Patrol HCV areas
- And so forth.

Based on field observations in Penaso riparian area, it is known to have existed marking spray area boundary markers and fertilization and in springs of Papadah area there is boundary marking 10 meters and there are already woody plants. Ensure that clean water testing uses quality standards in accordance with the updated regulations. (OFI)

**4.4.2.**

Based on field observations in Penaso riparian area, it is known to have existed marking spray area boundary markers and fertilization and in springs of Papadah area there is boundary marking 10 meters and there are already woody plants.

**4.4.3.**

The company shows a permit to use waste for application to the land of oil palm plantations by PT Adei Plantation & Industry in accordance with the decision of the Regent of Bengkalis with number 061 / Lingkungan / DPMPSP.Pzn / 2017/59 since September 27, 2017 is valid for up to 5 years . Located in block A - M covering 100 ha sub-district of Bengkalis, Riau Province. The company has been testing liquid waste by Laboratory which has been accredited by KAN with number LP 1182 IDN. Based on the results there is no parameter (pH & BOD) exceeded the threshold (Minister of Environment Number 28 year 2003).

Observation in land application block I KM 5 (field PE08) is known that the application of Wastewater has been in accordance with the applicable LA permit, there is no runoff of wastewater, the drainage of effluents is carried out using pipes, longbed, and rotations of liquid water flow carried out every 10 days.

**4.4.4.**



The company shows records of water usage for the period January - July 2019 with average FFB process amounted to 20,788.25 tons of FFB, average domestic water use of 10,060.09 m<sup>3</sup>, efficiency of domestic water use of 0.49 m<sup>3</sup> / ton FFB, efficiency of water use for boilers of 0.91 m<sup>3</sup> / ton FFB and efficient use of water for processes of 1,069 m<sup>3</sup> / ton of FFB.

**Status: Comply**

**4.5**

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

**4.5.1**

One of the IPM plans is in the Integrated Pest Control SOP (SOP No. 07), which in the SOP has explained the main types of pests, detection and census frequency, and justification of control with pesticides. Based on the PT Adei Plantation - Mandau POM pest detection and census form, it is known that the potential pests identified are rat, nettle caterpillars, bagworm, and horn beetles.

IPM emphasizes pest control which consists of various methods such as cultivation, biology, mechanical, and physical methods. For biological control, the company implements it by utilizing beneficial plants from the type of turnera and natural predators from the tyto alba.

The distribution of owl nests as information in the owl monitoring documents are as follows:

- KM-1: 12 pieces
- KM-2: 14 pieces
- KM-4: 7 pieces

Meanwhile, for the realization of planting beneficial plants as mentioned in the plan and realization of beneficial plants KM-1, KM-2, and KM-4 are as follows:

- KM-1 = 600 meters
- KM-2 = 23,000 meters
- KM-4 = 1,200 meters

By applying IPM it is expected that the use of pesticides will be minimal. Control of using pesticides, especially for oil palm pests, will always be based on analysis of census results and pest infestation rates. Meanwhile, weed control must still be carried out according to rotation, but rather the application method that minimizes the use of pesticides, for example through timely, targeted and precise selective application. The use of agrochemical which has experienced a decrease among them is from the rodenticide group. During the period 2018 and 2019 there was no use of rodenticides while the use of insecticides with the active ingredient sipermetrin was always based on census results that were above the control threshold

Based on the census of nettle caterpillars and bagworm for the period June 2019, it was found that there were infestations of bagworm that exceeded the threshold as found in block PM2015A KM4. In several observation plots, the population of 5-15 larvae / frond larvae was found. The threshold control limit of the bagworm as stipulated in the procedure is 5 larvae / frond. Thus the management determines control by using sipermetrin. Based on KMS progress report in July 2019, it was known that pesticides were applied to the block with an application area of 46 hectares. A repeat census will be held in August after the control phase has been completed

**4.5.2**

Training records shown by companies, especially regarding IPM include the following:

- On July 5, 2019 in block 95, followed by 3 participants
- July 8, 2019 for 2 PHT KM 2 officers

Based on interviews with KM-1, KM-2, and KM-4 pest monitoring officers it is known that officers have been able to explain the method and frequency of census and potential pests in the company area. For example, observations of Palm Leaf Eating Caterpillar start on the 3rd row and then every 13 rows up to the 120th row. In each row 2 sample points are taken, for example the 10th tree and the 22nd tree in the first row, the 4th tree and the 32nd tree in the second row, etc. In each sample point, an oil palm that is parallel to the front, rear parallel, right parallel and left parallel is also observed.

Status: Comply

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

**4.6.1**

The policy on safety in using chemicals is contained in SOP No.6 on Safety in the Use of Chemicals Plantation which was revised on July 14, 2015. Procedures include the requirements of pesticide applicators, use of PPE, and medical check-up.

The selective use of the product is discussed in SOP No.5 regarding Safety of Use and Storage of Chemicals including Hydrocarbons dated August 1, 2015. SOP explains the alignment of chemical use of the intended species. For example Triclopyr for woody growth, Glyphosate for grass and weeds, and methyl metsulfuron for broadleaf weeds

To avoid resistance, the company applies the pesticide of timely, correct dosage and targeted application. In addition, in certain periods a rotation of active ingredients of pesticides is carried out, for example between ammonium glufosinat and methyl metsulfuron for broadleaf weed control

Based on field observation and interviews with pesticide applicators in block 98A / 103 KM1, block 14E KM2, and block 16D KM4 known that pesticide applicators have implemented spray procedures well such as using PPE, mixing pesticides in special mixing areas, and applying targeted pesticides

**4.6.2**

**Recap the use of pesticides from January to July 2019**

Estate	Trademark	Active Ingredients	Usage	Application (Ha)	Pesticide/Ha
KM-1	Dejavu	Fluroxypyr	3.9 litre	76	0.051316
	Prima Up	Glyphosate	272 litre	345	0.788406
	Kenlon	Triclopyr	427.85 litre	407.25	1.050583
	Fascinate	Amonium	96 litre	1,708	
		Glufosinate			0.056206
	Best Up	Glyphosate	266.6 litre	908	0.293612
	Metaprima	Methyl	3.34 Kg	2,591	
		Metsulfuron			0.001289
KM-2	Cyperin	Sipermetrin	39.3 litre	544	0.072243
	Ken-Up	Glyphosate	628 litre	887	0.708005
	Metaprima	Methyl	5.48 Kg	994.9	
		Metsulfuron			0.005508
	Kenlon	Triclopyr	14.6 litre	766.5	0.019048
	Facinate	Amonium	262.5 liter	423.5	
KM-4		Glufosinat			0.619835
	Ken Amine	2-4 Diamine	3.96 litre	74.5	0.053154
	Best Up	Glyphosate	941.28 litre	3,282	0.286801
	Metaprima	Methyl	5.73 Kg	1,435	
		Metsulfuron			0.003993
	Fascinate	Amonium	981.90 litre	1,386	
		Glufosinat			0.708442
	Abolisi	2-4 Diamine	6.14 litre	79	0.077722

\* Information about LD50 is in the MSDS of each product

**4.6.3**

The IPM is listed in SOP17 on Integrated Pest Control dated August 10, 2017, revised 2. The procedures include explaining the main types of pests, detection, EWS, and census frequency. Basically the application of IPM is expected to minimize the use of pesticides. There is no prophylactic use especially for pest control. Decisions on the use of pesticides in pest control are always based on evaluations of routine census results. For weed control, the use of pesticides is minimally applied by means of the right target application and the right dose so that the use of chemicals can be minimized

Agrochemical whose use is reduced is rodenticide. In the list of pesticide use for the period January - July 2019 there is no use of pesticides for rat control because indeed during the period the results of the routine census show that the population

level is still below the threshold of control

**4.6.4**

A complete list of WHO 1A and 1B pesticides is kept by the sustainability team and is available in each management unit. There was a Memo from the General Manager of Mandau Estate on 1 June 2015 to the Senior Manager and manager of Mandau Selatan & Mandau Utara who requested to reduce the use of pesticide-based herbicides in the field in accordance with the RSPO program. The Senior Managers were asked to start June 1, 2015, not to buy herbicides with active ingredients that are paraquat

Based on recapitulation of the use of pesticides in the period 2018 and January - July 2019, it is known that there is no use of WHO 1A 1B pesticide and paraquat. In addition, based on field visits to the KMS and KMU central warehouses, it is known that there are no stocks of paraquat or other pesticides belonging to WHO 1A and 1B groups. Pesticides used include active ingredients glyphosate, triclopyr, fluoxypyr, ammonium glufosinate, and Methyl Metsulfuron

**4.6.6 & 4.6.10.**

The company has a procedure related to hazardous waste contained in the SOP document Waste Management of Toxic and Hazardous Materials No. 23 and revised again on August 10, 2017. Based on the results of interviews with hazardous waste management officers in Mil and Estates it is known that officers have understood the procedure of hazardous waste management and handling of the emergency response to the impact of hazardous waste in the estate and mill.

The company shows the manifest hazardous waste for the Estate unit transported by PT Primanru Jaya on 19 and 21 June 2019 Vehicle number B 9657 IC with details:

Mandau Estate 1, 2, 3 & 4.

- Manifest with number BC 0049624 totaling 150 kg of contaminated packaging (B104d).

Mandau Estate 5 & 6.

- Manifest with number BC 0049630 totaling 271 kg of contaminated packaging (B104d).

Mandau Mill.

- Manifest with number BC 0049636 totaling 36 kg contaminated packaging (B104d).

**4.6.5 & 4.6.7**

Pesticide applicators are special worker who are part of the spray team. Based on field observation and interviews with pesticide applicators in blocks 98A / 103 KM1, block 14E KM2, and block 16D KM4 known that pesticide applicators have implemented spray procedures well such as installing spray signs, mixing pesticides in special mixing areas, and pesticide applications the right target. MSDS is also available as a reference for product use

Training records shown by the company include:

- The KM1 (KMU) spray training on 12 February 2019 was attended by 9 participants located in block 77
- KM4 (KMS) spray training on February 13, 2019, attended by 13 participants located in division 12

In the training minutes that became the main topics including how to handle pesticides, periodic medical checkup, equipment calibration, PPE washing mechanism and self cleaning

When applying pesticides, workers have been provided with PPE by the company, however there are still some things found as follows:

- There is 1 pesticide mixing operator in Block 98I / 197 KM-1, using medical masks
- There was 1 spray foreman in Block 14E, KM-2, using a medical mask

Inconsistencies in ensuring the use of PPE that is appropriate for every worker has been made to be a nonconformity in 4.7.3

Based on a field observation to KMU PPE storage warehouse, it was discovered that the team's clean clothes were not available in the locker. SOP Spray at point 21 on the part of returning home says wear clean clothes brought from home. The results of field visits and interviews with KM-1 spray officers stated that they never brought clean clothes from home, but when working wearing 3 layers of clothing so that when they return home, the outer clothes are removed and washed before being taken home. Others state that all clothes are washed at home.

Thus the company has the opportunity to ensure that all pesticide applicators have implemented methods that minimize negative

impacts in accordance with established procedures. (OFI)

**4.6.8**

Based on interviews with the spray team and management representatives, it is known that until 2019 there was no application of pesticides by air. The results of the field visit to the warehousing area also did not reveal any facilities and infrastructure to apply pesticides by air.

**4.6.9**

The company has provided information related to handling of pesticides listed in the Material Safety Data Sheet (LDKB) which contains, among others, Product and Company Identification, Composition and Content Information, Hazard Warning, First Aid Instructions, Fire Fighting Instructions, Instructions on Accidents, Handling and Storage, Worker's Safety Instructions, Physical and Chemical Properties, Stability and Reactivity, Toxicological Data, Information about the Environment, Methods of Destruction / Disposal, Transport Information and Additional Information.

The company has shown training-related records including spray training at the Mandau Utara Estate (KM1) on 12 February 2019, followed by 9 participants (Block 77) and at Mandau Selatan Estate (KM4) on 13 February 2019, followed by 13 participants ( Division 12).

Based on interviews with spray workers (3 people) in Block 98i / 197 Division 1, Mandau 1 Estate and chemical warehouse officers (2 people) it is known that workers have been given socialization and training related to spray activities and their handling. Workers can explain the identification of the type of pesticide, the risk of danger, how to handle it, how to store and transport it.

**4.6.11**

The company has shown records for periodic inspection of pesticide operators. Based on the results of periodic inspections for all workers and foremen (212 people) carried out in 2 stages, namely on 17-19 December 2018 and on July 16, 2019 it is known that all workers are within the Normal Limit.

Based on the results of field visits to spray workers in the Mandau Utara Estate and the Mandau Selatan Estate, it is known that the workforce has conducted periodic health checks, in addition to that workers have also been carried out with socialization related to the results of the health checks. Workers can also explain that there are prohibitions for pregnant and lactating women from doing work that uses chemicals.

**4.6.12**

The company has demonstrated SOP 21 RSPO revised April 7, 2016 which regulates pregnancy checks for spray officers. In addition, the company has presented a chemistry employee recap document for KMU and KMS. The number of workers handling chemicals for KMS and KMU consists of 167 people.

Based on the results of verification of the document system used by the company to identify pregnancy and breastfeeding is through monitoring menstruation and pregnancy. There are no pregnant or breastfeeding workers in spray work.

**Status: Comply**

**4.7**

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

**4.7.1**

The company has the EHS Management System documentation set by the authorized person in the company. The OHS policy set by the Plantation Group Director on November 7, 2014.

Based on the results of the document review and interviews with management, it is known that the policy has been socialized, for example:

- Policies available to the public, for example in the estate are published on information boards and posted on the farm office.
- Dissemination to workers during the morning circle or briefing before work

Based on the results of the document review, it is known that the company has conducted P2K3 meetings regularly. If there is an OHS plan that has not been reached, the plan will be discussed and rescheduled if the plan is still relevant.

**4.7.2; 4.7.7**

The company has presented documents identifying the sources of danger and the risk assessment composed. The company has shown the P2K3 Monthly Meeting documents, where work accident cases are one of the considerations in determining the OHS program.

The company has presented an updated source of hazard identification and risk assessment document on December 20, 2018, for example in the process of loading FFB with Quick Truck; Main Activities: driving Quick Truck; Ramp; Danger sources: slippery and ergonomic flooring; Risk / impact: waist / leg injury; Current Risk Control: conduct a safety briefing before work; Risk level: moderate; Actions to reduce risk: retraining on OHS; person in charge: sorting assistant.

The company has shown a recap of work accidents for the past 12 months for KMU and KMS. Based on these documents it is known that there are 502 days lost at KMS and there are 302 days lost at KMU.

Based on the results of field observations and interviews with workers at MPOM, KMU and KMS, it is known that workers have been provided with PPE in accordance with established risk analyzes. In addition, for jobs that use chemicals (spray and fertilizer), the company has provided MSDS and implemented in accordance with written provisions such as using carbon masks for spray workers and the use of gloves for workers in fertilizing activities.

**4.7.3**

Based on the results of interviews with employees in mill and estate it is known that training has been conducted to improve the ability and understanding of employees. In addition, workers can explain their duties and obligations and understand safety related work steps (according to the OHS training that has been given in each work activity).

Moreover, company has a commitment to comply the applicable occupational health and safety procedure, such as:

- Ministry of Manpower, Transmigration and Cooperative Decree No. 01 in 1976 regarding the responsibility to take Hyperkes training for company's Doctors
- Ministry of Manpower and Transmigration Decree No. 01 in 1979 regarding the responsibility to take Hyperkes training for company's paramedics.
- Ministry of Manpower Decree No. 01 in 1988 regarding the qualification and requirement for steam engine operators.
- Ministry of Manpower and Transmigration Decree No. 09 in 2010 regarding to lift and transport vehicle's operators.
- Ministry of Manpower and Transmigration Decree No. 04 in 1985 regarding to energy and production vehicle.
- Ministry of Manpower and Transmigration Decree no. 02 in 1982 regarding to welder's qualification in work place

Based on the results of the field visit, it is known that:

- There are 4 fertilizer workers in Block 98A / 103 Mandau 1 Estate, using medical masks.
- There is 1 pesticide pouring operator in Block 98i / 197 Mandau 1 Estate, using medical masks
- There is 1 welder operator in Mandau POM, not using PPE in the form of gloves and welding clothes
- There are 2 kernel station operators that do not use earplug and use buff masks
- There is one fertilizer foreman in Block 14C, Mandau 2 Estate, using a medical mask
- There was 1 spray foreman in Block 14E, Mandau 2 Estate, using a medical mask

Based on interviews with workers and review of PPE handover documents, it is known that the company has provided PPE according to procedures such as carbon masks (maskr brands) for fertilizer and spray workers, leather gloves and welding clothes for welder operators, as well as the provision of earplugs and dust masks for worker at the kernel station. In addition, workers also explained that damaged PPE can be replaced and provided by the company.

Hazard Identification Form, Risk Analysis and Risk Management document is known that:

- PPE in welding work is leather gloves and welding clothes
- PPE on work beside the kernel plant is earplug and dust mask
- PPE in the work of poison spray and fertilizers, among others, masks

The study of Material Safety Data Sheets is known that PPE requirements include:



- OP COM 32A products (NK 10/36) state PPE requirements including dust respirator masks

The company has not been able to demonstrate that the use of Personal Protective Equipment (PPE) is in accordance with the results of hazard identification and risk analysis determined. This is become **non conformity No. 2019.02**.

**4.7.4**

The company has a P2K3 Mandau Estate Organization in accordance with the Decree of the Bengkalis Regency Manpower and Transmigration Office No. Kep.114 / Disnakertrans-PK / SK-P2K3 / VII / 2017 dated July 28, 2017 with the general chairperson of the General Manager; The Chairperson of each Estate is the Manager and Secretary of Budi Saputra (SKP: Number: KEP.21191 / PK3 / AJ / 14/2018 / PI on 13 Jui 2018).

The company has conducted a P2K3 meeting in the Mandau Mill meeting room on July 29, 2019 which discussed OHS topics (PPE, OHS training, licensing licenses, Hirarc review, etc.), discussion of work accidents and drawing conclusions / suggestions. The meeting was attended by 13 workers.

**4.7.5**

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

The company showed several training record documents related to first aid, including training for first aid holders in the Mandau Estate on July 23, 2019, which was followed by all foremen. Based on field observations in Mandau Utara Estate and Mandau Selatan Estate, it is known that the contents of the first aid box are available as determined by the company. The first aid officer is also able to explain the function of each tool in the first aid kit. Beside that, the worker was understood the emergency procedure such as fire handling and how to use light fire extinguishers.

**4.7.6**

The company has shown evidence that all workers have been registered for medical services and are protected by accident insurance that is registered in the BPJS Employment and Health program.

The company has also shown proof of payment of BPJS employment in July 2019 as did BPJS Employment payment for Mandau Selatan Estate with billing code 0689241908131421210142 and for Mandau Utara Estate with billing code 0689261908131424537464.

The company has shown proof of health BPJS payment in July 2019, among others, for PT Adei Plantation & Industry - Mandau with billing code 6949601907051320598780. In addition there is proof of payment of BPJS Health PT Bintang Riau Perkasa (Third Party - Security / Security Services) with proof of contribution receipts BPJS Health In July 2019 on August 6, 2019 amounting to Rp 3,907,254.

Based on interviews with workers (sprayers, harvesters and fertilizers) and contractor workers, it is known that workers have been able to use their BPJS cards for treatment at the nearest health facility and can also be used as insurance to handle / claim work accidents that occur. During this time the use of BPJS Health and Employment has not experienced a problem and all workers have had it.

<b>4.7.3</b>	<b>Status: Non Conformities No. 2019.02 with Major Category</b>
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<b>4.8</b>	<b>All staff, workers, smallholders and contractors are appropriately trained.</b>
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**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, contractor workers and contract workers. This is stored and available in each unit and the following are examples of training records for each employee shown:

- Fertilization Socialization/Training on 11 January 2019 which was attended by 58 participants

- Spraying Training on 13 February 2019 which was attended by 68 participants
- Becano Herbicide Training on 27 March 2019 which was attended by 15 participants
- Material Safety Data Sheet Training on May 9, 2019 which was attended by 4 participants
- Training for Filling in the Record of Contents of First Aid Box on May 9, 2019 which was attended by 4 participants
- RSPO Internal Audit Training on 24-29 May 2019 attended by 53 participants
- First aid training (Refress Training) on July 23, 2019 which was attended by 69 participants

Based on interviews with warehouse workers, pesticide applicators, workshop workers, factory process operators and contractor workers, it was found that workers had been given training related to OHS, training in accordance with their position and training related to the understanding of RSPO for all levels of position.

**Status: Comply**

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

**5.1**

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

**5.1.1.**

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

**5.1.2**

Environmental management plans have been incorporated in the AMDAL document. The document has included explanation of: the type of environmental impact, impact sources, management parameters, goal of environmental management, location, management effort, time and period, responsible parties, expenses (plan), and the supervisory agencies. Based on the results of interviews with surrounding communities, there are no environmental problems.

**5.1.3.**

Monitoring of Environment carried out in accordance with Annex 2 a decree No. 177 / KPTS / W / 2017 on Environmental Permit Activity Plan development of oil palm plantations and mill PT Adei Plantation & Industry. In the report of environmental management and monitoring plan semester 1 of 2019 described evaluation of trends, evaluation of critical levels and evaluation of compliance. For example:

1. Utilization of liquid waste for land application in accordance with decision of Minister of Environment No.28 of 2003 concerning the assessment of wastewater utilization and decision of Minister of Environment No.29 of 2003 concerning procedures for permitting the utilization of wastewater.
2. Air quality standards in accordance with regulation No.41 of 1999 concerning air pollution control, Minister of Environment number 13 of 1995.
3. Management of liquid waste
4. And others.

**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.**

The company compiled the HCV Identification Document in August 2011 based on Aksenta Toolkit for Identifying High Conservation Value Areas in Indonesia in June 2008. Then the company updated the Conservation Area Identification Results report on 10 August 2015. informed that the location of the PT ADEI PLANTATION & INDUSTRY *HGU* was in between the 2 Protected Areas determined by the government in accordance with the Minister of Forestry's Decree Number 173 / Kpts-II / 1986, 6 June 1986, namely Wildlife Reserve Balai Raja (2 km west of *HGU*) and Giam Siak Kecil Wildlife Sanctuary (15 km east of *HGU*, after the PT Arara Abadi HPHTI concession). However, there is no corridor between the *HGU* location and the



protected area so that it is not affected by plantation activities. The company cooperates with Aksenta with staff from Sujadnika (Approved RSPO), Pupung F. Nurwantha (Approved RSPO), Robert H. Sinaga, Gena Lysistrata and Yunus Bahar. Total HCV is **236.52 ha**.

In the 2019 *RKL / RPL* implementation report, it is known that the types of wild life found include: *Alcedo Meninting, Halcyon smyrnensis, Prionailurus bengalensis, Elephas maksimus, Tragulus javanicus, Egretta garzetta, Bubulcus ibis, Elanus caeruleus, Alcedo meninting, Halycon smyrnensis, Rhipidura javanica, & Cinnerys jugularis*.

#### **5.2.2.**

The Company showed HCV management and monitoring plans in 2019/2020 period that inform HCV attributes, objective, management and monitoring plan and time frame, PIC, references and information with details:

HCV 1.2.

- Making policies regarding the standard operating procedures for handling elephants.
- Establish communication and coordinate with institutions that have the authority to handle elephants (*BKSDA*).
- Increase knowledge and skills for all employees and staff, especially to special officers handling elephants.

HCV 1.3.

- Provide understanding to all estate employees regarding the function of the reservoir.
- Make warning boards about the prohibition of catching turtles, turtles, birds and maintaining protected species.
- Planting natural vegetation in an open area.

HCV 4.1.

- Maintain benchmark results of demarcation of mapped conservation areas.
- Installation of HCV area notice boards & signs prohibiting poisoning and electrocution.
- Plant natural vegetation in an open area.

HCV 5.

- To socialize the community about the importance of preserving the river.

HCV 6.

- To socialize to the community about the importance of preserving the river.
- Make a memorandum of agreement regarding maintenance and management of the Tomb area.

The evaluation of the HCV monitoring plan for the 2018/2019 period informs the HCV attributes, description, actions, responsibility, evaluation and information.

CH has considered HVC management plans in accordance with HCV monitoring results such as making policies regarding the standard operating procedures for handling elephants, Establishing communication and coordinating with institutions that have the authority to handle elephants (*BKSDA*) and Increasing knowledge and skills for all employees and staff, especially to special officers handling elephants.

#### **5.2.3.**

Based on interviews with pesticide applicators, fertilizer applicators, harvesters, Mill workers, it is known that there has been a socialization of HCV to workers. Workers have understood the prohibition of hunting and maintaining protected wildlife.

#### **5.2.4.**

The company shows water management and water source maintenance documents for example:

- Testing the quality of clean water and surface water once every 6 months.
- Testing aquatic biota once a year.
- Installation of a buffer zone limit of 50 meters in the riparian area.
- Planting woody plants in riparian areas.
- Monitoring protected animals and wildlife in plantation areas.
- Patrol HCV areas
- And so forth.

Based on field observations in Penaso riparian area, it is known to have existed marking spray area boundary markers and fertilization and in springs of Papadah area there is boundary marking 10 meters and there are already woody plants.

#### **5.2.5.**

The company has evidence that an agreement has been negotiated to optimally protect HCV and local community rights. There is evidence that consultation with affected communities have been carried out to identify areas that are needed by the community to meet their basic needs, taking into account the positive or negative change on livelihoods as a result of operational estates.

There is a HCV scale map with a scale of 1: 55,000 which is loaded in the report on the identification of protected areas, in the report it is known that the total indicative HCV area is 112.41 Ha, the total study area of PT Adei is 14,900 Ha, and the percentage is 0.75% . The total HCV area: 112.41 Ha, of which 110.15 Ha (98% of HCV area) is a water body in the form of rivers and reservoirs. While the remaining 2.3 Ha (2% of HCV area) is HCV 6.

The Company has a Statement from Regional Director of PT ADEI P & I Mandau Estate No: TKY / 2013/047, dated December 4, 2013 concerning the Determination of Mandau Garden Land Status. In the letter stated that the conservation area of indigenous people (Malay Sakai tribe) in the area of PT ADEI P & I HGU covering ± 2,540 Ha. This is in accordance with the results of the "Results Summary of the Area Discussion Meeting Defined as Native Conservation in the PT ADEI P & I HGU Area and PT ARARA ABADI HTI District Duri area as Plantation Substitute Area PT ADEI P & I dated April 13, 2000 Ministry of Forestry and Plantations Riau Province Regional Office.

**Status: Comply**

**5.3**

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

**5.3.1.**

Identification of waste sources consist of used oil, used filter oil, used batteries, used light bulbs, cloth rags, medical waste, pesticide and chemical waste containers, domestic waste, domestic waste water, chemical washing water, scrap metal, tires used, used fertilizer, plastic, paper and used newspapers.

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

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

**5.3.2.**

The company has licensed Schedule Waste store as follows:

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

**Manifest hazardous waste.**

The company shows the manifest hazardous waste for the Estate unit transported by PT Primanru Jaya on 19 & 21 June 2019 Vehicle number B 9657 IC with details:

Mandau Estate 1, 2, 3 & 4.

- Manifest with number BC 0049620 totalling 400 litters or 2 used oil drums (B105d).
- Manifest with number BC 0049621 totalling 7 pairs of used batteries (A102d).
- Manifest with number BC 0049623 totalling 2 kg of rags (B110d).
- Manifest with number BC 0049622 totalling 81 kg used filter (B110d).
- Manifest with number BC 0049624 totalling 150 kg of contaminated packaging (B104d).

Mandau Estate 5 & 6.

- Manifest with number BC 0046014 totalling 6 kg of TL (B107d) lamps.
- Manifest with number BC 0049626 totalling 800 litters / 4 drums (B105d).
- Manifest with number BC 0049629 totalling 2 kg rags (B110d).
- Manifest with number BC 0049630 totalling 271 kg of contaminated packaging (B104d).
- The manifest with number BC 0049628 totalling 111 kg used filter (B110d).

**Mandau Mill**

- Manifest with number BC 0049633 totalling 2 pairs of used batteries (A102d).
- Manifest with number BC 0049632 totalling 535 liters of used oil (B105d).
- Manifest with number BC 0049634 totalling 59 kg used filter (B110d).
- Manifest with number BC 0049635 totalling 2 kg of RAGS (B110d).
- Manifest with number BC 0049636 totalling 36 kg contaminated packaging (B104d).
- Manifest with number BC 0046020 totalling 2 kg TL lamps (B107d).

The company has mandatory reporting with details:

- Hazardous waste report for the second quarter of 2019 was sent to the Environment Agency of Bengkalis Districts on August 16, 2019.
- Hazardous waste report for the second quarter of 2019 was sent to the Environment Agency of Riau Province.
- Hazardous waste report for the second quarter of 2019 (Mill) was sent to the Environment Agency of Bengkalis District & Riau Province, Sumatera Regional on August 21, 2019.

**5.3.3.**

**Liquid waste**

The resulting liquid waste is all utilized to the application land area in accordance with the liquid waste utilization permit.

**Solid waste**

Fibers and shell is used a fuel for boiler. EFB is used for organic fertilizer to the plantation.

**Domestic waste.**

Domestic waste in housing is collected and separated between organic and inorganic.

**Medical waste.**

Medical waste shipments to PT Pratama Saoloan Green dated June 21, 2019 with vehicle number BM 9660 JU such as: Manifest with number AWE 0001064 amounted to 6 kilogram medical waste (A337-1). June 21, 2019.

**Hazardous waste.**

Hazardous waste generated is transported by licensed transporters, the last transport was conducted on 19 & 21 June 2019.

The company has the opportunity to ensure the management of organic and inorganic waste. (OFI)

**Status: Comply**

**5.4**

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

**5.4.1.**

The company indicated the efficient use of fossil fuels and renewable energy optimize the period January - July 2019 with the average FFB Production is 20,788.25 ton; efficient use of fiber is 0.12 ton fiber/ton FFB; efficient use of shell is 0.06 tons shell/ton FFB.

**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**

The zero burning policy is contained in the Land Opening SOP No. 31 which among others states that land clearing is carried out using the zero burning method. In addition, in Sustainability Standard Operating Procedure No.9, 2nd revision on 18 January 2018 concerning Land Clearing and Replanting in point A.2, it states that a no-burn policy must be applied for all types of wood waste produced

Based on interviews with community representatives from Bale Pungut, Tenganau, and Semunai Villages, information was obtained that the company never burned land during land clearing activities. In addition, based on the results of field visits to

the KMS and KMU areas, there has also been a warning about the prohibition and appeal not to burn land as seen in the KM-1 and KM-2 security posts.

**Status: Comply**

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

**5.6.1 & 5.6.2.**

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

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

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

**5.6.3.**

The Company has showed calculation of GHG Emission of 2018 period such as:

Product	tCO2e/tProduct
CPO	0.93
PK	0.93

Extraction	%
OER	22.88
KER	4.94

Land use	ha
OP Planted area	11,289
OP planted on peat	0
Conservation (forested)	-
Conservation (Non-forested)	235.52
Total	11,524.52

Summary of field emissions and sinks.

Emissions	Own Crop			Group		3 <sup>rd</sup> Party	
	tCO2e	tCO2e/ha	tCO2e/t FFB	tCO2e	tCO2e/ha	tCO2e	tCO2e/ha
Land conversion	128,668.85	11.6	0.6	0	0	0	0
*CO2 Emissions fertiliser	12,099.52	1.09	0.06	0	0	0	0
**N2O Emissions	10,704.21	0.96	0.05	0	0	0	0
Fuel Consumption	1995.84	0.18	0.01	0	0	0	0
Peat	0	0	0	0	0	0	0

Oxidation							
Sinks				0	0	0	0
Crop sequestration	103796.94	-9.36	-0.48	0	0	0	0
Conservation Sequestration	0	0	0	0	0	0	0
<b>Total</b>	<b>49,671.48</b>	<b>4.48</b>	<b>0.23</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Summary of Mill Emissions and Credits.**

	<b>tCO2e</b>	<b>tCO2e/tFFB</b>
<b>Emissions</b>		
POME	5565.73	0.03
Fuel consumption	164.85	0
Grid electricity	0	0
Utilization	0	0
<b>Credits</b>		
Export of grid electricity	0	0
Sales of PKS	0	0
Sales of EFB	0	0
<b>Total</b>	<b>5730.58</b>	<b>0.03</b>

**Palm oil Mill Effluent (POME) Treatment**

Divert to compost	0 %
Divert to anaerobic digestion	100 %

**POME Diverted to Anaerobic Digestion**

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

The company shows the testing of immovable source disturbance for semester 1 of 2019 conducted by Industrial Research & Standardization Center of Padang which has been accredited by KAN (LP-607-IDN) with the following details:

**Vibration (Date on 26 June 2019).**

Parameter	Unit	Threshold	Test results		
			In front of office	Boiler	Refinery
Vibration	mm/second	Max 4	0.86	0.42	0.19

**\*Decision of Minister of Environment Number 49 year 1996.**

**Noising & odor (date on 26 June 2019).**

Parameter	Unit	Threshold	Test results		
			In front of office	In the mill	Housing of workers
Amoniak (NH <sub>3</sub> )	ppm	2*	0,49	0,20	0,03
Hydrogen Sulfida (H <sub>2</sub> S)	Mg/nm <sup>3</sup>	27,8*	0,011	0,007	0,004

Kebisngan	db (A)	Maks 70** Maks 85***	62	68,6	43,5	
<p><b>Note:</b>  <i>*Kep 50/MENLH/11/1996 (Odor standard).</i>  <i>**Kep-48/MENLH/11/1996 (Noise standard).</i>  <i>***Kepmenkes No.1405/menkes/SK/XI/2002 (Health requirements of industrial work environment).</i></p>						
<p><b>Status: Comply</b></p>						
<p><b>PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills</b></p>						
<p><b>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.</b></p>						
<p><b>6.1.1.</b>  Social Impact Assessment conducted in collaboration with Aksenta on 24-31 October 2011, method of assessment such as focus group discussion, interview on field (direct) and observation. The villages visited include Muara Basung Village, Tenggana Village, Balai Pungut Village, Beringin Village, Kuala Penaso Village, Pinggir Sub-district Office, Semunai Village, Titian Antui Village, and Balai Raja Village. Based on interview with Koto Pait Village, there are social impact for stakeholders such as:</p> <ul style="list-style-type: none"> <li>- Job opportunities for the surrounding village community.</li> <li>- Notification of company job vacancy.</li> <li>- Most village employees work in the Company.</li> <li>- Determination of CSR assistance has also involved village communities to determine community needs. For example the help of Sacrificial Animals.</li> </ul> <p>Based on interview with communities from Tenggana, Balai Pungut and Semunai Village sighted that all impact has identified by the company.</p>						
<p><b>6.1.2.</b>  SIA has involved all parties related to women, small farmers and workers. This is as stated in the appendix of the report, there is an opening meeting minutes on October 24, 2011, FGD minutes on October 25, 2011, employees' internal FGD minutes on October 25, 2011, and minutes of the closing meeting on October 31, which are well documented.</p>						
<p><b>6.1.3.</b>  The CH shows a monitoring plan and social impact management for the period 2018/2019 that informs the issues of stakeholders, social impacts (positive and negative), affected stakeholders, actions, person in charge (Public Relation and Manager), completion targets and status. For example: consultation with surrounding community, CSR, legal limits, employment, business opportunities, economic development of surrounding communities, public health. Infrastructure, environment sustainability and pollution. The company has implemented some plan, for example: regarding issues about the community doesn't yet know the legal boundaries of the company located in Kuala Penaso Village. The CH has also conducted participatory mapping with government and communities on 2 till 9 July 2019. Therefore the CH has develop 31 unit toilet facilities in KM4 Estate.</p> <p>There are differences between Social Management Plan of current plan with a previous plan such as realized the improvement of the community access road, installing signboards in strategic areas such as roads that were frequently traversed by the community. In addition, direct socialization is carried out in conjunction with the SIA Plan questionnaire activities every year.</p> <p>There is no issues of positive or negative impact based on interview with stakeholder. All the information from stakeholder related social impact was already cover at SIA management plan. Based on interview with stakeholder (surround village), it is know that implementation related social management was already effective, this can be seen by the existence of a harmonious relationship between the company and stakeholders.</p>						



**6.1.4.**

Based on interview with Public Relation staff known that currently is still using SIA Plan period of 2018/2019, while the SIA Plan period of 2020/2021 is in the evaluation process with involving internal and external stakeholders.

**6.1.5.**

Scheme smallholders on socialization process during this assessment, it doesn't involved on the SIA year of 2011.

**Status: Comply**

**6.2**

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

**6.2.1; 6.2.2**

The company has an SOP on Requests and Giving Information as well as Communication and Submission of Complaints which were endorsed by the Director on August 10, 2017.

The company routinely conducts outreach activities annually on communication procedures with affected parties (stakeholders). The company has a list of stakeholders that is always updated every year, the stakeholder list is divided into each category, namely Legal Agencies / Legal Entities, Surrounding Communities / Community Leaders, Nearby Villages, Workers' Organizations, Suppliers, Contractors, NGOs, Buyers and others.

Based on the results of interviews with the surrounding village community, it is known that the community already knows related to the communication and consultation procedures owned by the company, one of the ways is by sending a letter to the company which will later be recorded and followed up on. During this time the community feels that there are no problems in the communication and consultation procedures that are owned by the company. In addition, it is known that stakeholders already know the person in charge of communication and consultation, namely the Manager and Public Relations Staff.

**6.2.3**

The company shows a list of stakeholders - PT Adei Plantation & Industry (Mandau Mill) which informs the contact person & address and telephone / email has been updated on November 1, 2018 with the following details:

- Legal Entity: (13) BPJS Employment at the Duri Branch Office, BPJS Health; Duri Tax Office; Disnaker Duri; Bengkalis Regency Environmental Agency; BKSDA; Department of Agriculture and Forestry of Bengkalis Regency; National Land Agency; Sub-District Head; Talang Mandau District Head; Periphery Sector Police; Peripheral Koramil and Public Works Lab.
- Workers' organizations: (4) SBSI; SBRI (Independent Riau Workers Union); SPSI; and SPTP (Company-level Workers Union).
- Service providers or suppliers: (18) PT Panca Benua Rona Permai; PT Mayapada Auto Sempurna; PT Gita Riau Makmur; and others.
- Small / Village / Local Community Owners: (14) Sub-District Head Office; Talang Sub-District Office; Muara Basung Village; Tenganan Village; Beringin Village; Koto Pait Village; Balai Pungut Village; Peripheral village; Semunai Village; Penaso Village; Jiat Village and others.
- Contractors: (9) PT Indotama Jaya Mas; PT Primanru Jaya; PT Tanggo Jaya Mandiri Meeting and others.
- NGOs / NGOs: (6) Palm watch local; Green Peace; Worldwide Fund for Nature Indonesia; Living environment facility; Riau and Wetlands International Forest Rescue Network.
- Internal Stakeholders: (15) Mandau Estate Complex; Public Relations Mandau Utara Estate and so on.

Based on document review, the records of communications, it's related to invitation, assistance and others. Based on interviews with Balai Pungut Village and Semunai Village, they have been aware of the mechanism of communication and there is no complaints from stakeholders.

**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 explained in the SOP on Requests and Giving Information and Communication and Submission of Complaints that were passed by the Director on August 10, 2017. This SOP explains the types of complaints that are submitted, for example: working conditions and conditions, OSH, violence and discrimination, abuse and abuse of authority. Complaints including whistleblowers and anonymous cases can be channeled through suggestion boxes, gender committees and hotlines. The suggestion box will be examined by the GM / director to ensure that the complaint is taken seriously by management. In addition, the company provides confidentiality and legal protection to reporters until the settlement of the complaint.

These complaints can be channeled / submitted / recorded through the media or the designated PIC, namely the complaint Logbook, the Chairman of the Neighborhood Association / Workers' Foreman, Suggestion Box, Gender Committee, Trade Unions and Hotline / Email.

Based on the results of the document review, it is known that the company has taken follow-up actions to resolve disputes regarding work relations between the communities that previously worked at the Company to the Riau Province Manpower and Transmigration Office. Based on the documents provided there was a follow-up settlement in the case.

Based on the results of interviews with workers (fertilizer, spray, harvest and operators at the factory) it is known that the workers have understood the grievance procedure that can be submitted through the media provided such as hotlines, suggestion boxes, logbooks and others.

**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; 6.4.3.**  
 The CH has SOP for land dispute settlement namely SOP No 26, issued on 10 August 2017, describes the mechanism of settlement of border land disputes, land occupation disputes, social issues. In such mechanisms it has explained the procedures and methods of FPIC. Based on interview with villagers on Tenganau, Balai Pungut, Semunai and *Ketua Batin Jiat* sighted that there are no land dispute between company and villagers during last year. The company has completed land compensation in 2004.

**Status: Comply**

**6.5**  
**Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.**

**6.5.1; 6.5.2**  
 The company has a Collective Labor Agreement (PKB) document between PT. ADEI Plantation & Industry with 3 trade unions (PTP Riau Independent Workers Union, PUK SPPP All Indonesia Workers Union and Company Level Workers Union) 2018 - 2020. The Joint Work Agreement has been ratified by the government based on the Letter of the Head of the Bengkalis Regency Manpower and Transmigration Office Number: Kep.560 / DTKT-HIJ / PKB / 2018/044 concerning Registration of Collective Labor Agreement (PTB) of PT Adei Plantation & Industry and valid for 2 years from the date of stipulation (October 16, 2018).

The company has presented a Decree of the Riau Governor with a Kpts number. 949 / XI / 2018 concerning Regency / City Minimum Wages of Riau Province in 2019 dated November 21, 2018. The decree explained that the Bengkalis Regency Minimum Wage was Rp 3,005,582.37, -. And applies only to workers who have a work period of less than 1 (one) year. This Governor's Decree comes into force on January 1, 2019. Beside that, there is a Memo from the President Director to GM Mandau Complex dated April 1, 2019 regarding the determination of the minimum wage in 2019. The memo explains that the salary for permanent employees (KT) in 2019 is Rp 3,005,582.37 (part of the MSE is included in the value natura of rice for own workers is 15 kg or IDR 141,000 / month). In the memo also explained that the implementation of the wages since January 1, 2019.

The company shows the document of employee salary slip for the period July 2019 as follows Employee care with NIK 00100E02251 and total net salary of Rp 3,009,669. The results of interviews with maintenance worker and security employees note that the company has set minimum wages in accordance with applicable regulations.

In addition, there is no wage deduction. The salary reduction is due if the employee is absent or due to a penalty due to indiscipline. Based on interview with labor agency and workers, it is know that there is no issue related to illegal workers.

**6.5.3; 6.5.4**

The company has welfare infrastructure that is provided free of charge to workers. These facilities include, workers' houses, elementary schools, junior high schools, clinics, ambulances, school buses, churches, mosques, prayer rooms, soccer fields, badminton and other public facilities. In terms of electricity availability, currently all housing has been given facilities by the State Electricity Company and the company also provides subsidies every month to the workers.

Based on field observation results it is known that the company has provided adequate and adequate facilities and infrastructure for workers. Housing is in good condition, electricity comes from the State Electricity Company, water is sourced from boreholes. In addition the company also provides day care, school buses, elementary and junior high schools. In addition, there are also clinics that provide level 1 health facilities (health facilities 1) equipped with medical doctors and nurses.

Based on observations and interviews with residents of the housing, 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 is around ± 8 km. There are also many traders who enter the residential area to sell basic necessities, so that so far the workers have never experienced difficulties in obtaining basic necessities and food sources while staying in the housing.

**Status: Comply**

**6.6**

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

**6.6.1**

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

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

The existence of labor unions is one of the drivers to establish Collective Agreement. The Company already has a document of Collective Agreement between PT Adei Plantation & Industries with 4 unions, namely:

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

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

**6.6.2**

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

- Bipartite II meeting between SPSI with PT Adei related to termination of employment for Mandau POM employees on June 21, 2019 at the Mandau POM Office.
- Negotiation VII 2018-2020 Collective Labor Agreement between PT Adei Plantation & Industry and PT Adei Plantation Trade Unions / Labor Unions Mandau Estate held on 12 July 2018 at the Mandau Selatan Estate Office.

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

**Status: Comply**

**6.7 Children are not employed or exploited.**

**6.7.1**

The company has a policy regarding the age requirements of workers which was approved by the Managing Director on 1 August 2013. This policy explains that the company is committed not to employ children under 18 years of age. In addition, the company has a Recruitment Procedure (Employee Acceptance) (KLKA / CP-HR / 001) Revision 1 April 18, 2011. In general these procedures include: New employee requests, selection process, placement, probation and appointment / termination of employment , signing of work agreements and appointment of workers.

Based on the results of the document review of the list of workers, it is known that there were no workers who came to work under the age of 18 years, the age of the youngest workers when they started working at the company were workers at the age of 18 years. Based on interviews with harvest, spray, fertilizer and factory operators who stated that so far there were no workers under the age of 18 who worked because the company had a policy 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**

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

**6.8.2 and 6.8.3**

Document verification and interview with management employee's recruitment is based on company requirement without considering ethnic, religious, and racial and class backgrounds. All prospective employees have rights for employment opportunity according with their educational background and company requirement. Moreover, result of interview with employees also reveals that there is no indication of discrimination against employees. Certificate Holder is able to demonstrate evaluation of work performance assessment form of contract employee in which the assessed aspects include Honesty, Loyalty, Discipline, Productivity and Knowledge About Work.

The results of document verification and interviews with management revealed that from January 2019 to the ongoing audit activities the company did not accept new employees and there were no promotions for the employee level.

**Status: Comply**

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

**6.9.1; 6.9.2 and 6.9.3**

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

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

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

The company has established a gender committee in each unit as an organization to manage the complaints of women workers in the event of sexual harassment and violations of reproductive rights. The interview result with the Gender Committee of informs that there is a case of sexual harassment reported to Gender Committee In relation thereto the gender committee and the company have followed up by reporting to the authorities. Other than that the gender committee has also provided assistance to the victims.

The routine gender committee activity is socialization on sexual harassment and submission mechanism if there is a sexual harassment. The interview result with women worker in Mandau 1 Estate, Mandau 2 Estate and Mandau 4 Estate shows that the worker has understood the existence of gender committee and the policy regarding women right protection. The administrator of gender committee also stated that the company guarantees the anonymity of the reporting and the revealer of the case.

**Status: Comply**

**6.10**

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

**6.10.1 and 6.10.2; 6.10.3; 6.10.4.**

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

**Status: Comply**

**6.11**

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

**6.11.1 and 6.11.2**

The company shows the CSR program estimation for the period of 2018 to 2019 with the total funds given to the village community is IDR 1,082,170,000, - made by the Public Relations Assistant; Public Relations Manager. The funds given are for community welfare, infrastructure, Education, Sports and recreation, Charity for religion, local wisdom, national holidays or donation, and environmental conservation.

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

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

**Status: Comply**

**6.12**

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

**6.12.1**

Based on the results of the study of work contract documents and a list of workers, it is known that there are no foreign



workers working at the level of executing workers up to the position of assistant. 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 a working relationship with the company.

Based on interviews with harvest, fertilizer, spray and plant operators it is known that so far no use of forced labor, child labor, or family members who assist employees. All workers have work ties with the company.

**6.12.2; 6.12.3**

Based on the results of the study of work contract documents and a list of workers, it is known that there are no foreign workers working at the level of executing workers up to the position of assistant. Foreign workers only exist at the top management level. In addition, there are no workers from trade or illegal workers or contract substitution because all workers have a working relationship with the company. This is in line with the results of interviews with harvest, fertilizer, spray and factory operator workers who stated that so far no use of forced labor, child labor, or family members who helped employees. All workers have work ties with the company.

**Status: Comply**

**6.13**

**Growers and millers respect human rights**

**6.13.1**

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

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

**Status: Comply**

**PRINCIPLE #7 Responsible development of new plantings**

**7.1**

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

**7.1.1; 7.1.2; 7.1.3; 7.1.4 & 7.1.5.**

Based on hectare statement known that there is no new development since 2009. Can be shown the document of EIA issued on 1999 covering 14,900 Ha (Oil Palm 8900 Ha and rubber 6000 Ha and EIA document for rubber convert to oil palm issued on 2011 covering 2594 Ha. In addition, the company has the EIA document that issued on 2017 covering all plantation operation after all rubber is converted to palm oil.

**Status: Comply**

**7.2**

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

**7.2.1 & 7.2.2**

The company has a Land Type Distribution Map (Scale 1: 120,000) in PT. Adei Plantation & Industry and the results of the analysis of soil samples conducted in collaboration with PT. Applied Agricultural Resources (AAR) Indonesia in Pekanbaru, Riau. The results of the document study show that no marginal and critical lands were found at the PT. Adei Plantation & Industry. In general, the existing soil has a sandy clay texture.

Besides that, in the Soil Type Map (Scale 1: 20,000), the types of soil in the KMU and KMS are the orders of Ultisol, Inceptisol and Oxisol which include clay and sandy mineral soils. Meanwhile, according to the association of land groups, land units are included in the Kandiodults, Dystropepts, Hapludox, Tropaquepts, and Tropaquods. There are no peatlands in the area cultivated by PT Adei Plantation & Industry.



Status: Comply

**7.3**

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

7.3.1; 7.3.2; 7.3.3; 7.3.4 & 7.3.5.

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

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

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

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

HCV 4.1.

- Maintain benchmark results of demarcation of mapped conservation areas.
- Installation of HCV area notice boards & signs prohibiting poisoning and electrocution.
- Plant natural vegetation in an open area.

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

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

Status: Comply

**7.4**

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

7.4.1 & 7.4.2

In the Soil Type Map (Scale 1: 20,000) the types of soils in the KMU and KMS are the orders of Ultisol, Inceptisol and Oxisol which include clay and sandy mineral soils. Meanwhile, according to the association of land groups, land units are included in the Kandiodults, Dystropepts, Hapludox, Tropaquepts, and Tropaquods. There are no peatlands in the area cultivated by PT Adei Plantation & Industry.

For planting in slopes area, as stipulated in the procedure, 25° slopes may not be opened and planted, while 15° and up to <25° can be planted with additional treatment in the form of making terraces.

Based on field observations to areas with certain slopes, for example in KM2 it is known that the treatment given is by making the terrace, arranging the frond along the edge of the terrace, and doing selective spray. Nephrolepis Bisserata is allowed to grow on the edge of the terrace

**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**

Observed the SOP for land dispute settlement namely SOP No 26, issued on 10 August 2017, describes the mechanism of settlement of border land disputes, land occupation disputes, social issues. In such mechanisms it has explained the procedures and methods of FPIC. Based on document of EIA and HCV report and interview with relevant agencies known that there is no traditional/customary rights as well as other rights in the company's operational area. The entire land compensation process was completed by PT Adei in 2004, evidence of compensation and agreement kept in Head Office (Pekan Baru). Based on field observation to the KM1, KM2 and KM4 sighted that there are no new development on this certification scope. However, based on interview with previous land owners from Semunai Village known that the company has acquiring land with FPIC process.

**Status: Comply**

**7.6**

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

**7.6.1; 7.6.2; 7.6.3; 7.6.4; 7.6.5; 7.6.6.**

Observed the SOP for land dispute settlement namely SOP No 26, issued on 10 August 2017, describes the mechanism of settlement of border land disputes, land occupation disputes, social issues. In such mechanisms it has explained the procedures and methods of FPIC. Based on document of EIA and HCV report and interview with relevant agencies known that there is no traditional/customary rights as well as other rights in the company's operational area. The entire land compensation process was completed by PT Adei in 2004, evidence of compensation and agreement kept in Head Office (Pekan Baru). Based on field observation to the KM1, KM2 and KM4 sighted that there are no new development on this certification scope. However, based on interview with previous land owners from Semunai Village known that the company has acquiring land with FPIC process.

**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**

Based on interviews with community representatives from Bale Pungut, Tenggau, and Semunai Villages, information was obtained that the company never burned land during land clearing activities. In addition, based on the results of field visits to the KMS and KMU areas, there has also been a warning about the prohibition and appeal not to burn land as seen in the KM-1 and KM-2 security posts.

**Status: Comply**

**7.8**

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

**7.8.1 & 7.8.2.**

The last land clearing for oil palm development in Mandau Estate was conducted between 2003 – September 2007. Subsequently from 2009 to 2014, replanting of rubber to oil palm took place.

**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 evaluated of activities action and make some improvement such as the harvesting team mechanization with a quick system where in one harvest team there are 4 fruit cutters 1 fruit transporter and 1 mini tractor operator so that the harvest output becomes greater.

<b>Status: Comply</b>
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**3.2. Summary of Assessment Report of Supply Chain Requirement**

**3.2.1 General Chain of custody requirements for the supply chain.**

Clause	Requirement
<b>5.1</b>	<b>Applicability of the general chain of custody requirements for the supply chain</b>
5.1.1	<p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.</p> <p>There is physical handling of certified product given to third parties, such as:</p> <ol style="list-style-type: none"> <li>1. PT Saman Indo Jaya with agreement number 01/ADEC-SIJAYA/KCP-Oa/I/2019 dated 2 January 2019. Activity: PK transporter valid from 2 January until 31 December 2019.</li> <li>2. PT Dongan Yakin Bersama with agreement number 02/ADEC-DY BERSAMA/KCP-Oa/I/2019 dated 2 January 2019. Activity: transport of PK, CPO, etc. Valid from 2 January until 31 December 2019.</li> <li>3. PT Dalan Maju Bersama with agreement number 03/ADEC-DM BERSAMA/KCP-Oa/I/2019 dated 2 January 2019. Activity: transport of PK, CPO, etc. Valid from 2 January until 31 December 2019.</li> </ol>
	<b>Status: Comply</b>
5.1.2	<p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.</p> <p>The mill not buying certified product from traders and/or distributor, all CSPO/CSPK sales is from its own produced.</p>
	<b>Status: Comply</b>
5.1.3	<p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p> <p>Mandau POM are registered as RSPO member under KLK Berhad, number 1-0014-04-000-00, furthermore the mill has been registered and comply to the requirement of supply chain report using RSPO IT Platform with member registration number: RSPO_PO1000000411 and sub license id: CB58783.</p>
	<b>Status: Comply</b>
5.1.4	<p>Processing aids do not need to be included within an organization's scope of certification.</p> <p>The MPOM does not have any of processing and material aid along the processing lane.</p>
	<b>Status: Comply</b>
<b>5.2</b>	<b>Supply chain model</b>
5.2.1	<p>The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -&gt; Segregated -&gt; Mass Balance.</p> <p>During the twelve months ago the MPOM only received and processed FFB from certified sources, certified product sales which claimed as RSPO is as IP model.</p>
	<b>Status: Comply</b>
5.2.2	<p>The site can use one (1) or a combination of supply chain models as audited and certified by the CB.</p>

<p>The mill has been set the system and SOP for implementation of IP and MB SCCS model, however since 19 Oct 2018 – 20 Aug 2019, however based on document verification and interview with weighbridge operator sighted that the Mandau POM only received and processed FFB from certified sourcess, and claim product as RSPO-IP.</p>	
	<b>Status: Comply</b>
<b>5.3</b>	<b>Documented procedures</b>
<p><b>5.3.1</b> The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.</p> <p>The procedure of SCCS IP/SG implementation are describes in SOP 31 revision of 3 on 18 April 2018, explained in the section of definision that the use of these document is for IP/SG implementation and SOP 32 explained regarding to the Module E (MB) implementation, these document has contains all the element required in the latest SCC standard and system (document which issued on 2017). During the license, MPOM only received and processed the FFB from certified sources, in the case of MPOM receive and processed the mixed FFB so that the IP will be downgraded to MB.</p> <p>The SOP has been describes including regarding to the key personnel involves and responsible (Mill manager, Dept of sustainability, Marketing division, Assistant and Weighbridge operator), certified product reception and delivery mechanism, SCC book keeping for IP and MB, sales announcement schedule as well as the required product shipping document.</p>	
	<b>Status: Comply</b>
<p><b>5.3.2</b> The site shall have a written procedure to conduct annual internal audit</p> <p>The procedure of internal audit describes in SOP 31 "<i>dokumentasi rantai pasok – model IP/SG</i>", section of 4 which mentioned that audit internal sustainability should be performs in yearly basis. The trained auditor are assigned to carry out the audit.</p> <p>The latest internal audit for RSPO including implementation of SCCS done on 21 November 2018 (in accordance to Supply Chain Requirements November 2014, revised on June 2017) conducted by Sustainability Staff of PT Adei Plantation &amp; Industry – Mandau. There was no NC raised against SCCS requirement.</p>	
	<b>Status: Comply</b>
<b>5.4</b>	<b>Purchasing and goods in</b>
<p><b>5.4.1</b> 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</p> <p>The mill not buying certified product from any of suplier, all CSPO/CSPK sales is from its own produced.</p>	
	<b>Status: Comply</b>
<p><b>5.4.2</b> The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents</p> <p>Mechanism for handling non-conforming oil palm products and/or documents are describes in the section of 9 SOP supply chain-model IP/SG (SOP 31 and SOP 32), mentioned that manager of mill are responsible to handle the rejected product/document, perform investigation to define the root cause and to set the corrective action plan. The product should be handling according to the agreement with buyers.</p>	
	<b>Status: Comply</b>
<b>5.5</b>	<b>Outsourcing activities</b>
<p><b>5.5.1</b> 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</p>	

<b>outsource processing activities like refining or crushing.</b>	
<p>There is physical handling of certified product given to third parties, such as:</p> <ol style="list-style-type: none"> <li>1. PT Saman Indo Jaya with agreement number 01/ADEC-SIJAYA/KCP-Oa/I/2019 dated 2 January 2019. Activity: PK transporter valid from 2 January until 31 December 2019.</li> <li>2. PT Dongan Yakin Bersama with agreement number 02/ADEC-DY BERSAMA/KCP-Oa/I/2019 dated 2 January 2019. Activity: transport of PK, CPO, etc. Valid from 2 January until 31 December 2019.</li> <li>3. PT Dalan Maju Bersama with agreement number 03/ADEC-DM BERSAMA/KCP-Oa/I/2019 dated 2 January 2019. Activity: transport of PK, CPO, etc. Valid from 2 January until 31 December 2019.</li> </ol> <p>In the respective agreement mentioned that the contractor only responsible to deliver the product to the destination designated by the MPOM, only use the unit (tank) that has been check by the MPOM . The CH's has ensure that all independent third party comply with the requirements of the RSPO SCCS by regularly socialized and regularly inspections.</p>	
	<b>Status: Comply</b>
<b>5.5.2</b>	
<p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <ol style="list-style-type: none"> <li>a. The site has legal ownership of all input material to be included in outsourced processes;</li> <li>b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</li> <li>c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</li> <li>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</li> </ol>	
<p>There is physical handling of certified product given to third parties, such as:</p> <ol style="list-style-type: none"> <li>1. PT Saman Indo Jaya with agreement number 01/ADEC-SIJAYA/KCP-Oa/I/2019 dated 2 January 2019. Activity: PK transporter valid from 2 January until 31 December 2019.</li> <li>2. PT Dongan Yakin Bersama with agreement number 02/ADEC-DY BERSAMA/KCP-Oa/I/2019 dated 2 January 2019. Activity: transport of PK, CPO, etc. Valid from 2 January until 31 December 2019.</li> <li>3. PT Dalan Maju Bersama with agreement number 03/ADEC-DM BERSAMA/KCP-Oa/I/2019 dated 2 January 2019. Activity: transport of PK, CPO, etc. Valid from 2 January until 31 December 2019.</li> </ol> <p>In the respective agreement mentioned that the contractor only responsible to deliver the product to the destination designated by the MPOM, only use the unit (tank) that has been check by the MPOM.</p>	
	<b>Status: Comply</b>
<b>5.5.3</b>	
<p>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.</p>	
<p>The contractors address and contact details are written in the agreement.</p>	
	<b>Status: Comply</b>
<b>5.5.4</b>	
<p>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</p>	
<p>There is no additional contractor used since last year.</p>	
	<b>Status: Comply</b>
<b>5.6</b>	<b>Sales and goods out</b>
<b>5.6.1</b>	
<p>The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: <b>The name and address of the buyer</b></p>	
<p>The information of buyer are describes in the sales contract document and delivery order, for example observed the sales</p>	



<p>contract :</p> <ul style="list-style-type: none"> <li>- No.: ADEC/01000-S/CPO and DO of CSPO sales to PT Nagamas Palmoil Lestari, address : Jl Iskandar Muda No 107 Medan Baru, Medan,Indonesia, amount of 300 MT.</li> <li>- Sales contract and delivery order no.: 1452/CPO/MDU for sales of CSPO claimed as RSPO amount of 300 MT to PT Jl Iskandar Muda No 107 Medan Baru, Medan, Indonesia.</li> <li>- Internal despatch advice for CSPK-IP delivery number MDU/PK-IP/0719-5 (July 2019) amount of 300MT, in the delivery manifest has informs related to buyer name namely Mandau Kernel Crushing Plant, address in Jl Raya Pekan Baru KM 101 Tengganau Village Bengkalis Riau.</li> </ul>	
	<b>Status: Comply</b>
<b>5.7</b>	<b>Registration of transactions</b>
<p>5.7.1</p> <p>Supply chain actors who:</p> <ul style="list-style-type: none"> <li>• are mills, traders, crushers and refineries; and</li> <li>• 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</li> </ul>	
<p>The SCCS audit are conducted to CPO mill, all certified product are legally owned by MPOM, all sales are registered and reported trough RSPO IT Platform, based on SOP the announcement and reporting are done by Marketing Dept, for example :</p> <ul style="list-style-type: none"> <li>✓ Transaction of CSPK-IP as much as 25 transaction, all sold to Mandau Kernel Crushing Plant, for shipping on 22 November 2018 till 12 March 2019.</li> <li>✓ Transaction of CSPO-IP as much as 7 transaction, sold to PT Nagamas Palmoil Lestari amount of 2,493.81 MT and sold to PT Kreasijaya Adhikarya amount of 3,550 MT.</li> <li>✓ CSPO sold as ISCC to PT Kreasijaya Adhikarya amount of 14,700 MT Remove on 27 June 2019.</li> </ul>	
	<b>Status: Comply</b>
<p>5.7.2</p> <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"> <li>• 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.</li> <li>• 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.</li> <li>• Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> <li>• Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li> </ul>	
<ul style="list-style-type: none"> <li>• Confirm and shipping announcement are done by Marketing Dept of Mandau POM:             <ol style="list-style-type: none"> <li>1. Transaction of CSPK-IP as much as 25 transaction, all sold to Mandau Kernel Crushing Plant amount , for shipping on 22 November 2018 till 12 March 2019.</li> <li>2. Transaction of CSPO-IP as much as 7 transaction, sold to PT Nagamas Palmoil Lestari amount of 2,493.81 MT and sold to PT Kreasijaya Adhikarya amount of 3,550 MT</li> </ol> </li> <li>• Trace: all the certified product sold as RSPO can be traced, all CSPK are sold to Mandau KCP and CSPO are sold to PT Nagamas Palmoil Lestari &amp; PT Kreasijaya Adhikarya.</li> <li>• Remove: the CSPO which is sold as ISCC as much as 7,000 MT and 7,700 MT has been removed.</li> </ul>	
<p>The Mandau POM was shown transaction record on the palm trace as follows:</p> <p><b>CSPO</b></p>	

Period	Shipping Announcement (MT)	Remove (MT)	Credit Allocations (MT)
19 October 2018 – 19 August 2019	6,043.81	14,700	-
However based on book keeping data, sighted that CSPO sales as follows:			
Period	RSPO-IP (Claim) (MT)	ISCC (MT)	Conventional (MT)
19 October 2018 – 19 August 2019	6,491.86	14,181.71	1,295.76
Based on above data sighted that there are variance of CSPO should be removed amount 777.74 MT. However, the Mandau POM has not been able to show that all CSPO sales with other scheme and conventional removed on the palm trace. <b>It was raised as Non Conformity No 2019.03.</b>			
	<b>Status: Non Conformity No 2019.03.</b>		
<b>5.8</b>	<b>Training</b>		
<b>5.8.1</b>			
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			
The plan of SCCS training are mentioned in SOP 31 "dokumentasi rantai pasok – model IP/SG", section of 5, describes that training of SCCS are done in regularly, minimum once a year. The training should be documented and the record should be keep and maintained by mill. Repeat training will conducted to the personnel who didn't pass the test.			
	<b>Status: Comply</b>		
<b>5.8.2</b>			
Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed			
During interview to the personel involved in SCCS implementation known that they has been aware regarding to SCCS requirement and critical point, for example security and weigh-bridge able to demonstrate the SOP of SCCS and how to verify the FFB that delivered to MPOM. Sighted the record of training on 29 March 2019 attended by adm head, WB operators, dispatch officers, security and assistant.			
	<b>Status: Comply</b>		
<b>5.9</b>	<b>Record keeping</b>		
<b>5.9.1</b>			
The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements			
All the record are kept in MPOM, accurate, up to date and accessible, the random sampling are done during the audit, it can be traces up to 2 year previous.			
	<b>Status: Comply</b>		
<b>5.9.2</b>			
Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock			
The document retention period and all records described in the SOP 8 document (control document) published on August 10, 2017, explained in the SOP that the retention of record is 7 years.			
	<b>Status: Comply</b>		
<b>5.9.3</b>			
The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.			
The projection of certified products that could potentially be produced by the MPOM presented as below (for IP and MB):			
<b>Product</b>	<b>Projection during 19 October 2019 to 18 Oct 2020</b>		
	<b>IP (MT)</b>	<b>MB (MT)</b>	

FFB	279,700	14,700
CSP0	64,400	3,380
CSPK	14,000	740
	<b>Status: Comply</b>	
<b>5.10</b>	<b>Conversion factors</b>	
<b>5.10.1</b>		
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 ( <a href="http://www.rspo.org">www.rspo.org</a> ); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries		
The mill didn't use conversion factors		
	<b>Status: Comply</b>	
<b>5.10.2</b>		
Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.		
The mill didn't use conversion factors		
	<b>Status: Comply</b>	
<b>5.11</b>	<b>Claims</b>	
<b>5.11.1</b>		
The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.		
The mill has been make according to RSPO Rules on Market Communications and Claims, there is no found any use of trademark and logo in MPOM activity.		
	<b>Status: Comply</b>	
<b>5.12</b>	<b>Complaints</b>	
<b>5.12.1</b>		
The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.		
The handling of stakeholder complaints including those relating to complaints from product sales is explained in the communication procedure and the submission of complaints on the SOP 1 revised August 10, 2017. In section B.3 it is explained that all complaints are submitted via hotline or email to PIC, which is related to the application of SCCS will be submitted to the marketing division and the mill manager. Responses to complaints will be submitted to stakeholders no later than 14 days.		
	<b>Status: Comply</b>	
<b>5.13</b>	<b>Management review</b>	
<b>5.13.1</b>		
The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken		
In the SOP, the company has explained that management reviews will be conducted once a year. The last management review conducted on 22 July 2019 was led by Sr. Mill Manager and was attended by Senior Assistant, Assistant, Supervisor, Staff Sustainability, Staff Laboratory, and staff.		
There are no issues related to the SCCS that need to be determined by the action plan based on the results of the management review.		

	<b>Status: Comply</b>
<p>5.13.2 The input to management review shall include information on:</p> <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul>	
<p>The last management review conducted on 22 July 2019 was led by Sr. Mill Manager and was attended by Mill Manager, Asistant and staff, the issue discussed including internal audit result, customer feedback (no complaint submitted to MPOM) and recommendations for improvement.</p> <p>There are no issues related to the SCCS that need to be determined by the action plan based on the results of the management review.</p>	
	<b>Status: Comply</b>
<p>5.13.3 The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes.</li> <li>• Resource needs.</li> </ul>	
<p>The last management review conducted on 22 July 2019 was led by Sr. Mill Manager and was attended by Mill Manager, Asistant and staff, the action plan to be taken has been defined, for example regarding to the internal audit schedule, training plan, reduction of losses and improvement of document record.</p>	
	<b>Status: Comply</b>

3.2.2 (Module D) CPO Mills – Identity Preserved Requirements

Clause	Requirement																																		
D1	<b>Definition</b>																																		
D.1.1	<p><b>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from plantation/ estates that are certified against the RSPO Principles and Criteria (RSPO P&amp;C), or against the Group Certification scheme. Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill process certified and uncertified FFB without physically separating them, then only Module E is applicable.</b></p> <p>During the one year pervious (1 August 2018 to 31 July 2019) the MPOM only received and processed FFB from its own estates (certified sources), in that case the MPOM is may be applying SCCS Modul D (IP) and modul E (MB), Mandau POM has established and implemented a certified product traceability system using the SCCS Module D–IP (SOP 31) and E-MB (SOP 32).</p>																																		
	<b>Status: Comply</b>																																		
D.2	<b>Explanation</b>																																		
D.2.1	<p><b>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&amp;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</b></p> <p>The actual certified tonnage during the license period (19 Nov 2017 – 28 Aug 2018) has been verified by the auditor, as well as the projection for next license, the projection of certified products that could potentially be produced by the MPOM, it will be recorded in the public summary report and certificate, the following table represent the projection and actual volume:</p> <table border="1"> <thead> <tr> <th rowspan="2">Product</th> <th colspan="2">Projection during 19 October 2018 s.d 18 Oct 2019 (MT)</th> <th colspan="2">Actual produce 1 August 2018 to 31 July 2019 (MT)</th> <th colspan="2">Projection during 19 October 2019 to 18 Oct 2020 (MT)</th> </tr> <tr> <th>IP</th> <th>MB</th> <th>IP</th> <th>MB</th> <th>IP</th> <th>MB</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>273,065*</td> <td>33,148</td> <td>262,814.30</td> <td>0</td> <td>279,700</td> <td>14,700</td> </tr> <tr> <td>CSPO</td> <td>62,239*</td> <td>7,624</td> <td>59,590.30</td> <td>0</td> <td>64,400</td> <td>3,380</td> </tr> <tr> <td>CSPK</td> <td>18,049*</td> <td>1,657</td> <td>11,406.26</td> <td>0</td> <td>14,000</td> <td>740</td> </tr> </tbody> </table> <p>*Ext Volume has been approved</p>	Product	Projection during 19 October 2018 s.d 18 Oct 2019 (MT)		Actual produce 1 August 2018 to 31 July 2019 (MT)		Projection during 19 October 2019 to 18 Oct 2020 (MT)		IP	MB	IP	MB	IP	MB	FFB	273,065*	33,148	262,814.30	0	279,700	14,700	CSPO	62,239*	7,624	59,590.30	0	64,400	3,380	CSPK	18,049*	1,657	11,406.26	0	14,000	740
Product	Projection during 19 October 2018 s.d 18 Oct 2019 (MT)		Actual produce 1 August 2018 to 31 July 2019 (MT)		Projection during 19 October 2019 to 18 Oct 2020 (MT)																														
	IP	MB	IP	MB	IP	MB																													
FFB	273,065*	33,148	262,814.30	0	279,700	14,700																													
CSPO	62,239*	7,624	59,590.30	0	64,400	3,380																													
CSPK	18,049*	1,657	11,406.26	0	14,000	740																													
	<b>Status: Comply</b>																																		
D.2.2	<p><b>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).</b></p> <p>Mandau POM are registered as RSPO member under KLK Berhad, number 1-0014-04-000-00, furthermore the mill has been registered and comply to the requirement of supply chain reporting using RSPO IT Platform with member registration number: RSPO_PO1000000411 and sub license id: CB58783.</p> <p>Announcement of certified product sold and shipping has been done through RSPO plantrace by the company' marketing dept.</p> <ul style="list-style-type: none"> <li>➤ <b>CSPK → All sold to Mandau KPC, for example:</b> <ul style="list-style-type: none"> <li>• Transaction ID : TR-ee9d0b37-c77b</li> </ul> </li> </ul>																																		

- Buyer : PT. Adei Plantation & Industry (Mandau Kernel Crushing Plant)
- Supply Chain Model : IP
- Volume : 100 MT
- Status : Confirmed
- Shipping/BL Date : 12/3/2019

➤ CSPO, for example:

- Transaction ID : TR-0ba28891-7da6
- Buyer : PT NAGAMAS PALMOIL LESTARI
- Supply Chain Model : IP
- Volume : 498.67 MT
- Status : Confirmed
- Shipping/BL Date : 13/06/2019
  
- Transaction ID : TR-e2e27ea3-033d
- Buyer : PT KREASIJAYA ADHIKARYA
- Supply Chain Model : IP
- Volume : 498.67 MT
- Status : Confirmed
- Shipping/BL Date : 19/12/2018

\*note: all shipping on July 2019 is still on process, the company will announce on the palm trace after finish.

- All CSPO calimed ISCC are sold to PT Kreasijaya Adhikarya

**Status: Comply**

**D.3 Documented procedures**

**D.3.1**

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

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

The procedure of SCCS IP/SG implementation are describes in SOP 31 revision of 3 on 18 April 2018, explained in the section of definition that the use of these document is for IP/SG implementation, the document has contains all the requirements in the latest SCC standard and system (document which issued on 2017). During the license, MPOM only received and processed the FFB from certified sources, in the case of MPOM receive and processed the mixed FFB so that the IP will be downgraded to MB. During field observation to MPOM, observed that has been provided the separate of storage for IP and MB product, there was 4 storage tank, one of its is for MB product.

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

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



- c. Marketing division : is responsible for issuing sales contracts, arranging shipments and making claims on non-conforming product and accepting payment invoices, carrying out shipping announcements for each sales to RSPO
- d. Assistant : is responsible for checking safety seals and ensuring availability of shipping documents
- e. Weighbridge operator: responsible for ensuring all product shipping documents are complete (company name, estates name, ticket number, tonnage number etc.)

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

**Status: Comply**

**D.3.2**

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

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

**Status: Comply**

**D.4**

**Purchasing and goods in**

**D.4.1**

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

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

Month	Incoming FFB (MT)	FFB Process (MT)
	This Month	This Month
Augst'18	23,151.300	23,151.300
Sept'18	24,258.500	24,258.500
Oct'18	24,916.540	24,916.540
Nov'18	23,949.480	23,949.480
Dec'18	21,020.760	21,020.760
Jan'19	21,901.170	21,901.170
Feb'19	18,573.020	18,573.020
Mar'19	20,630.120	20,630.120
Apr'19	19,814.180	19,814.180
May19	21,238.280	21,238.280
Jun'19	19,195.730	19,195.730
July'19	24,165.220	24,165.220
<b>Total</b>	<b>262,814.300</b>	<b>262,814.300</b>

	Status: Comply
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**D.4.2**

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

The Mandau POM was shown book Keeping of CSPO and CSPK as below table:

Product	Projection during 19 October 2018 to 18 Oct 2019	Actual produce 1 July 2018 to 31 August 2019	Actual produce 19 October – 19 August 2019
FFB	273,065 MT	262,814.30 MT	201,908.16 MT
CSPO	62,239 MT	59,590.30 MT	45,786.06 MT
CSPK	18,049 MT	11,406.26 MT	8,060.10 MT

However, the Mandau POM has not been able to show over production of certified tonnage of CSPO to the CB immediately. It was raised as nonconformity No 2019.04.

	Status: Nonconformity No 2019.04.
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**D.5**

**Record keeping**

**D.5.1**

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

All certified FFB received and CSPO/CSPK produced and despatched has been balanced, based on data verification there is no oversales by MPOM, the auditor has been verified the certified product book-keeping report since 1 August 2018 to 31 July 2019

**CSPO**

Month	Incoming FFB (MT)	CPO Production (MT)	Decpatch Sales (MT)			
			IP	ISCC	Non CSPO	Total
August 2018 to July 2019	262,814.300	59,590.30	6,325.470	32,508.125	19,572.040	58,405.635

**CSPK**

Month	Incoming FFB (MT)	CSPK Production (MT)	Despatch Sales (MT)
August 2018 to July 2019	262,814.300	11,406.263	11,280.030

	Status: Comply
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**D.6**

**Processing**

**D.6.1**

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

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

- CPO or PK (IP) should be placed in a special storage tank with 100% purity.

- |  |
|--|
| - If there is a product that is mixed or contaminated, flushing must be done. So that the CPO or PK produced is truly 100% IP product. |
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<b>Status: Comply</b>
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3.2.3 (Module E) CPO Mills - Mass Balance Requirements

Clause	Requirement																																		
E.1	Definition																																		
E.1.1	<p><b>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.</b></p> <p>During the one year previous (1 August 2018 to 31 July 2019) the MPOM only received and processed FFB from its own estates (certified sources), in that case the MPOM is may be applying SCCS Modul D (IP) and modul E (MB), Mandau POM has established and implemented a certified product traceability system using the SCCS Module D-IP (SOP 31) and E-MB (SOP 32).</p>																																		
	Status: Comply																																		
E.2	Explanation																																		
E.2.1	<p><b>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&amp;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.</b></p> <p>The actual certified tonnage during the license period (19 Nov 2017 – 28 Aug 2018) has been verified by the auditor, as well as the projection for next license, the projection of certified products that could potentially be produced by the MPOM, it will be recorded in the public summary report and certificate, the following table represent the projection and actual volume:</p> <table border="1"> <thead> <tr> <th rowspan="2">Product</th> <th colspan="2">Projection during 19 October 2018 s.d 18 Oct 2019 (MT)</th> <th colspan="2">Actual produce 1 August 2018 to 31 July 2019 (MT)</th> <th colspan="2">Projection during 19 October 2019 to 18 Oct 2020 (MT)</th> </tr> <tr> <th>IP</th> <th>MB</th> <th>IP</th> <th>MB</th> <th>IP</th> <th>MB</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>273,065*</td> <td>33,148</td> <td>262,814.30</td> <td>0</td> <td>279,700</td> <td>14,700</td> </tr> <tr> <td>CSP0</td> <td>62,239*</td> <td>7,624</td> <td>59,590.30</td> <td>0</td> <td>64,400</td> <td>3,380</td> </tr> <tr> <td>CSPK</td> <td>18,049*</td> <td>1,657</td> <td>11,406.26</td> <td>0</td> <td>14,000</td> <td>740</td> </tr> </tbody> </table> <p>*Ext Volume has been approved</p>	Product	Projection during 19 October 2018 s.d 18 Oct 2019 (MT)		Actual produce 1 August 2018 to 31 July 2019 (MT)		Projection during 19 October 2019 to 18 Oct 2020 (MT)		IP	MB	IP	MB	IP	MB	FFB	273,065*	33,148	262,814.30	0	279,700	14,700	CSP0	62,239*	7,624	59,590.30	0	64,400	3,380	CSPK	18,049*	1,657	11,406.26	0	14,000	740
Product	Projection during 19 October 2018 s.d 18 Oct 2019 (MT)		Actual produce 1 August 2018 to 31 July 2019 (MT)		Projection during 19 October 2019 to 18 Oct 2020 (MT)																														
	IP	MB	IP	MB	IP	MB																													
FFB	273,065*	33,148	262,814.30	0	279,700	14,700																													
CSP0	62,239*	7,624	59,590.30	0	64,400	3,380																													
CSPK	18,049*	1,657	11,406.26	0	14,000	740																													
	Status: Comply																																		
E.2.2	<p><b>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).</b></p> <p>Mandau POM are registered as RSPO member under KLK Berhad, number 1-0014-04-000-00, furthermore the mill has been registered and comply to the requirement of supply chain reporting using RSPO IT Platform with member registration number: RSPO_PO1000000411 and sub license id: CB58783.</p> <p>Announcement of certified product sold and shipping has been done through RSPO plamtrace by the company' marketing dept.</p> <ul style="list-style-type: none"> <li>➤ CSPK → All sold to Mandau KPC, for example: <ul style="list-style-type: none"> <li>• Transaction ID : TR-ee9d0b37-c77b</li> <li>• Buyer : PT. Adei Plantation &amp; Industry (Mandau Kernel Crushing Plant)</li> <li>• Supply Chain Model : IP</li> </ul> </li> </ul>																																		

- **Volume** : 100 MT
- **Status** : Confirmed
- **Shipping/BL Date** : 12/3/2019

➤ **CSPO, for example:**

- **Transaction ID** : TR-0ba28891-7da6
- **Buyer** : PT NAGAMAS PALMOIL LESTARI
- **Supply Chain Model** : IP
- **Volume** : 498.67 MT
- **Status** : Confirmed
- **Shipping/BL Date** : 13/06/2019
  
- **Transaction ID** : TR-e2e27ea3-033d
- **Buyer** : PT KREASIJAYA ADHIKARYA
- **Supply Chain Model** : IP
- **Volume** : 498.67 MT
- **Status** : Confirmed
- **Shipping/BL Date** : 19/12/2018

\*note: all shipping on July 2019 is still on process, the company will announce on the palm trace after finish.

- All CSPO calimed ISCC are sold to PT Kreasijaya Adhikarya

**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.**

The procedure of SCCS MB implementation are describes in SOP 32 revised on 18 April 2018, explained that the use of these document is for MB implementation, the document has contains all the requirements in the latest SCC standard and system (document which issued on 2017). During the license, MPOM only received and processed the FFB from certified sources, in the case of MPOM receive and processed the mixed FFB so that the IP will be downgraded to MB. Flushing method to the storage tank, transport tank and processing lane will be done if the mill will upgrade to IP (flushing volume will be done based on calculation of the volume of tank and pipes along the processing lane). During field observation to MPOM, observed that has been provided the separate of storage for IP and MB product, there was 4 storage tank, one of its is for MB product.

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

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

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

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

**Status: Comply**

**E.3.2**

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

In the supply chain documentation procedure for MB document number SOP 32, section 6 describes regarding to mechanism of the reception of FFB at the security station and the weighbridge station, explained that the seal checks and ensures the delivery documents are carried out at the security station, if there are sources of FFB from non-certified sources, then the FFB will not be accepted by MPOM. The mill management will approve all FFB suppliers to ascertain whether they are certified or not through the RSPO website and ensure the RSPO certificate for new suppliers. Delivery notes from certified outside suppliers must display the company name, estate name, ticket number, tonnage number, RSPO certificate number and its validity date.

**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.**

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

Month	Incoming FFB (MT)	FFB Process (MT)
	This Month	This Month
Augst'18	23,151.300	23,151.300
Sept'18	24,258.500	24,258.500
Oct'18	24,916.540	24,916.540
Nov'18	23,949.480	23,949.480
Dec'18	21,020.760	21,020.760
Jan'19	21,901.170	21,901.170
Feb'19	18,573.020	18,573.020
Mar'19	20,630.120	20,630.120
Apr'19	19,814.180	19,814.180
May19	21,238.280	21,238.280
Jun'19	19,195.730	19,195.730
July'19	24,165.220	24,165.220
<b>Total</b>	<b>262,814.300</b>	<b>262,814.300</b>

**Status: Comply**

**E.4.2**



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

There is no over production during the license periode (19 Oct 2018 – 19 Aug 2019), as per audit verification the actual certified produced detailed below, the mill need to adjust the projection since the license still valid for the until next two months:

Product	Projection during 19 October 2018 s.d 18 Oct 2019	Actual produce 19 October – 19 August 2019
FFB	220,993	201,908.16
CSPO	7,624	0
CSPK	1,658	0

Status: Comply

**E.5 Record keeping**

**E.5.1**

- a. 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.
- b. All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.
- c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a site is allowed to sell short. (i.e. product can be sold before it is in stock.)

All certified FFB received and CSPO/CSPK produced and despatched has been balanced, based on data verification there is no oversales by MPOM, the auditor has been verified the certified product book-keeping report since 1 August 2018 to 31 July 2019

**CSPO**

Month	Incoming FFB (MT)	CPO Production (MT)	Decpatch Sales (MT)			
			IP	ISCC	Non CSPO	Total
August 2018 to July 2019	262,814.300	59,590.30	6,325.470	32,508.125	19,572.040	58,405.635

**CSPK**

Month	Incoming FFB (MT)	CSPK Production (MT)	Despatch Sales (MT)
August 2018 to July 2019	262,814.300	11,406.26	11,280.030

Status: Comply

**3.3. Conformity Checklist of Certificate and Trademark Use**

<b>1.</b>	<b>Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client</b>	<b>X or√</b>
<b>ASA-1.1</b>	The company didn't use trademark on the product.	√
	<b>Status: Comply</b>	
<b>2.</b>	<b>Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of Logo Use</b>	<b>X or√</b>
<b>ASA-1.2</b>	The company didn't use trademark on the product.	√
	<b>Status: Comply</b>	
<b>3.</b>	<b>Implementation of Certificate and Trademark is not used on product</b>	<b>X or√</b>
<b>ASA-1.2</b>	The company didn't use trademark on the product.	√
	<b>Status: Comply</b>	
<b>4.</b>	<b>Controlling of Certificate and Trademark, including withdrawing inappropriate logo.</b>	<b>X or√</b>
<b>ASA-1.2</b>	The company didn't use trademark on the product.	√
	<b>Status: Comply</b>	

**3.4. Summary of RSPO Partial Certification.**

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

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

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

MUTU Auditor has verified company partial certification and concludes that:

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

<b>2.2 Un-Certified Units or Holdings</b>		
<b>Section</b>	<b>Requirement</b>	<b>Concerns to Discuss, if any</b>
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"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	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 <sup>st</sup> 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-1.1 Assessment**

<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. &amp; Requirement</i>	: -		
<i>Non-Conformance Description &amp; Evidence observed (filled by auditor):</i>			
During surveillance 1.1 RSPO, there aren't non- conformance.			
<i>Root Cause Analysis (filled by organization audited):</i>			
-			
<i>Correction (filled by organization audited):</i>			
-			
<i>Corrective Action (filled by organization audited):</i>			
-			
<i>Assessor Evaluation and Conclusion (filled by auditor):</i>			
-			
<i>Verified by</i>	: -		

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-1.2 Assessment

NCR No.	: 2019.01	Issued by	: Haikal Ramadhan Kharismansyah
Date Issued	: 22 Agustus 2019	Time Limit	: ASA-1.3
NC Grade	: Minor	Date of Closing	:
Standard Ref. & Requirement	: 4.1.2 Checking or monitoring of operations procedures is conducted at least once a year.		
<p><b>Evidence observed (filled by auditor):</b></p> <ol style="list-style-type: none"> <li>Based on the document review, it is known that there is a cooperation between PT Adei Plantation - Mandau POM with several contractors such as PT Parna Jaya Pinggir, PT Adria Teknik Bersama, and PT Abid Pratama Mandiri</li> <li>There is a contractor evaluation for PT PJP and PT Aaron Pratama for the period January - August 2019 including stating compliance with OHS and minimum wages have been met</li> <li>Based on an evaluation checklist of the contractor PT Abid Pratama Mandiri in August 2019 it states that there is a (sign v) related salary item in accordance with the minimum wage.</li> <li>Based on an evaluation checklist of the contractor PT Parna Jaya Pinggir on August 15, 2019 it states that there is (mark v) related salary items in accordance with the minimum wage.</li> <li>Based on the results of field visits and interviews obtained the following information: <ul style="list-style-type: none"> <li>Interview with PT Abid Pratama Mandiri workers, it is known that the wage given is Rp 16,000 / hour. The worker works 10 hours a day so that the total wage per day is IDR 160,000. In the wage document between PT Abid Pratama and his employees, it is known that payment of wages is in accordance with the results of interviews with workers.</li> <li>Interview with PT Parna Jaya Pinggir workers during fertilization activities in block 15F division 3, workers said that wages were paid daily in the amount of Rp. 115,000; 3 fertilizers used masks that were bought by themselves and 1 other used boots that were also bought by themselves (because the ration of the masks and shoes concerned from PT PJP was damaged).</li> </ul> </li> <li>Decree of the Governor of Riau with the Kpts number. 949 / XI / 2018 concerning the Regency / City Minimum Wage of Riau Province in 2019 dated November 21, 2018 is Rp 3,005,582.37 per month or Rp 120,223.29 and Rp 17,174.75 if converted to hourly wages</li> <li>SOP Sustainability Number.20 concerning selection of contractor revision 2 dated August 10, 2017 among others states to ensure the safety of workers and a reasonable wage.</li> </ol>			
<p><b>Non-Conformance Description (filled by auditor):</b> the company has not been able to show consistency on the results of the contractor's evaluation in accordance with the procedures owned.</p>			
<p><b>Root Cause Analysis (filled by organization audited):</b></p>			
<p><b>Correction (filled by organization audited):</b></p>			
<p><b>Corrective Action (filled by organization audited):</b></p>			
<p><b>Assessor Evaluation and Conclusion (filled by auditor):</b></p>			
Verified by	:		



<i>NCR No.</i>	: <b>2019.02</b>	<i>Issued by</i>	: <b>Satria Adi Putra</b>
<i>Date Issued</i>	: <b>23 August 2019</b>	<i>Time Limit</i>	: <b>22 November 2019</b>
<i>NC Grade</i>	: <b>Major</b>	<i>Date of Closing</i>	: <b>23 September 2019</b>
<i>Standard Ref. &amp; Requirement</i>	: <b>4.7.3 Records of Occupational Safety and Health (OHS) training programs (see 4.8) and Personal Protective Equipment (PPE) in accordance with the results of hazard identification and risk analysis must be available to all workers.</b>		
<b>Evidence observed (filled by auditor):</b>			
<p>Based on the results of the field visit, it is known that:</p> <ul style="list-style-type: none"> <li>- There are 4 fertilizer workers in Block 98A / 103 Mandau 1 Estate, using medical masks.</li> <li>- There is 1 pesticide pouring operator in Block 98i / 197 Mandau 1 Estate, using medical masks</li> <li>- There is 1 welder operator in Mandau POM, not using PPE in the form of gloves and welding clothes</li> <li>- There are 2 kernel station operators that do not use earplug and use buff masks</li> <li>- There is one fertilizer foreman in Block 14C, Mandau 2 Estate, using a medical mask</li> <li>- There was 1 spray foreman in Block 14E, Mandau 2 Estate, using a medical mask</li> </ul> <p>Based on interviews with workers and review of PPE handover documents, it is known that the company has provided PPE according to procedures such as carbon masks (maskr brands) for fertilizer and spray workers, leather gloves and welding clothes for welder operators, as well as the provision of earplugs and dust masks for worker at the kernel station. In addition, workers also explained that damaged PPE can be replaced and provided by the company.</p> <p>Hazard Identification Form, Risk Analysis and Risk Management document is known that:</p> <ul style="list-style-type: none"> <li>- PPE in welding work is leather gloves and welding clothes</li> <li>- PPE on work beside the kernel plant is earplug and dust mask</li> <li>- PPE in the work of poison spray and fertilizers, among others, masks</li> </ul> <p>The study of Material Safety Data Sheets is known that PPE requirements include:</p> <ul style="list-style-type: none"> <li>- OP COM 32A products (NK 10/36) state PPE requirements including dust respirator masks</li> </ul>			
<b>Non-Conformance Description (filled by auditor):</b>			
<p>The company has not been able to demonstrate that the use of Personal Protective Equipment (PPE) is in accordance with the results of hazard identification and risk analysis determined.</p>			
<b>Root Cause Analysis (filled by organization audited):</b>			
<ul style="list-style-type: none"> <li>- Misunderstanding of the distribution of medical masks that should be due to the condition of the smoke but used at the time of fertilization. Fertilizing masks are stored in motorcycle vehicles</li> <li>- Monitoring the use of PPE has not been effective</li> <li>- Sanctions for violations of the use of PPE have not been consistently implemented</li> <li>- P2K3 meeting has not resolved PPE according to MSDS (Fertilizer Opcom 32)</li> </ul>			
<b>Correction (filled by organization audited):</b>			
<ul style="list-style-type: none"> <li>- Making monitoring the use of PPE by the foreman and the sustainability team (Appendix 1)</li> <li>- Adjust OPCOM 32 APD Fertilizer application with MSDS (Appendix 2)</li> <li>- Applying sanctions for PPE violations in the form of: <ul style="list-style-type: none"> <li>a. The first violation is a written warning letter (Attachment 3)</li> </ul> </li> </ul>			

- b. The second violation is the second warning letter
- c. The third violation is SP1 if sanctions still continue are SP2, SP3 followed by layoffs in accordance with PKB / PP

**Corrective Action** (filled by organization audited):

- Socialization of PPE usage and discipline of PPE usage (Appendix 4)
- Socialization of PPE violation sanctions (Appendix 4)
- Making PPE stock so that when necessary a change can be made immediately (Appendix 5)
- P2K3 meetings must confirm the compatibility of PPE with MSDS (Attachment 5)

**Assessor Evaluation and Conclusion :**

**Verification September 23, 2019**

The company has shown evidence of improvements including:

- Disciplinary socialization photos and sanctions for violating the PPE Mandau POM
- Evidence of the present list of PPE discipline socialization and sanctions for violating PPE (FFB and CPO drivers) to 69 employees of Mandau POM
- Evidence of a list of present socialization of PPE functions and sanctions for PPE violations (27 and 28 August 2019) to employees of Mandau 1 Estate along with photo documentation
- Evidence of a list of present socialization of PPE functions and sanctions for violating PPE (29 and 30 August 2019) to employees of Mandau 2 Estate along with photo documentation
- Evidence of a list of present types of PPE socialization, PPE functions and PPE violation sanctions (31 August 2019) to employees of Mandau 3 Estate along with photo documentation
- Evidence of a list of present types of PPE socialization, PPE functions and PPE violation sanctions (31 August 2019 and 02 September 2019) to the employees of Mandau 4 Estate along with photo documentation
- Evidence of a list of present types of PPE socialization, PPE functions and PPE violation sanctions (September 2, 2019) to employees of Mandau 5 Estate along with photo documentation
- Evidence of the present list of PPE socialization types, PPE functions and PPE violation sanctions (31 August 2019 and 02 September 2019) to the employees of Mandau 6 Estate along with photo documentation
- Monitoring the use of PPE for employees in Mandau POM
- Monitoring the use of PPE for spraying work at Mandau 3 Estate.
- Evidence of the use of PPE in the form of a mask (brand maskr) along with a photo. Determination of the use of PPE in the form of a mask in accordance with
- Monitoring of PPE violations in Mandau 1 Estate along with letters of reprimand to employees who do not use PPE according to the standards.
- Evidence of the P2K3 meeting on 28 August 2019 that discussed the root of the problem, corrective and preventive actions that would be made improvements for the NC External Audit.
- Evidence of the implementation of the P2K3 meeting on 30 August 2019 discussing OHS topics including PPE, Safety Briefing, OHS Training and License Permits. In addition, it was explained that the company ensured that available PPE stock in APD warehouses with a 10% stock plan calculated from the total number of employees.

Based on the evidence of corrections that have been sent, the non-conformity No. 2019.02 has been declared fulfilled.

**Verified by** : **Satria Adi Putra**

<b>NCR No.</b>	<b>: 2019.03</b>	<b>Issued by</b>	<b>: Trismadi N</b>
<b>Date Issued</b>	<b>: 23 Agustus 2019</b>	<b>Time Limit</b>	<b>: 22 November 2019</b>

<i>NC Grade</i>	: Major	<i>Date of Closing</i>	: 30 August 2019								
<i>Standard Ref. &amp; Requirement</i>	<b>5.7.2</b> <b>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</b> <ul style="list-style-type: none"> <li>• <b>Shipping Announcement / Announcement:</b> 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.</li> <li>• <b>Trace:</b> 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.</li> <li>• <b>Remove:</b> RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> <li>• <b>Confirm:</b> Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li> </ul>										
<i>Evidence observed (filled by auditor):</i> The Mandau POM was shown transaction record on the palm trace as follows: <b>CSPO</b> <table border="1"> <thead> <tr> <th>Period</th> <th>Shipping Announcement (MT)</th> <th>Remove (MT)</th> <th>Credit Allocations (MT)</th> </tr> </thead> <tbody> <tr> <td>19 October 2018 – 19 August 2019</td> <td align="right">6,043.81</td> <td align="right">14,700</td> <td align="center">-</td> </tr> </tbody> </table>				Period	Shipping Announcement (MT)	Remove (MT)	Credit Allocations (MT)	19 October 2018 – 19 August 2019	6,043.81	14,700	-
Period	Shipping Announcement (MT)	Remove (MT)	Credit Allocations (MT)								
19 October 2018 – 19 August 2019	6,043.81	14,700	-								
However based on book keeping data, sighted that CSPO sales as follows: <table border="1"> <thead> <tr> <th>Period</th> <th>RSPO-IP (Claim) (MT)</th> <th>ISCC (MT)</th> <th>Conventional (MT)</th> </tr> </thead> <tbody> <tr> <td>19 October 2018 – 19 August 2019</td> <td align="right">6,491.86</td> <td align="right">14,181.71</td> <td align="right">1,295.76</td> </tr> </tbody> </table>				Period	RSPO-IP (Claim) (MT)	ISCC (MT)	Conventional (MT)	19 October 2018 – 19 August 2019	6,491.86	14,181.71	1,295.76
Period	RSPO-IP (Claim) (MT)	ISCC (MT)	Conventional (MT)								
19 October 2018 – 19 August 2019	6,491.86	14,181.71	1,295.76								
<i>Non-Conformance Description (filled by auditor):</i> Based on above data sighted that there are variance of CSPO should be removed amount 777.74 MT. However, the Mandau POM has not been able to show that all CSPO sales with other scheme and conventional removed on the palm trace.											
<b>Root Cause Analysis (filled by organization audited):</b> Lack of understanding of Person In Charge of monitoring the volume of Certified products and removing the sock of sale under non certificate and other schemes.											
<b>Correction (filled by organization audited):</b> <ul style="list-style-type: none"> <li>• Removing stock of ISCC sales.</li> <li>• Make a credit allocation on the palm trace.</li> </ul>											
<b>Corrective Action (filled by organization audited):</b> <ul style="list-style-type: none"> <li>• Refreshment training to the critical control points and all sustainability teams.</li> <li>• Make monitoring of certified products and remove or announcement sales and will be updated every month.</li> </ul>											
<b>Assessor Evaluation and Conclusion:</b> <b>Verification on 30 August 2019</b> The company was shown several evidence, such as: <ol style="list-style-type: none"> <li>1. Removing stock sold as other scheme period of 8 May 2018 – 26 February 2019 No ST-TR-84a3334a-f293 on 19 March 2019 with volume: 14,860 MT.</li> <li>2. Removing stock sold as other scheme period of 1 March 2018 – 26 June 2019 No ST-TR-84a3334a-f293 on 27 June 2019 with volume: 7,700 MT.</li> </ol>											

3. Removing stock sold as other scheme period of 27 June-22 August 2019 No ST-TR-ecf866de-1734 on 23 August 2019 with volume: 5,579.47 MT.
4. Removing stock sold as other scheme period of 1 March 2018 – 26 June 2019 No ST-TR-84a3334a-f293 on 28 August 2019 with volume: 7,000 MT.
5. Updated trading stock, sighted that the currently quota of CSPO: 62,239 MT; Volume sold/removed: 27,820.73 MT and Volume Credit Allocations: 12,050 MT; remaining: 22,368.27 MT. Credit Offered: 12,050 MT.
6. Updated trading stock, sighted that the currently quota of CSPK: 18,049 MT; Volume sold/removed: 15,459.23 MT; remaining: 2,589.77 MT.
7. Minutes of SCCS SOP training and monitoring production and certified product sales to nine the critical control point on Mandau POM.

**Conclusions:**

Based on the correction evidence that have been shown, this nonconformity has been closed.

*Verified by* : **Trismadi N**

<i>NCR No.</i>	: <b>2019.04</b>	<i>Issued by</i>	: <b>Trismadi N</b>	
<i>Date Issued</i>	: <b>23 Agustus 2019</b>	<i>Time Limit</i>	: <b>22 November 2019</b>	
<i>NC Grade</i>	: <b>Major</b>	<i>Date of Closing</i>	: <b>30 August 2019</b>	
<i>Standard Ref. &amp; Requirement</i>	: <b>D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</b>			
<i>Evidence observed (filled by auditor):</i> The Mandau POM was shown book Keeping of CSPO and CSPK as below table:				
	<b>Product</b>	<b>Projection during 19 October 2018 to 18 Oct 2019</b>	<b>Actual produce 1 July 2018 to 31 August 2019</b>	<b>Actual produce 19 October – 19 August 2019</b>
	<b>FFB</b>	220,993 MT	<b>262,814.30 MT</b>	201,908.16 MT
	<b>CSPO</b>	43,203 MT	<b>59,590.30 MT</b>	<b>45,786.06 MT</b>
	<b>CSPK</b>	18,050 MT	11,042.09 MT	8,060.10 MT
<i>Non-Conformance Description (filled by auditor):</i> The Mandau POM has not been able to show over production of certified tonnage of CSPO to the CB immediately.				
<i>Root Cause Analysis (filled by organization audited):</i> Lack of understanding of Person In Charge of monitoring the volume of Certified products				
<i>Correction (filled by organization audited):</i> Request additional quota of certified products to the Certification Body.				
<i>Corrective Action (filled by organization audited):</i> <ul style="list-style-type: none"> <li>• Refreshment training to the critical control points and all sustainability teams.</li> <li>• Make monitoring of certified products and request quota if production has reached 80% before or at nine months the certificate is running.</li> </ul>				
<b>Assessor Evaluation and Conclusion:</b> <b>Verification on 30 August 2019</b>				

The company was shown several evidence, such as:

1. Approval of additional volumes by palm trace, dated August 23, 2019 such as: FFB: 85,226 MT; CSPO: 19,036 MT. remaining of FFB volume: 273,065 MT; and the remaining of FFB Volume: 273,065 MT; and the remaining volume of CSPO Volume: 22,896.95 MT.
2. Minutes of SCCS SOP training and monitoring production and certified product sales to nine the critical control point on Mandau POM.
3. Certified product monitoring form in accordance to the certificate period, projections from October 2018 till September 2019 is CSPO: 62,238.84 MT and CSPK: 11,560.88 MT.

**Conclusions:**

Based on the correction evidence that have been shown, this nonconformity has been closed.

<i>Verified by</i>	:	<b>Trismadi N</b>
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**1.5.3 Opportunity for Improvement.**

No	Ref. Std.	Description
1	4.4.1	Ensuring that clean water testing must use quality standards in accordance with applicable regulations.
2	4.6.7	Based on a field observation to KMU PPE storage warehouse, it was discovered that the team's clean clothes were not available in the locker. SOP Spray at point 21 on the part of returning home says wear clean clothes brought from home. The results of field visits and interviews with KM-1 spray officers stated that they never brought clean clothes from home, but when working wearing 3 layers of clothing so that when they return home, the outer clothes are removed and washed before being taken home. Others state that all clothes are washed at home.  Thus the company has the opportunity to ensure that all pesticide applicators have implemented methods that minimize negative impacts in accordance with established procedures. (OFI)

**1.5.4 Noteworthy Positive Components**

No	Description
1	The company has commitment to implementing the principles of sustainable management of oil palm plantations.
2	The company has award from the Ministry of Environment and Forestry (Blue PROPER) period of 2017-2018.
3	The company has competent human resources to implement the principles of sustainable oil palm.
4	The company has obtained ISPO and ISCC Certificate.
5	The company has receive zero accident from Man Power Ministry of Republic Indonesia in 2018.

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

Stakeholders Issues	Auditor Response
<p><b>Advisory of Labor Union (<i>Serikat Buruh Riau Independen</i>).</b></p> <p>Labor union has existed since 2000, until now a total of ± 900 members consists of Mill &amp; Estate. <i>SBR/</i> has been recorded in the Bengkalis Regency Manpower &amp; Transmigration Agency. A meeting with the company was held in July 2019 discussing premiums for work in the estate area. The fee of member is IDR 10,000. The issues reported to <i>SBR/</i> such as:</p> <ol style="list-style-type: none"> <li>1. Not all insurance (Labor &amp; health) are registered (but don't know how many people). Constrained by the family card that has not been completed by the employees.</li> <li>2. Work strike case for 4 workers in Mill (1 person in sortation area, 2 in the boiler section and 1 person in the workshop). This is due to the change of working hours to 09:00 a.m. - 4:00 p.m. but the workers doesn't want a change of work, the previous work time is 07.00 - 14.00 WIB. So that until now the workers status is unclear and striking but still lives in workers housing area.</li> </ol> <p>The Company also facilitated the provision of a vehicle if there are meetings or activities with outside parties. For PPE and wages so far have been provided and paid by the company in accordance with applicable regulations.</p>	<p>Not all workers already have family card and identity card, so for registration insurance it's still problems.</p> <p>This has been discussed with the Bengkalis Regency Manpower Agency.</p>
<p><b>Head of labor union of South Mandau Estate. (Fertilizer Foreman).</b></p> <p>Labor union has been registered in the Department of Manpower since November 11, 2013 by the Head of the Department of Manpower &amp; Transmigration in Bengkalis Regency with number 560 / DTKT-PHIJ / 2013/664. Labor union organization it's for 2018-2023 (5 years). Every workers is freed to become a member of the labor union, including local contractors. The total number of members to date amounts to ± 200. An internal meeting was held in July 2019 regarding training in completing the Industrial relations court in accordance with Law No.2 of 2008. Problems reported to labor union for example:</p> <ol style="list-style-type: none"> <li>1. Housing improvements in Estate Mandau 6, this has been reported but until now the company response will be gradual</li> <li>2. Some PPE is purchased by workers.</li> </ol> <p>Collective labor agreement is still valid for period 2018-2020.</p>	<p>Has been described in 4.7.3; 6.5 and 6.6</p>
<p><b>Head of Gender Committee of PT Adei Plantation &amp; Industry.</b></p> <p>Policies regarding the handling of sexual harassment have been communicated to workers for each plantation unit. Each estate has its own gender committee representative. Based on interviews with the Head of the Gender Committee, there have been cases of verbal abuse, but this has been resolved. Workers already know about</p>	<p>Every problem concerning sexual harassment have been recorded in the book of complaints and the informant identity kept secret by the company.</p>





Stakeholders Issues	Auditor Response
<p>reporting procedures in the event of sexual harassment.</p> <p>Reproductive policies have been submitted to female workers. H1 leave is available for 2 days for leave female workers and H2 leave for 1 ½ days before and after pregnancy.</p>	
<p><b>Head of Workers Cooperative</b></p> <p>Workers Cooperative has had a notarial deed for the formation of a Cooperative and has had a statutes and household since 2014. This cooperative is focus in the sale of clean water and drinking water with cost of IDR 2,500, -; purchase of state electricity company tokens, provision of security clothing (Outsourcing) and management of the canteen and guest house mess.</p> <p>Cooperative members are ± 50 members (Mill &amp; Estate). The annual member meeting has been held in August 2019. The basic contribution is IDR 100,000; mandatory contribution of IDR 20,000.</p>	<p>The company has facilitated the establishment of cooperative employees thus simplifying the daily activities especially for drinking water needs at more affordable prices.</p>
<p><b>PT Parna Jaya Pinggir</b> <b>Workers supplier of Fertilizer applicators in Mandau 4 Estate.</b></p> <p>The collaboration between the company and PT Parna Jaya Pinggir was established for 6 months for fertilizing, transportation and belt press. The company was conducting payments on the 15th of every month. PPE &amp; insurance (labor &amp; health) are registered by the contractor. Payment from the Contractor to worker is carried out in accordance with the results obtained (24 workers).</p>	<p>The company has empowered local contractors. The company already has local contractor monitoring supervision, but there are things that are not appropriate regarding wages to workers. It has been NCR in indicator 4.1.2.</p>
<p><b>PT Abid Pratama Mandiri (PKS)</b> <b>Workers supplier of maintenance workers in Mill Workshop.</b></p> <p>The collaboration between the company and PT Abdi Pratama Mandiri was established for 6 months to provide maintenance workers in the Adei Mill. Payments by the Company are made on time and in accordance with the work agreement. Total workers are 5 people. Payment from the contractor to employee is IDR 22,000 with a maximum of working 10 hours per day. The contractor has registered insurance (Labor &amp; health) to all workers. PPE is provided by contractors in the form of sunglasses, shoes, vest clothes, helmets and safety shoes. But so far, there has been no cooperation agreement between the contractor and the workers.</p>	<p>The company has empowered local contractors. The company already has local contractor monitoring supervision, but there are things that are not appropriate regarding wages to workers. It has been NCR in indicator 4.1.2.</p>
<p><b>Enviroment Agency of Bengkalis Regency</b></p> <ul style="list-style-type: none"> <li>• The company has reported the mandatory report on a regular basis in accordance with the time set</li> <li>• Communication between companies and stakeholders is quite good.</li> </ul>	<p>The company has shown compliance with environmental management &amp; monitoring obligations, as explained in criterion 4.1 to 4.8.</p>

Stakeholders Issues	Auditor Response
<ul style="list-style-type: none"> <li>The company already has a Schedule Waste Storage license in Mandau POM, North Mandau Estate and South Mandau Estate.</li> <li>There is no issue related environment at PT Adei Plantation &amp; Industry (Mandau)</li> </ul>	
<p><b>Plantation Agency of Bengkalis Regency</b></p> <ul style="list-style-type: none"> <li>There is no negative issues regarding the company.</li> <li>Communication between companies and stakeholders is quite good. Communication is carried out both verbally and by sending letters.</li> <li>The Plantation Business Development Report has been reported regularly.</li> <li>There are indigenous / indigenous people in the company's surrounding village, namely the Sakai Tribe.</li> </ul> <p>Fire Facilities was adequate</p>	<p>The company has demonstrated compliance with obligations related to plantation company operating permits and compliance with spatial planning as described in criteria 1.1, 1.2, 1.3, 1.4.</p>
<p><b>Labor Agency of Bengkalis Regency</b></p> <ul style="list-style-type: none"> <li>There are Termination of Employment of 9 Mandau POM employees and are still in the process of completion.</li> <li>The company cooperates with companies providing labor services for security work, and FFB transport.</li> <li>There are trade unions in the company. Trade unions have been registered in the Labor Agency.</li> <li>All reports related to employment have been recorded in the mandatory report on employment.</li> </ul> <p>The company has applied the basic wages of employees in accordance with the Bengkalis Regency Minimum Wage.</p>	<p>The company has been apply criterion for 6.5.</p>
<p><b>Labor Union of North Mandau Estate (SP PPP SPSI)</b></p> <ul style="list-style-type: none"> <li>There are 417 member of SP PPP SPSI</li> <li>There is a compensation related water supply (Rp 300,000) at Mandau 1 Estate</li> <li>Membership fees are Rp 10,000/month</li> <li>The last meeting was held on May 31, 2019 to discuss the calculation of premiums.</li> <li>Wages paid are in accordance with Bengkalis Regency Minimum Wage and have a wage scale</li> <li>The expectation from the union is that there is an additional compensation for water supply of Rp. 260,000 / month, in addition to providing compensation to employees who live outside (water and electricity).</li> </ul> <p>There are no negative issues related to aspects of employment and industrial relations.</p>	<p>The company has demonstrated efforts to fulfill the freedom of association for workers, as explained in criterion 5.4.</p>
<p><b>Tuesday, 20 August 2019</b> <b>Balai Pungut Village</b></p> <ul style="list-style-type: none"> <li>There are job opportunities for the surrounding village community.</li> <li>Notification of company job vacancy.</li> </ul>	<p>The company has good cooperation with the community of Balai Pungut Village. The company has according with Principle 6.</p>

Stakeholders Issues	Auditor Response
<ul style="list-style-type: none"> <li>• There are an employees (from village) work in the Company.</li> <li>• Determination of CSR assistance has also involved village communities to determine community needs. For example the help of Sacrificial Animals, road grader and etc.</li> <li>• So far there have been no environmental pollution issues</li> <li>• So far, land compensation has been carried out by the Company. Community feel that they are not forced to sell land, there has never been a paramilitary use and pricing is determined by both parties.</li> <li>• During this time, there were no disputes and conflicts between the Company and the community.</li> <li>• There was no overlap in the community area that was used as the Company area.</li> <li>• Head of Balai Pungut Village understand related communication mechanism.</li> </ul> <p>So far, the Company and the village community's cooperative relations have been well and harmoniously established.</p>	
<p><b>Tuesday, 20 August 2019</b> <b>Semunai Village</b></p> <ul style="list-style-type: none"> <li>• There are job opportunities for the surrounding village community.</li> <li>• Notification of company job vacancy.</li> <li>• There are an employees (from village) work in the Company.</li> <li>• Determination of CSR assistance has also involved village communities to determine community needs. For example the help of Sacrificial Animals, road grader and etc.</li> <li>• So far there have been no environmental pollution issues</li> <li>• So far, land compensation has been carried out by the Company. Community feel that they are not forced to sell land, there has never been a paramilitary use and pricing is determined by both parties.</li> <li>• During this time, there were no disputes and conflicts between the Company and the community.</li> <li>• There was no overlap in the community area that was used as the Company area.</li> <li>• Head of Semunai Village understand related communication mechanism.</li> </ul> <p>So far, the Company and the village community's cooperative relations have been well and harmoniously established.</p>	<p>The company has good cooperation with the community of Semunai Village. The company has according with Principle 6.</p>
<p><b>Tuesday, 20 August 2019</b> <b>Tengganau Village</b></p> <ul style="list-style-type: none"> <li>• There are job opportunities for the surrounding village community but need more information related that.</li> <li>• There are an employees (from village) work in the Company.</li> <li>• Determination of CSR assistance has also involved village communities to determine community needs. For example the help of Sacrificial Animals.</li> </ul>	<p>The company has good cooperation with the community of Balai Pungut Village. The company has according with Principle 6.</p>

<b>Stakeholders Issues</b>	<b>Auditor Response</b>
<ul style="list-style-type: none"><li>• So far there have been no environmental pollution issues</li><li>• So far, land compensation has been carried out by the Company. Community feel that they are not forced to sell land, there has never been a paramilitary use and pricing is determined by both parties.</li><li>• During this time, there were no disputes and conflicts between the Company and the community.</li><li>• There was no overlap in the community area that was used as the Company area.</li><li>• Head of Tenganau Village understand related communication mechanism but difficult to meet the head company. .</li></ul>	

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="365 730 831 1087" style="text-align: center;"> <p>PT Adei Plantation &amp; Industry – Mandau POM Group Manager</p>  <p><u>Yaskam Yahya</u> Monday, 23 September 2019</p> </div> <div data-bbox="1019 772 1317 1035" style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><u>Trismadi Nurbayuto</u> Monday, 23 September 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.	Plantation Agency of Bengkalis District	District of Bengkalis, Riau Province	Phone	Interview by phone	20 August 2019	√	
2	Labour Agency of Bengkalis District	District of Bengkalis, Riau Province	Phone	Interview by phone	20 August 2019	√	
3	Enviromental Agency of Bengkalis District	District of Bengkalis, Riau Province	Phone	Interview by phone	20 August 2019	√	
4	National Land Agency of Bengkalis District	District of Bengkalis, Riau Province	Phone	Interview by phone	20 August 2019		√
5	Advisory of Labour Union ( <i>Serikat Buruh Riau Independen</i> ).	Kemang Village, Sub District of Pangkalan Kuras, District of Bengkalis, Riau, Indonesia.		Direct Interview	21 August 2019	√	
6	Head of labor union of South Mandau Estate.	Kemang Village, Sub District of Pangkalan Kuras, District of Bengkalis, Riau, Indonesia.		Direct Interview	21 August 2019	√	
7	Head of Gender Committee of PT Adei Plantation & Industry.	Kemang Village, Sub District of Pangkalan Kuras, District of Bengkalis, Riau, Indonesia.		Direct Interview	21 August 2019	√	
8	Head of Workers Cooperative	Kemang Village, Sub District of Pangkalan Kuras, District of Bengkalis, Riau, Indonesia.		Direct Interview	21 August 2019	√	
9	PT Parna Jaya Pinggir Workers supplier of Fertilizer applicators in Mandau 4 Estate	Kemang Village, Sub District of Pangkalan Kuras, District of Bengkalis, Riau, Indonesia.		Direct Interview	21 August 2019	√	
10	PT Abid Pratama Mandiri (PKS) Workers supplier of maintenance workers in Mill Workshop.	Kemang Village, Sub District of Pangkalan Kuras, District of Bengkalis, Riau, Indonesia.		Direct Interview	21 August 2019	√	
11	AMAN	Indonesia		Questionnaire	13 August 2019		√
12	IARI	Indonesia		Questionnaire	13 August 2019		√
13	WALHI	Indonesia		Questionnaire	13 August 2019		√
14	Sawit Watch	Indonesia		Questionnaire	13 August 2019		√
15	KM-1 Spraying : 2 Female and 1 Male Manuring : 3 Male and 2 Female Harvesting : 2 Male	Kemang Village, Sub District of Pangkalan Kuras, District of Bengkalis, Riau, Indonesia.		Direct Interview	20 August 2019	√	
16	KM-2 Circle and Path Spraying : 5 Female Manuring :	Kemang Village, Sub District of Pangkalan Kuras, District of Bengkalis, Riau, Indonesia.		Direct Interview	21 August 2019	√	



	3 Female Selective Weeding 2 Male and 4 female						
17	Mandau POM Sortation And Grading : 3 male EFB Process 4 Male Boiler 1 Male	Kemang Village, Sub District of Pangkalan Kuras, District of Bengkalis, Riau, Indonesia.		Direct Interview	21 August 2019	√	
18	KM-4 IPM : 2 Male Circle and Path Spraying 3 Female Manuring 5 male	Kemang Village, Sub District of Pangkalan Kuras, District of Bengkalis, Riau, Indonesia.		Direct Interview	22 August 2019	√	

**Appendix 2. Assesment Program**

DATE		19-23 August 2019	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 19 August 2019</b>			
08.00 – 10.20	08.00 – 10.20	<b>JAKARTA → Pekanbaru (GA 172)</b>	<b>All team</b>
10.20 – 14.00	10.20 – 14.00	<b>Pekanbaru → PT. Adei Plantation &amp; Industry Mandau Complex</b>	
15.00 – 17.00	15.00 – 17.00	<b>Opening meeting</b> <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification).</li> <li>Document review (Verification of Basic Information Mill and Estate, Review of previous (ASA-1.1) findings, Confirmation of Time Bound Plan and Review of Partial Certification).</li> </ul>	<b>All team</b>
<b>Tuesday, 20 August 2019</b>			
08.00 – 12.00	08.00 – 12.00	<b>Mandau 1 Estate</b> <ul style="list-style-type: none"> <li>Activities of Harvesting &amp; Transportation, Fertilize, Pesticides Application, Biological Control Monitoring, Worker Welfare</li> <li>Waste management, Fire Control Facilities (simulation), Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, workshop, Housing, School, Worship Place, Clinic, generator room, Reservoir</li> <li>Land Use, Legal Boundaries, HCV/ conservation area</li> <li><b>Public consultation to related government institution (by phone)</b></li> <li>Public consultation to surrounded villages, previous land owners and local contractor (sample will be defined on site)</li> </ul>	<b>HRK</b>  <b>BPA/LNI</b>  <b>TNB</b>  <b>SAP</b>  <b>SAP</b>
12.00 – 14.00	12.00 – 14.00	<b>Break</b>	
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> <li>Document review (Verification of Basic Information Mill and Estate, Review of previous (ASA-1.1) findings, Confirmation of Time Bound Plan and Review of Partial Certification).</li> </ul>	<b>ALL Team</b>
<b>Wednesday, 21 August 2019</b>			
08.00 – 12.00	08.00 – 12.00	<b>Mandau 2 Estate</b> <ul style="list-style-type: none"> <li>Activities of Harvesting &amp; Transportation, Fertilize, Pesticides Application, Biological Control Monitoring, Worker Welfare.</li> <li>Waste management, Fire Control Facilities (simulation), Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, workshop, Housing, School, Worship Place, Clinic, generator room, Reservoir.</li> <li>Land Use, Legal Boundaries, HCV/ conservation area.</li> <li>Public Consultations with internal stakeholders (worker union, gender committee, <i>Koperasi Karyawan</i>)</li> </ul>	<b>HRK/LNI</b>  <b>SAP</b>   <b>TNB</b>  <b>BRP</b>
12.00 – 14.00	12.00 – 14.00	<b>Break</b>	

DATE		19-23 August 2019	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
14.00 – 17.00	14.00 – 17.00	<b>Field observation to MANDAU POM :</b> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge, Despatch CPO &amp; PK).</li> <li>FFB sorting, FFB processing, workers and OHS aspect.</li> <li>Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Workshop, Water Treatment Plan, Fire Control Simulation.</li> <li>POME Pond, empty bunch area, land application.</li> </ul>	TNB  HRK/LNI SAP  BPA
<b>Thursday, 22 August 2019</b>			
08.00 – 11.00	08.00 – 11.00	<b>Mandau 4 Estate</b> <ul style="list-style-type: none"> <li>Activities of Harvesting &amp; Transportation, Fertilize, Pesticides Application, Biological Control Monitoring, Worker Welfare</li> <li>Waste management, Fire Control Facilities (simulation), Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, workshop, Housing, School, Worship Place, Clinic, generator room, Reservoir</li> <li>Land Use, Legal Boundaries, HCV/ conservation area</li> </ul>	HRK  BPA/SAP  TNB/LNI
12.00 – 14.00	12.00 – 14.00	<b>Break</b>	<b>All Team</b>
14.00 – 17.00	14.00 – 17.00	<ul style="list-style-type: none"> <li>Verification of stakeholder consultation result and field visit.</li> <li>Document review and completing audit checklist.</li> </ul>	<b>All Team</b>
<b>Friday, 23 August 2019</b>			
08.00 – 10.00	08.00 – 10.00	<b>Closing Meeting:</b> <ul style="list-style-type: none"> <li>Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Timelie of CAR's, Conclusion)/</li> <li>Comments, Responses and Questions</li> </ul>	<b>All Team</b>
10.00 – 14.00	10.00 – 14.00	<b>Kebun Mandau – Pekanbaru</b>	
16.35 – 18.25	16.35 – 18.25	<b>Pekanbaru – Jakarta (GA 179)</b>	